CALIFORNIA VICTIM COMPENSATION BOARD

Final Audit Report

PROPOSITION 47 SAFE NEIGHBORHOODS AND SCHOOLS FUND GRANTS PROGRAM

July 1, 2023, through June 30, 2025

MALIA M. COHEN

CALIFORNIA STATE CONTROLLER

June 2026

S26-P47-0001

STATE CONTROLLER'S OFFICE | DIVISION OF AUDITS

Post Office Box 942850 | Sacramento, CA 94250

Sacramento Office: 3301 C Street, Suite 700 | Sacramento, CA 95816 | 916-324-8907

Monterey Park Office: 901 Corporate Center Drive, Suite 200 | Monterey Park, CA 91754 | 323-981-6802

www.sco.ca.gov

MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

June 30, 2026

Ms. Lynda Gledhill, Executive Officer
California Victim Compensation Board
400 R Street
Sacramento, CA 95811

Dear Ms. Gledhill:

The State Controller's Office conducted a performance audit of the California Victim Compensation Board's Proposition 47 Safe Neighborhoods and Schools Fund Grants Program for the period of July 1, 2023, through June 30, 2025.

If you have any questions regarding this report, please contact Roochel Espilla, Chief, State Agency Audits Bureau, by telephone at 916-323-5744. Thank you.

Sincerely,

Original signed by
Kimberly A. Tarvin, CPA
Chief, Division of Audits

Copy: Nick Maduros, Chair
California Victim Compensation Board
Natalie Mack, Chief Deputy Executive Officer
California Victim Compensation Board
Katie Cardenas, Deputy Executive Officer of External Affairs and Compliance
California Victim Compensation Board
Shawn Ramirez, Deputy Executive Officer of Administrative Division
California Victim Compensation Board
Ava Jordan, Grants Program Manager, External Affairs and Compliance
California Victim Compensation Board

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SUMMARY

The State Controller's Office (SCO) conducted a performance audit of the California Victim Compensation Board's (CalVCB) Proposition 47 Safe Neighborhoods and Schools Fund Grants Program (Proposition 47 Grants Program) for the period of July 1, 2023, through June 30, 2025. The purpose of the audit, as required by Government Code (GC) section 7599.2(c), was to determine whether Proposition 47 grant funds were disbursed and expended in accordance with program guidelines and grant requirements, and with applicable laws and regulations.

Our audit determined that during the audit period, CalVCB awarded 24 grants, totaling $22,157,400, of which $13,298,177 was disbursed to 24 awardees. We also determined that the $996,322 ($540,024 in fiscal year [FY] 2023-24 and $456,298 in FY 2024-2025) in administrative costs that CalVCB charged to the Proposition 47 Grants Program was within the five percent threshold specified in GC section 7599.2(b).

Our audit found that CalVCB disbursed and expended Proposition 47 grant funds in accordance with program guidelines and grant requirements, and with applicable laws and regulations.

BACKGROUND

Proposition 47 – Safe Neighborhoods and Schools Fund

On November 4, 2014, California voters approved Proposition 47, which reduces penalties for certain offenders convicted of nonserious and nonviolent property and drug crimes. It also allows some offenders to apply for reduced sentences. Proposition 47 established the Safe Neighborhoods and Schools Fund, which is funded by savings that accrue to the State from implementation of the measure. This mandate is expected to save significant state corrections dollars annually.

Savings resulting from Proposition 47 are transferred from the General Fund to the Safe Neighborhoods and Schools Fund to be used in support of truancy reduction and drop-out prevention programs for public school pupils in kindergarten through grade 12, increase victim services grants, and support substance abuse and mental health treatment and diversion programs for people in the criminal justice system.

California Victim Compensation Board

CalVCB assists victims of violent crimes, and seeks to lessen the effect of crime by reimbursing crime-related expenses and by empowering and informing victims. CalVCB administers programs for victims of violent crimes, people erroneously convicted of felonies, strangers who help crime victims, and people who provide information that leads to the location and recovery of missing children.

CalVCB is one of the three state agencies responsible for administering the Proposition 47 Grants Program. GC section 7599.2(a)(2) requires CalVCB to receive 10 percent of the money in the Safe Neighborhoods and Schools Fund. CalVCB's Proposition 47 grants to trauma recovery centers provide services to victims of crime pursuant to GC section 13963.1.

AUDIT AUTHORITY

We conducted this audit in accordance with GC section 7599.2(c), which requires the SCO, every two years, to conduct an audit of the Proposition 47 Grants Program operated by CalVCB to ensure that "the funds are disbursed and expended solely according to this chapter" and to report its findings to the Legislature. In addition, GC section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our audit objective was to determine whether CalVCB disbursed and expended Proposition 47 grant funds in accordance with program guidelines and grant requirements, and with applicable laws and regulations. The audit period was July 1, 2023, through June 30, 2025.

To achieve our objective, we performed the following procedures:

- We identified the Proposition 47 Grants Program background, criteria, purpose, and requirements by reviewing the FY 2023-24 and FY 2024-25 Governor's Budgets, GC sections 7599 through 7599.2, and the California Department of Finance fund classification and basis for the Safe Neighborhoods and Schools Fund.

- We interviewed CalVCB key personnel; completed internal control questionnaires; obtained documents and records; reviewed policies and procedures, guidelines, grant agreements, and grant processes; and traced transactions and activities through the system in order to gain an understanding of CalVCB's internal controls related to the Proposition 47 Grants Program; and we identified internal controls significant to our audit objective.

  Our consideration of internal control was for the limited purpose described in the previous paragraph and determining the auditing procedures that were appropriate under the circumstances for the purpose of providing a conclusion based on our audit objective.

- We assessed the design, implementation, and operating effectiveness of controls over CalVCB's processes for grant awards, grant monitoring, fiscal oversight, and administrative costs.

- We verified that CalVCB awarded 24 grants totaling $22,157,400 during the audit period; $13,298,177 was disbursed to 24 awardees as of June 30, 2025.
- We selected a judgmental (non-statistical) sample of three out of 24 grants awarded, totaling $3,654,534, to determine whether:
  - Sampled grants were approved by CalVCB;
  - CalVCB administered a fair and open grant award process;
  - Grant agreements specified standard contract language established by the California Department of General Services, such as scope of work, budgets, terms and conditions, and services to be provided;
  - Grant agreements were in compliance with program requirements, CalVCB's policies and procedures, guidelines, and established criteria; and
  - CalVCB implemented adequate fiscal monitoring and oversight over the grantees' Proposition 47 grant expenditures.
- We verified that CalVCB expended a total of $13,298,177 ($4,513,882 in FY 2023-24 and $8,784,295 in FY 2024-25) and performed audit tests to determine whether CalVCB's internal controls for Proposition 47 grant expenditures and disbursements were adequate and being followed by program staff.
- We verified that CalVCB charged $996,322 in administrative costs to the Proposition 47 Grants Program during the audit period.
- We selected a sample of transactions using judgmental (non-statistical) sampling and:
  - Traced the transactions to supporting documentation, and performed analytical procedures and budgetary analyses; and

- Tested compliance with applicable laws, regulations, policies and procedures, and program requirements.

  Our audit procedures included interviewing appropriate personnel and inspecting documents, records, and grant agreements.

  We chose judgmental sampling because it allows us to achieve our objectives for tests of compliance in an efficient and effective manner, and because we do not intend to project the results to the intended (total) population.

- We verified the accuracy of the Proposition 47 Grants Program financial information reported by CalVCB such as:
  - Agency fund reconciliation reports submitted to SCO;
  - Proposition 47 Grants Program disbursement and activity reports;
  - General ledger activity reports, detail ledger reports, and trial balance reports; and
  - Budget detail expense reports.
- We assessed the reliability of computer-processed data for CalVCB's Proposition 47 Grants Program by interviewing CalVCB officials knowledgeable about the data; reviewing existing information about the data and the system that produced it and tracing data to source documents, based on judgmental sampling. We determined that the data was sufficiently reliable for the purposes of this report.

Our audit of CalVCB's Proposition 47 Grants Program was limited to ensuring that funds were disbursed and expended solely according to statutory requirements, pursuant to GC section 7599.2(c). We limited our audit scope to planning and performing audit procedures necessary to achieve our audit objective. We did not examine the information-system controls or the economy, efficiency, or effectiveness of the Proposition 47 Grants Program.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

CONCLUSION

Our audit determined that CalVCB disbursed and expended Proposition 47 grant funds in accordance with program guidelines and grant requirements, and with applicable laws and regulations. See Schedules 1 and 2.

FOLLOW-UP ON PRIOR AUDIT FINDINGS

CalVCB has satisfactorily resolved the findings noted in our prior audit report for the period of July 1, 2016, through June 30, 2017, issued on May 23, 2019. The implementation status of corrective actions is described in the appendix.

VIEWS OF RESPONSIBLE OFFICIALS

We discussed our audit results with CalVCB's representatives during an exit conference. At the exit conference, CalVCB's representatives agreed with the audit results.

RESTRICTED USE

This report is solely for the information and use of CalVCB and the SCO; it is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

Kimberly A. Tarvin, CPA

Chief, Division of Audits

June 30, 2026

SCHEDULE 1—SUMMARY OF GRANT AWARDS, AMOUNTS DISBURSED, AND AMOUNTS EXPENDED

July 1, 2023, through June 30, 2025

The following table summarizes the grant awards and the amounts disbursed and expended during the audit period (monetary amounts are rounded to the nearest whole dollar):

Fiscal Year	Amount Awarded	Amount Disbursed	Amount Expended	Amount Allowable
2023-24	$13,190,350	$4,513,882	$4,513,882	$4,513,882
2024-25	8,967,050	8,784,295	8,784,295	8,784,295
Total	**$22,157,400**	**$13,298,177**	**$13,298,177**	**$13,298,177**

SCHEDULE 2—ADMINISTRATIVE COSTS BY FISCAL YEAR

July 1, 2023, through June 30, 2024

Program Cost Element	Amount Expended	Amount Allowable
Direct costs:		
Salaries and wages	$278,381	$278,381
Fringe benefits	196,213	196,213
Departmental services	47,572	47,572
Rent	17,858	17,858
Total administrative costs	**$540,024**	**$540,024**

July 1, 2024, through June 30, 2025

Program Cost Element	Amount Expended	Amount Allowable
Direct costs:		
Salaries and wages	$242,597	$242,597
Fringe benefits	155,488	155,488
Departmental services	39,824	39,824
Rent	18,389	18,389
Total administrative costs	**$456,298**	**$456,298**

APPENDIX—SUMMARY OF PRIOR AUDIT FINDINGS

The following table shows the implementation status of California Victim Compensation Board's corrective actions related to the findings contained in our audit report dated May 23, 2019.

Prior Review Finding	Status
Finding 1— Unallowable costs	Implemented
Finding 2— Paid expenditures were not adequately supported by sufficient financial and/or accounting documentation	Implemented
Finding 3— Lack of adequate accounting policy and procedures that ensure that invoices are properly reviewed and approved	Implemented.