

# **SAN JUAN UNIFIED SCHOOL DISTRICT**

Audit Report

## **CALIFORNIA ASSESSMENT OF STUDENT PERFORMANCE AND PROGRESS PROGRAM**

Chapter 489, Statutes of 2013; and  
Chapter 32, Statutes of 2014

*July 1, 2013, through June 30, 2016*



**BETTY T. YEE**  
California State Controller

February 2020



**BETTY T. YEE**  
California State Controller

February 28, 2020

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Kent Kern, Superintendent  
San Juan Unified School District  
3738 Walnut Avenue  
Carmichael, CA 95608

Dear Mr. Kern:

The State Controller's Office (SCO) audited the costs claimed by San Juan Unified School District for the legislatively mandated California Assessment of Student Performance and Progress Program for the period of July 1, 2013, through June 30, 2016.

The district claimed \$2,161,706 for costs of the mandated program. Our audit found that none of the claimed costs are allowable, primarily because the district claimed reimbursement for unsupported and ineligible costs, and underreported offsetting revenues for the audit period. The State made no payments to the district.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the district of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

If you have any questions, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

*Original signed by*

JIM L. SPANO, CPA  
Chief, Division of Audits

JLS/hf

Attachment

cc: Paula Villescaz, President, Board of Education  
San Juan Unified School District  
Fil Duldulao, Director of Fiscal Services  
San Juan Unified School District  
Kent Stephens, Deputy Superintendent  
San Juan Unified School District  
Tamara Sanchez, Assistant Superintendent  
Business Services  
Sacramento County Office of Education  
Caryn Moore, Director  
School Fiscal Services Division  
California Department of Education  
Amy Tang-Paterno, Education Fiscal Services Consultant  
Government Affairs Division  
California Department of Education  
Jeff Bell, Program Budget Manager  
Education Systems Unit  
California Department of Finance  
Edward Hanson, Principal Program Budget Analyst  
Education Systems Unit  
California Department of Finance  
Debra Morton, Manager  
Local Government Programs and Services Division  
State Controller's Office

# Contents

## **Audit Report**

<b>Summary .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
<b>Objective, Scope, and Methodology .....</b>	<b>3</b>
<b>Conclusion .....</b>	<b>4</b>
<b>Follow-up on Prior Audit Findings.....</b>	<b>4</b>
<b>Views of Responsible Officials.....</b>	<b>4</b>
<b>Restricted Use .....</b>	<b>4</b>
<b>Schedule—Summary of Program Costs .....</b>	<b>5</b>
<b>Findings and Recommendations.....</b>	<b>7</b>
<b>Attachment—District’s Response to Draft Audit Report</b>	

# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by San Juan Unified School District for the legislatively mandated California Assessment of Student Performance and Progress (CAASPP) Program for the period of July 1, 2013, through June 30, 2016.

The district claimed \$2,161,706 for costs of the mandated program. Our audit found that none of the claimed costs are allowable, primarily because the district claimed reimbursement for unsupported and ineligible costs, and underreported offsetting revenues for the audit period. The State made no payments to the district.

## Background

Education Code Section 60640, as amended by the Statutes of 2013, Chapter 489 (Assembly Bill 484) and the Statutes of 2014, Chapter 32 (Senate Bill 858); and Title 5, California Code of Regulations, sections 850, 852, 853, 853.5, 857, 861(b)(5), and 864, as added or amended by Register 2014, Nos. 6, 30, and 35, established the CAASPP Program and replaced the Standardized Testing and Reporting Program, effective January 1, 2014. The CAASPP Program requires school districts to transition from paper and pencil multiple-choice tests to computer-based tests.

On January 22, 2016, the Commission on State Mandates (Commission) adopted a decision finding that the test claim statutes and regulations impose a reimbursable state-mandated program upon school districts within the meaning of Article XIII B, Section 6 of the California Constitution and Government Code (GC) section 17514.

The Commission adopted the parameters and guidelines on March 25, 2016. The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with GC section 17558, the SCO issues claiming instructions to assist school districts in claiming mandated program reimbursable costs.

The Commission approved reimbursable activities as follows:

Beginning January 1, 2014, provide "a computing device, the use of an assessment technology platform, and the adaptive engine" to administer the CAASPP assessments to all pupils via computer, which includes the acquisition of and ongoing compliance with minimum technology requirements.

Beginning February 3, 2014, the local educational agency (LEA) CAASPP coordinator shall be responsible for assessment technology, and shall ensure current and ongoing compliance with minimum technology specifications as identified by the CAASPP contractor(s) or consortium.

Beginning February 3, 2014, notify parents or guardians each year of their pupil's participation in the CAASPP assessment system, including notification that notwithstanding any other provision of law, a parent's or guardian's written request to excuse his or her child from any of all parts of the CAASPP assessments shall be granted.

Beginning February 3, 2014, score and transmit the CAASPP tests in accordance with manuals or other instructions provide by the contractor or the California Department of Education (CDE).

Beginning February 3, 2014, identify pupils unable to access the computer-based version of the CAASPP tests; and report to the CAASPP contractor the number of pupils unable to access the computer-based version of the test.

Beginning February 3, 2014, report to CDE if a pupil in grade 2 was administered a diagnostic assessment in language arts and mathematics that is aligned to the common core academic content standards pursuant to Education Code section 60644.

Beginning February 3, 2014, comply with any and all requests from CAASPP contractors, and abide by any and all instructions provided by the CAASPP contractor or consortium, whether written or oral, that are provided for training or provided for in the administration of a CAASPP test.

Beginning August 27, 2014, the CAASPP test site coordinator shall be responsible for ensuring that all designated supports, accommodations and individualized aids are entered into the registration system.

The Commission also found that the following state and federal funds must be identified and deducted as offsetting revenues from any school district's reimbursement claim:

Statutes 2013, Chapter 48, (\$1.25 billion in Common Core implementation funding), *if* used by a school district on any of the reimbursable CAASPP activities to support the administration of computer-based assessments.

Funding apportioned by [the State Board of Education (SBE)] from Statutes 2014, Chapter 25, Line Item 6110-113-0001, schedule (8), for fiscal year 2013-2014 CAASPP costs.

Funding apportioned by SBE from Statutes 2015, Chapter 10, Line Item 6110-113-0001, schedule (7) for fiscal year 2014-2015 CAASPP costs.

Statutes 2014, Chapter 25 (Line Item 6110-488) and Chapter 32 (appropriation for outstanding mandate claims) *if* used by a school district on any of the reimbursable CAASPP activities.

Statutes 2014, Chapter 25, Line Item 6110-182-0001, Provision 2 (appropriation "to support network connectivity infrastructure grants [?"]) *if* used by a school district on any of the reimbursable CAASPP activities.

Any other offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other applicable state funds, shall be identified and deducted from any claim submitted for reimbursement.

## **Objective, Scope, and Methodology**

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated CAASPP Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

The audit period was July 1, 2013, through June 30, 2016.

To achieve our objective, we:

- Reviewed the annual mandated cost claims filed by the district for the audit period and identified the significant cost components of each claim as fixed assets. We determined whether there were any errors or any unusual or unexpected variances from year to year. We also reviewed the claimed activities to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines;
- Completed an internal control questionnaire by interviewing key district staff members, and discussed the claim preparation process with district staff members to determine what information was obtained, who obtained it, and how it was used;
- Reviewed supporting time documentation for the entire audit period. The district provided contemporaneous time documents to support claimed costs; however, those costs were unallowable because the district already had enough computing devices and appropriate networking infrastructure to perform the mandated activities within the testing window (see Finding 1 for more information);
- Reviewed lists of existing computing devices as of December 31, 2013. We used the Smarter Balanced Technology Readiness Calculator to determine the number of computing devices and network bandwidth that the district needed to administer the CAASPP tests to all eligible pupils within the testing window provided by CDE. We set the number of available hours for the testing computers each day at two hours (see Finding 1 for more information);
- Reviewed the district's expenditure reports and accounting records for fixed assets costs claimed during the audit period. We noted that a portion of the claimed costs was funded by a combination of revenues from federal and CDE funds (see Finding 2 for more information); and
- Compared all claimed indirect cost rates to the rates approved by the CDE. We noted no errors; therefore, we accepted the rates as claimed.

GC sections 12410, 17558.5, and 17561 provide the legal authority to conduct this audit. 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 obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We limited our review of the district's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the district's financial statements.

## **Conclusion**

As a result of performing the audit procedures, we found that the district did not comply with the requirements described in our audit objective. We found that the district claimed unsupported and ineligible costs, and costs that were funded by other sources, as quantified in the Schedule and described in the Findings and Recommendations section of this audit report.

For the audit period, San Juan Unified School District claimed \$2,161,706 for costs of the legislatively mandated CAASPP Program. Our audit found that none of the claimed costs are allowable. The State made no payments to the district.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the district of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

## **Follow-up on Prior Audit Findings**

We have not previously conducted an audit of the district's legislatively mandated CAASPP Program.

## **Views of Responsible Officials**

We issued a draft report on January 24, 2020. Kent Kern, Superintendent, responded by email on January 29, 2020, with an attached response dated January 24, 2020 (Attachment), stating that the district "does not contest the auditor's findings" but does not agree with the basis of the findings. This final audit report includes the district's response.

## **Restricted Use**

This audit report is solely for the information and use of San Juan Unified School District, the Sacramento County Office of Education, the California Department of Education, the California Department of Finance, 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 audit report, which is a matter of public record and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

JIM L. SPANO, CPA  
Chief, Division of Audits

February 28, 2020



**Schedule—**  
**Summary of Program Costs**  
**July 1, 2013, through June 30, 2016**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2013, through June 30, 2014</u>				
Direct costs:				
Fixed assets				
Computers, browsers, or peripherals	\$ 692,480	\$ -	\$ (692,480)	Finding 1
Total fixed assets	692,480	-	(692,480)	
Total direct costs	692,480	-	(692,480)	
Indirect costs	28,184	-	(28,184)	Finding 1
Total direct and indirect costs	720,664	-	(720,664)	
Less offsetting revenues and reimbursements	(84,408)	(104,347)	(19,939)	Finding 2
Adjustment to eliminate negative balance	-	104,347	104,347	
Total program costs	<u>\$ 636,256</u>	-	<u>\$ (636,256)</u>	
Less amount paid by the State <sup>2</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2014, through June 30, 2015</u>				
Direct costs:				
Fixed assets				
Computers, browsers, or peripherals	\$ 787,537	\$ -	\$ (787,537)	Finding 1
Total fixed assets	787,537	-	(787,537)	
Total direct costs	787,537	-	(787,537)	
Indirect costs	32,289	-	(32,289)	Finding 1
Total direct and indirect costs	819,826	-	(819,826)	
Less offsetting revenues and reimbursements	(84,251)	(84,251)	-	Finding 2
Adjustment to eliminate negative balance	-	84,251	84,251	
Total program costs	<u>\$ 735,575</u>	-	<u>\$ (735,575)</u>	
Less amount paid by the State <sup>2</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2015, through June 30, 2016</u>				
Direct costs:				
Fixed assets				
Computers, browsers, or peripherals	\$ 855,797	\$ -	\$ (855,797)	Finding 1
Total fixed assets	855,797	-	(855,797)	
Total direct costs	855,797	-	(855,797)	
Indirect costs	37,313	-	(37,313)	Finding 1
Total direct and indirect costs	893,110	-	(893,110)	
Less offsetting revenues and reimbursements	(103,235)	(103,340)	(105)	Finding 2
Adjustment to eliminate negative balance	-	103,340	103,340	
Total program costs	<u>\$ 789,875</u>	-	<u>\$ (789,875)</u>	
Less amount paid by the State <sup>2</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>Summary: July 1, 2013, through June 30, 2016</u>				
Fixed assets				
Computers, browsers, or peripherals	\$ 2,335,814	\$ -	\$ (2,335,814)	Finding 1
Total fixed assets	<u>2,335,814</u>	<u>-</u>	<u>(2,335,814)</u>	
Total direct costs	2,335,814	-	(2,335,814)	
Indirect costs	<u>97,786</u>	<u>-</u>	<u>(97,786)</u>	Finding 1
Total direct and indirect costs	2,433,600	-	(2,433,600)	
Less offsetting revenues and reimbursements	(271,894)	(291,938)	(20,044)	Finding 2
Adjustment to eliminate negative balance	<u>-</u>	<u>291,938</u>	<u>291,938</u>	
Total program costs	<u>\$ 2,161,706</u>	<u>-</u>	<u>\$ (2,161,706)</u>	
Less amount paid by the State <sup>2</sup>		<u>-</u>		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

<sup>1</sup> See the Findings and Recommendations section.

<sup>2</sup> Payment amount current as of February 6, 2020.

# Findings and Recommendations

## FINDING 1— Unallowable fixed assets

The district claimed \$2,335,814 in fixed assets for the audit period. We found that the entire amount is unallowable. The costs are unallowable because they did not meet the reimbursement requirements outlined in the program's parameters and guidelines. The program's claiming instructions also prevent school districts from claiming indirect costs related to fixed assets.

A requirement for reimbursement is that the district's existing inventory of computing devices and accessories be insufficient to administer the CAASPP tests to all eligible pupils within the testing window, based on the minimum technical specifications identified by the contractor(s) or consortium. For the audit period, the district had a sufficient existing inventory of computing devices and accessories. The district was not aware of the reimbursement requirements outlined in the program's parameters and guidelines. Unallowable related indirect costs total \$97,786, for a total finding of \$2,433,600.

The district claimed fixed asset costs for the following reimbursable activity:

Providing a sufficient number of desktop or laptop computers, iPads, or other tablet computers for which Smarter Balanced provided secure browser support in the academic year, along with a keyboard, headphones, and a pointing device for each student to administer the CAASPP.

The claimed costs represent the acquisition of computing devices and accessories.

The following table summarizes the audit adjustment related to fixed assets by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment	Claimed Indirect Cost Rate	Indirect Cost Adjustment	Total Adjustment
2013-14	\$ 692,480	\$ -	\$ (692,480)	4.07%	\$ (28,184)	\$ (720,664)
2014-15	787,537	-	(787,537)	4.10%	(32,289)	(819,826)
2015-16	855,797	-	(855,797)	4.36%	(37,313)	(893,110)
	<u>\$ 2,335,814</u>	<u>\$ -</u>	<u>\$ (2,335,814)</u>		<u>\$ (97,786)</u>	<u>\$ (2,433,600)</u>

The following table summarizes the audit adjustment related to fixed assets by reimbursable activity:

Reimbursable Activity	Fixed Assets		
	Amount Claimed	Amount Allowable	Audit Adjustment
Computers, browsers, or peripherals	\$ 2,335,814	\$ -	\$ (2,335,814)
	<u>\$ 2,335,814</u>	<u>\$ -</u>	<u>\$ (2,335,814)</u>

The district claimed \$2,335,814 in fixed assets related to computers, browsers, and peripherals. We found that the entire amount is unallowable. Of that amount, the district claimed \$91,742 for charging carts and wall cabinet that are not reimbursable. The district also claimed \$10,393 in unsupported costs. An additional \$2,233,679 of claimed costs is unallowable because the district did not meet the existing inventory requirement outlined in the program’s parameters and guidelines.

**Existing inventory of computing devices**

The district provided a list of computing devices that was the basis of the existing inventory of computing devices as of December 31, 2013. For each fiscal year, we accounted for the computing devices that did not meet the minimum technical specifications, devices that were disposed of, and new purchases to determine the number of computing devices available to students for CAASPP assessments.

The following table shows the number of existing computing devices that were available at the beginning of each fiscal year:

	(A)	(B)	(C)	(D) = (A)+(B)+(C)	(E)	(F)	(G) = (D)+(E)+(F)
Fiscal Year	Beginning Inventory	Devices Not Meeting Minimum Specifications	Devices Disposed Before Testing	Devices Available for Testing	Devices Disposed After Testing	New Purchases	Ending Inventory
2013-14	4,707	(787)	-	3,920	-	2,179	6,099
2014-15	6,099	(864)	-	5,235	-	2,393	7,628
2015-16	7,628	-	-	7,628	-	2,786	10,414
		<u>(1,651)</u>	<u>-</u>		<u>-</u>	<u>7,358</u>	

The district informed us that that the district’s broadband internet speed was 10 Gbps from FY 2013-14 to present.

**Determining the sufficiency of existing computing devices**

CDE provides a tool called the Smarter Balanced Technology Readiness Calculator to assist districts in preparing technology resources for computer-based assessments. This web-based calculator determines the number of days, and associated network bandwidth, required to administer English Language Arts and Mathematics assessments given the existing number of students, the current number of computers available for testing, and the number of hours per day those computers are available for testing.

We developed our calculation based on the Smarter Balanced Technology Readiness Calculator’s formula to determine the number of computing devices that the district needed to administer the CAASPP tests to all eligible pupils within the testing window provided by CDE. We set the number of available hours for the testing computers each day at two hours (The district did not provide the actual number of available hours the testing computers were available each day; therefore, we selected the lowest time increment available on Smarter Balanced Technology Readiness Calculator).

The following table shows the number of computing devices that the district needed to complete the assessments within the testing window:

Results based on computing devices the district needed

Fiscal Year	Students Tested	Devices Needed for Testing	Computer Hours Per Day	Days in Testing Window
2013-14	19,858	1,727	2	46
2014-15	23,306	1,554	2	60
2015-16	23,450	1,564	2	60

The following table shows the required number of days and network bandwidth that the district needed to complete the assessments using its existing inventory of computing devices:

Results based on computing devices the district had

Fiscal Year	Students Tested	Devices Available for Testing	Computer Hours Per Day	Days to Complete Testing
2013-14	19,858	3,920	2	20.26
2014-15	23,306	5,235	2	17.81
2015-16	23,450	7,628	2	12.30

For FY 2013-14, the district had 3,920 existing computing devices that met the minimum technology specifications for CAASPP assessments. Our calculation determined that the district could complete the assessments for 19,858 students in 20.26 days. However, CDE provided a 46-day testing window in which to complete the assessments; therefore, the district needed only 1,727 computing devices to complete the assessments.

For FY 2014-15, the district had 5,235 existing computing devices that met the minimum technology specifications for CAASPP assessments. Our calculation determined that the district could complete the assessments for 23,306 students in 17.81 days. However, CDE provided a 60-day testing window in which to complete the assessments; therefore, the district needed only 1,554 computing devices to complete the assessments.

For FY 2015-16, the district had 7,628 existing computing devices that met the minimum technology specifications for CAASPP assessments. Our calculation determined that the district could complete the assessments for 23,450 students in 12.30 days. However, CDE provided a 60-day testing window in which to complete the assessments; therefore, the district needed only 1,564 computing devices to complete the assessments.

Section IV.A of the parameters and guidelines (Reimbursable Activities) states:

- A. Beginning January 1, 2014, provide “a computing device, the use of an assessment technology platform, and the adaptive engine” to administer the CAASPP assessments to all pupils via computer, which includes the acquisition of and ongoing compliance with minimum technology

specifications, as identified by the CAASPP contractor(s) or consortium. Reimbursement for this activity includes the following:

1. A sufficient number of desktop or laptop computers, iPads, or other tablet computers for which Smarter Balanced provides secure browser support in the academic year, along with a keyboard, headphones, and a pointing device for each, to administer the CASPP to all eligible pupils within the testing window provided by CDE regulations.
2. Broadband internet service providing at least 20 Kbps per pupil to be tested simultaneously, costs for acquisition and installation of wireless or wired network equipment, and hiring consultants or engineers to assist a district in completing and troubleshooting the installation.

**Claimants shall maintain supporting documentation showing how their existing inventory of computing devices and accessories, technology infrastructure, and broadband internet service is not sufficient to administer the CAASPP test to all eligible pupils in the testing window, based on the minimum technical specifications identified by the contractor(s) or consortium.**

#### Recommendation

As of FY 2017-18, the CAASPP Program is funded through a mandate block grant. The district has elected to receive mandate block grant funding pursuant to GC section 17581.6, in lieu of filing annual mandated cost claims. If the district chooses to opt out of receiving mandate block grant funding, we recommend that the district:

- Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are supported by contemporaneous source documentation.

#### District's Response

The District does not contest the auditor's findings but strongly disagrees with the basis of the finding. Due to the District's voluntary participation in the CAASPP Pilot testing program in the Spring of 2013, we proactively purchased 2,400 Chromebooks for the upcoming changes to the CAASPP program transitioning from paper and pencil multiple-choice tests to computer-based tests.

#### SCO Comment

Our finding and recommendation remain unchanged.

The program's parameters and guidelines require claimants to maintain supporting documentation showing how their existing inventory of computing devices was insufficient to administer the CAASPP test to all eligible pupils in the testing window. Based on information provided by the district during audit fieldwork, the beginning inventory of computing devices that met the minimum specifications for this program was more than sufficient to test all eligible pupils within the testing window for FY 2013-14.

**FINDING 2—  
Underreported  
offsetting revenues**

The district reported \$271,894 of offsetting revenues for the audit period. We found that the district underreported offsetting revenues by \$20,044. The district misinterpreted the program’s parameters and guidelines requirement that it identify and deduct any revenue received for this mandated program from any source.

During our review of the funding sources, we found that the district used \$9,884 of federal funds and \$10,055 of local donation funds for the CAASPP program. In addition, the district underreported the Assessment Apportionment Fund by \$105 because it did not account for funds received from CDE for FY 2015-16. The program’s parameters and guidelines require that these costs be deducted from any claimed costs filed by the district.

The following table summarizes the audit adjustment related to offsetting revenues by fiscal year:

Fiscal Year	Offset Reported	Revenue	
		Applied to CAASPP Program	Audit Adjustment
2013-14	\$ (84,408)	\$ (104,347)	\$ (19,939)
2014-15	(84,251)	(84,251)	-
2015-16	(103,235)	(103,340)	(105)
	<u>\$ (271,894)</u>	<u>\$ (291,938)</u>	<u>\$ (20,044)</u>

Section VII of the parameters and guidelines (Offsetting Revenues and Reimbursements) states that the following state and federal funds must be identified as offsetting revenues:

- Statutes 2013, Chapter 48 (\$1.25 billion in Common Core implementation funding), *if* used by a school district on the reimbursable CAASPP activities to support the administration of computer-based assessments.
- Funding apportioned by SBE from Statutes 2014, Chapter 25, Line Item 6110-113-0001, schedule (8), for fiscal year 2013-2014 CAASPP costs.
- Funding apportioned by SBE from Statutes 2015, Chapter 10, Line Item 6100-113-0001, schedule (7) for fiscal year 2014-2015 CAASPP costs
- Statutes 2014, Chapter 25 (Line Item 6110-488) and Chapter 32 (appropriation for outstanding mandate claims) *if* used by a school district on any of the reimbursable CAASPP activities.
- Statutes 2014, Chapter 25, Line Item 6110-182-0001, Provision 2 (appropriation “to support network connectivity infrastructure grants[”]) *if* used by a school district on any of the reimbursable CAASPP activities.

Any other offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the cost claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other applicable state funds, shall be identified and deducted from any claim submitted for reimbursement.

Recommendation

As of FY 2017-18, the CAASPP Program is funded through a mandate block grant. The district has elected to receive mandate block grant funding pursuant to GC section 17581.6, in lieu of filing annual mandated cost claims. If the district chooses to opt out of receiving mandate block grant funding, we recommend that the district:

- Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and
- Ensure that all offsetting revenues are identified and deducted from claimed costs.

District's Response

The District does not contest the auditor's findings nor does the District agree with the basis of the finding.

SCO Comment

Our finding and recommendation remain unchanged.



**Attachment—  
District's Response to Draft Audit Report**

---



**San Juan**  
Unified School District

**San Juan Unified School District**  
*Kent Kern, Superintendent of Schools*  
3738 Walnut Avenue, Carmichael, California 95608  
Telephone (916) 971-7104; FAX (916) 971-7070

*Board of Education*  
Paula Villescaz, President  
Michael McKibbin, Ed.D., Vice President  
Zima Creason, Clerk  
Pam Costa, Member  
Saul Hernandez, Member

January 24, 2020

Lisa Kurokawa

Chief Compliance Audits Bureau  
State Controller's Office, Division of Audits  
P.O. Box 942850  
Sacramento CA 94250

RE: San Juan Unified School District  
California Assessment of Student Performance and Progress Program (CAASPP)  
Audit Report of CAASPP Mandated Costs Reimbursable Claim  
For the Period of July 1, 2013 through June 30, 2016

Dear Ms. Kurokawa,

The San Juan Unified School District (District) is responding to the draft audit report regarding costs claimed for the legislatively mandated California Assessment of Student Performance and Progress Program (CAASPP) for the period of July 1, 2013 through June 30, 2016.

**Finding 1: Unallowable fixed assets:**

The preliminary findings state that the District claimed \$2,335,814 in fixed assets for the audit period and that the entire amount is unallowable because it did not meet the reimbursement requirements outlined in the program's parameters and guidelines.

**District Response:** The District does not contest the auditor's findings but strongly disagrees with the basis of the finding. Due to the District's voluntary participation in the CAASPP Pilot testing program in the Spring of 2013, we proactively purchased 2,400 Chromebooks for the upcoming changes to the CAASPP program transitioning from paper and pencil multiple-choice tests to computer-based tests.

**Finding 2: Underreported offsetting revenues**

The preliminary findings state that the District underreported offsetting revenues by \$20,044. Even though the District reported \$271,894 of offsetting revenues for the audit period, the auditor's findings state the District misinterpreted the program's parameters and guidelines requirement that it identify and deduct any revenue received for this mandated program from any source.

**District Response:** The District does not contest the auditor's findings nor does the District agree with the basis of the finding.

We request that our response be published with the final audit report as well as shared with the Executive Office of the State Controller.

Sincerely,

Kent Kern  
Superintendent

cc: Kent Stephens, Deputy Superintendent  
Fil Duldulao, Director, Fiscal Services

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250**

**<http://www.sco.ca.gov>**