

GLENDALE 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, 2017



BETTY T. YEE
California State Controller

May 2020



BETTY T. YEE
California State Controller

May 13, 2020

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Vivian Ekchian, Ed.D., Superintendent
Glendale Unified School District
223 North Jackson Street
Glendale, CA 91206

Dear Dr. Ekchian:

The State Controller's Office audited the costs claimed by Glendale 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, 2017.

The district claimed \$2,534,101 for costs of the mandated program. Our audit found that none of the claimed costs are allowable because the district claimed reimbursement for ineligible and unallowable costs. The State made no payments to the district.

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

This final audit report contains an adjustment to costs claimed by the district. If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission). Pursuant to the Commission's regulations, outlined in Title 2, California Code of Regulations, section 1185.1, subdivision (c), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. IRC information is available on the Commission's website at www.csm.ca.gov/forms/IRCForm.pdf.

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/lis

cc: Armina Gharpetian, DDS, President, Board of Education
Glendale Unified School District
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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Glendale 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, 2017.

The district claimed \$2,534,101 for costs of the mandated program. Our audit found that none of the claimed costs are allowable because the district claimed reimbursement for ineligible and unallowable costs. The State made no payments to the district.

Background

California 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, 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 provided 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, 2017.

To achieve our objective, we:

- Reviewed the annual mandated cost claims filed by the district for the audit period and identified the significant cost component 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 activities claimed 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, and discussed the claim preparation process with district staff to determine what information was obtained, who obtained it, and how it was used;
- 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 the district needed to administer the CAASPP tests to all eligible pupils within the testing window provided by CDE. We also set the number of available hours for the testing computers each day to 3.5 hours as specified by the district. We noted that the district claimed ineligible and unallowable fixed assets (see Finding 1);
- Compared the claimed indirect cost rates to the rates approved by CDE. We noted an error in the rate claimed for fiscal year (FY) 2014-15. However, we did not recalculate the indirect costs, as we determined that the indirect costs claimed for the audit period were unallowable (see Finding 1); and
- Reviewed expenditure reports and the district's accounting records for fixed asset costs claimed during the audit period. We noted that the district underreported offsetting revenues because the district used a combination of revenues from federal and state funds and from donations to fund the claimed fixed asset costs (see Finding 2).

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 concluded that the district’s claimed costs were supported by appropriate source documents; however, we found that the costs claimed were unreasonable and/or excessive and funded by another source, as quantified in the Schedule and described in the Findings and Recommendations section of this report.

For the audit period, Glendale Unified School District claimed \$2,534,101 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 the draft audit report on March 17, 2020. Vivian Ekchian, Superintendent, responded by letter dated March 26, 2020 (Attachment), disagreeing with Finding 1. The district did not respond to Finding 2. This final audit report includes the district’s complete response.

Restricted Use

This audit report is solely for the information and use of Glendale Unified School District, the Los Angeles County Office of Education, the CDE, the California Department of Finance, and 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.

Original signed by

JIM L. SPANO, CPA
 Chief, Division of Audits

May 13, 2020

Schedule— Summary of Program Costs July 1, 2013, through June 30, 2017

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2013, through June 30, 2014</u>				
Direct costs – fixed assets:				
Computers, browsers, or peripherals	\$ 547,197	\$ -	\$ (547,197)	
Total direct costs	547,197	-	(547,197)	
Indirect costs	15,541	-	(15,541)	
Total direct and indirect costs	562,738	-	(562,738)	Finding 1
Less offsetting revenues and reimbursements	-	(54,742)	(54,742)	Finding 2
Adjustment to eliminate negative balance	-	54,742	54,742	
Total program costs	<u>\$ 562,738</u>	-	<u>\$ (562,738)</u>	
Less amount paid by the State ²		-		
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	\$ 1,079,116	\$ -	\$ (1,079,116)	
Total direct costs	1,079,116	-	(1,079,116)	
Indirect costs	41,438	-	(41,438)	
Total direct and indirect costs	1,120,554	-	(1,120,554)	Finding 1
Less offsetting revenues and reimbursements	-	(137,721)	(137,721)	Finding 2
Adjustment to eliminate negative balance	-	137,721	137,721	
Total program costs	<u>\$ 1,120,554</u>	-	<u>\$ (1,120,554)</u>	
Less amount paid by the State ²		-		
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	\$ 262,989	\$ -	\$ (262,989)	
Total direct costs	262,989	-	(262,989)	
Indirect costs	10,020	-	(10,020)	
Total direct and indirect costs	273,009	-	(273,009)	Finding 1
Less offsetting revenues and reimbursements	-	(126,381)	(126,381)	Finding 2
Adjustment to eliminate negative balance	-	126,381	126,381	
Total program costs	<u>\$ 273,009</u>	-	<u>\$ (273,009)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2016, through June 30, 2017</u>				
Direct costs – fixed assets ³ :				
Computers, browsers, or peripherals	\$ 617,424	\$ -	\$ (617,424)	
Total direct costs	617,424	-	(617,424)	
Indirect costs	23,277	-	(23,277)	
Total direct and indirect costs	640,701	-	(640,701)	Finding 1
Less offsetting revenues and reimbursements	(62,901)	(538,552)	(475,651)	Finding 2
Adjustment to eliminate negative balance	-	538,552	538,552	
Total program costs	<u>\$ 577,800</u>	-	<u>\$ (577,800)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>Summary: July 1, 2013, through June 30, 2017</u>				
Direct costs – fixed assets ³ :				
Computers, browsers, or peripherals	\$ 2,506,726	\$ -	\$ (2,506,726)	
Total direct costs	2,506,726	-	(2,506,726)	
Indirect costs	90,276	-	(90,276)	
Total direct and indirect costs	2,597,002	-	(2,597,002)	Finding 1
Less offsetting revenues and reimbursements	(62,901)	(857,396)	(794,495)	Finding 2
Adjustment to eliminate negative balance	-	857,396	857,396	
Total program costs	<u>\$ 2,534,101</u>	-	<u>\$ (2,534,101)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

¹ See the Findings and Recommendations section.

² Payment amount current as of March 30, 2020.

³ The district claimed fixed asset costs that were misclassified as salary and benefit costs in FY 2016-17. We reallocated these claimed costs to the appropriate cost category of Fixed Assets.

Findings and Recommendations

FINDING 1— Unallowable fixed assets

For the audit period, the district claimed costs totaling \$2,506,726 (\$1,889,302 in fixed assets for FY 2013-14 through FY 2015-16 and \$617,424 in salaries and benefits in FY 2016-17). During testing, we found that the district incorrectly classified claimed costs for FY 2016-17 as salary and benefit costs. The district did not incur any salary and benefit costs; it actually incurred fixed asset costs; therefore, we reallocated the costs to the appropriate cost category of Fixed Assets. Of the amount claimed, we found that the entire amount of \$2,506,726 is unallowable. The costs are unallowable because the district did not meet the reimbursement requirements outlined in the program’s parameters and guidelines. In addition, the program’s claiming instructions exclude 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 \$90,276, for a total finding of \$2,597,002.

The district claimed fixed asset costs for the reimbursable activity of providing a sufficient number of desktop or laptop computers, iPads, or other tablet computers for which Smarter Balanced Assessment Consortium (SBAC) 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 adjustments 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	\$ 547,197	\$ -	\$ (547,197)	2.84%	\$ (15,541)	\$ (562,738)
2014-15	1,079,116	-	(1,079,116)	3.84%	(41,438)	(1,120,554)
2015-16	262,989	-	(262,989)	3.81%	(10,020)	(273,009)
2016-17	617,424	-	(617,424)	3.77%	(23,277)	(640,701)
	<u>\$ 2,506,726</u>	<u>\$ -</u>	<u>\$ (2,506,726)</u>		<u>\$ (90,276)</u>	<u>\$ (2,597,002)</u>

The district claimed \$2,506,726 in fixed assets related to computers, browsers, or peripherals. We found that the entire amount is unallowable. Of that amount, the district claimed \$221,235 for laptop charging carts, power adapters, cases, cables, electrical outlets, and warranties that are not reimbursable. Additionally, claimed costs of \$2,285,491 are 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 us with an inventory of its existing 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 had been 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:

Fiscal Year	(A)	(B)	(C)	(D)	(E) = (A)+(B)+(C)+(D)	(F)	(G) = (E)+(F)
	Beginning Inventory	Devices Not Meeting Minimum Specifications	Devices Disposed	Purchases Before Testing	Devices Available for Testing	Purchases After Testing	Ending Inventory
2013-14	3,524	(16)	(5)	2,762	6,265	169	6,434
2014-15	6,434	(54)	-	2,133	8,513	722	9,235
2015-16	9,235	(660)	(121)	1,476	9,930	501	10,431
2016-17	10,431	(1,494)	(63)	2,487	11,361	438	11,799
		<u>(2,224)</u>	<u>(189)</u>	<u>8,858</u>	<u>36,069</u>	<u>1,830</u>	

The district informed us that its broadband internet speed was 1 Gbps for the period of July 1, 2013, through June 30, 2017.

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 estimates 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 use in CAASPP testing, and the number of hours per day those computers are available for use in CAASPP testing, and the number of hours per day those computers are available for use in CAASPP testing.

We based our calculation for determining 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 on the Smarter Balanced Technology Readiness Calculator’s formula. We also set the number of available hours for the testing computers each day to 3.5 hours as specified by the district.

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

Results based on computing devices that the district needed

Fiscal Year	Students Tested	Devices Needed for Testing	Days in Testing Window	District's Internet Speed	Estimated Bandwidth Required
2014-15	13,387	510	60	1 Gbps	10.20 Mbps (1.02% of total bandwidth)
2015-16	13,564	517	60	1 Gbps	10.34 Mbps (1.03% of total bandwidth)
2016-17	13,581	518	60	1 Gbps	10.36 Mbps (1.04% of total bandwidth)

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

Results based on computing devices that the district had for student use

Fiscal Year	Students Tested	Devices Available for Testing	Days to Complete Testing	District's Internet Speed	Estimated Bandwidth Required
2014-15	13,387	8,513	3.59	1 Gbps	170.26 Mbps (17.03% of total bandwidth)
2015-16	13,564	9,930	3.12	1 Gbps	198.60 Mbps (19.86% of total bandwidth)
2016-17	13,581	11,361	2.73	1 Gbps	227.22 Mbps (22.72% of total bandwidth)

For FY 2013-14, the district had 6,265 existing computing devices that met the minimum technical specifications for CAASPP assessments. Our calculation estimated that the district could complete the assessments for 13,303 students in 4.85 days using 12.53% of a 1-Gbps bandwidth. However, CDE provided a 47-day testing window to complete the assessments; therefore, the district needed only 647 computing devices using 1.29% of a 1-Gbps bandwidth to complete the assessments.

For FY 2014-15, the district had 8,513 existing computing devices that met the minimum technical specifications for CAASPP assessments. Our calculation estimated that the district could complete the assessments for 13,387 students in 3.59 days using 17.03% of a 1-Gbps bandwidth. However, CDE provided a 60-day testing window to complete the assessments; therefore, the district needed only 510 computing devices using 1.02% of a 1-Gbps bandwidth to complete the assessments.

For FY 2015-16, the district had 9,930 existing computing devices that met the minimum technical specifications for CAASPP assessments. Our calculation estimated that the district could complete the assessments for 13,564 students in 3.12 days using 19.86% of a 1-Gbps bandwidth. However, CDE provided a 60-day testing window to complete the assessments; therefore, the district needed only 517 computing devices using 1.03% of a 1-Gbps bandwidth to complete the assessments.

For FY 2016-17, the district had 11,361 existing computing devices that met the minimum technical specifications for CAASPP assessments. Our calculation estimated that the district could complete the assessments for 13,581 students in 2.73 days using 22.72% of a 1-Gbps bandwidth. However, CDE provided a 60-day testing window to complete the assessments; therefore, the district needed only 518 computing devices using 1.04% of a 1-Gbps bandwidth to complete the assessments.

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

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 include the following:

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 CAASPP to all eligible pupils within the testing window provided by CDE regulations.

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 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 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

Following are Glendale USD’s concerns and objections to the audit finding that none of the \$2,534,101 claimed costs are allowable:

- The Commission on State Mandates adopted the “parameters and guidelines” to define the reimbursement criteria on March 25, 2016. This is at least two years after the required CAASPP testing and determining if the District had the proper equipment and technology to administer the testing effective January 1, 2014. In order to be adequately equipped and prepared for CAASPP testing the District had to re-evaluate its needs, purchase additional chrome books and improve technology infrastructure long before these “guidelines” were published.

- The Smarter Balanced Technology Readiness Calculator used during the audit to determine the number of computing devices and network bandwidth is inadequate, unreasonable and not practical. Glendale USD has approximately 26,000 students and 30 school sites. The “calculation” that the District could use its 2013 technology to assure all students would have access to all technology for instructional time and administer CAASPP testing is completely unreasonable, unrealistic and lacks any thought of what is practical.
- The fact that only a couple of school districts in the entire State of California actually did meet the qualifications for cost reimbursement proves that the “parameters and guidelines” and the “Calculator” are unreasonable and unrealistic.
- The Commission on State Mandates failed to provide proper guidance to all districts in regards to what would and would not be allowed prior to January 1, 2014.

SCO Comment

Our finding and recommendation remain unchanged.

The district contends that it purchased additional computing devices and made improvements to its technology infrastructure as necessary in order to administer CASSPP testing; however, such testing occurred long before the parameters and guidelines were published. In addition, the district disagrees with our use of the Smarter Balanced Technology Readiness Calculator in determining the number of computing devices and network bandwidth, stating that “it is inadequate, unreasonable, and not practical.”

The Commission’s Statement of Decision, pages 8 and 9, states that providing devices to administer the CAASPP to all pupils via computer does not mean providing a computer for every student. Testimony at the test claim hearing indicated that rotating students through a computer lab may be sufficient in some schools, while others may choose “computers on wheels.” Similarly, SBAC technology requirements guidance states that “districts might consider pooling more mobile units, like laptops or tablets within their district for transport from one school site to the next as testing windows are staggered across sites.” Additionally, SBAC guidance states that most districts will find that much of their existing infrastructure and device inventory will be sufficient to administer the online assessments.

Page 10 of the Statement of Decision states:

SBAC expressly states that the assessment was designed to be administered using existing technology already deployed in schools, not to require massive overhaul and/or replacement of existing devices and infrastructure.

Page 13 of the Statement of Decision states:

SBAC states, on its “Technology” web page: “A bandwidth test will measure current internet bandwidth at your school...You can use information obtained from these tools with the Technology Readiness

Calculator...” which “can help schools estimate the number of days and associated bandwidth required to complete the assessments given the number of students, number of computers, and number of hours per day computers are available for testing at the school.” SBAC states that “[w]e currently estimate that the Smarter Balanced assessment will required 10-20 Kbps per student or less.” Therefore, SBAC states that each computing device “[m]ust connect to the Internet with a minimum of 20 Kbps available per student to be tested simultaneously.” As a result, SBAC recognizes that existing “legacy systems” may not be sufficient, and “[m]any districts will, by design or by need, have to consider the implementation of changes to their systems of information technology.”

Pages 17 and 18 of the Statement of Decision state:

The Commission finds that claimants *are required*, based on the approved activity, and the technology specifications issued by the contractor(s), to use existing devices and technology infrastructure, if compatible. And, if existing devices and technology infrastructure are not sufficient, the burden is on the claimant to establish, based on supporting documentation, that increased costs are required to administer the assessments in accordance with the law.

Because SBAC established the technology specifications as “a low entry point,” and with the intention that “most districts will find much of their existing infrastructure and device inventory will serve to administer the online assessments, requiring claimants to maintain supporting documentation showing how their existing inventory of computing devices is not sufficient to comply with the mandated program is legally correct.

The program’s parameters and guidelines require claimants to maintain supporting documentation showing how their existing infrastructure and device inventory was insufficient to administer the CAASPP test to all eligible pupils during the testing window.

During audit fieldwork, the district provided lists of existing computing devices as of December 31, 2013. For each fiscal year of the audit period, we accounted for the computing devices that did not meet the minimum technical specifications, devices that had been disposed of, and new purchases to determine the number of computing devices available for students for CASSPP assessments. We used the Smarter Balanced Technology Readiness Calculator (identified in the Statement of Decision) 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.

Based on our review, we determined that the district’s existing infrastructure and device inventory for this program was more than sufficient to test all eligible pupils within the testing window for the audit period. This analysis is consistent with the Statement of Decision indicating that most districts will find that much of their existing infrastructure and device inventory would be sufficient to administer the online assessments. As a result, we determined that the costs claimed by the district were not increased costs as a result of the legislative mandate.

The district maintains that the program’s parameters and guidelines and the Smarter Balanced Technology Readiness Calculator are “unreasonable and unrealistic” because “only a couple of schools in the entire State of

California” qualified for reimbursement. Additionally, the district argues that the Commission failed to provide proper guidance to districts regarding allowable costs prior to January 1, 2014. The program’s parameters and guidelines were adopted on March 26, 2016. If a claimant wishes to change the parameters and guidelines, it can request that the Commission amend the parameters and guidelines, pursuant to GC section 17557.

**FINDING 2—
Underreported
offsetting revenues**

The district reported \$62,901 in offsetting revenues for FY 2016-17. We found that the district underreported offsetting revenues by \$794,495.

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 a combination of revenues from federal and state funds and from donations to fund the claimed fixed assets.

For the audit period, the district applied \$857,396 of the following funds to the CAASPP Program:

- \$342,960 of Federal Resources Restricted;
- \$24,201 of State Resources Restricted;
- \$302,084 of Donations; and
- \$188,151 of Assessment Apportionments.

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	\$ -	\$ (54,742)	\$ (54,742)
2014-15	-	(137,721)	(137,721)
2015-16	-	(126,381)	(126,381)
2016-17	(62,901)	(538,552)	(475,651)
	<u>\$ (62,901)</u>	<u>\$ (857,396)</u>	<u>\$ (794,495)</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 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 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 did not respond to this audit finding.

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



GLENDALE UNIFIED SCHOOL DISTRICT

"Preparing our students for their future"

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Telephone: 818-241-3111, Ext. 215 • Fax: 818-548-9041

OFFICE OF THE SUPERINTENDENT

March 26, 2020

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

Attention: Lisa Kurokawa, Chief

Dear Ms. Kurokawa:

This is a response to the draft audit letter received regarding the costs claimed by Glendale 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, 2017.

Following are Glendale USD's concerns and objections to the audit finding that none of the \$2,534,101 claimed costs are allowable:

- The Commission on State Mandates adopted the "parameters and guidelines" to define the reimbursement criteria on March 25, 2016. This is at least two years after the required CAASPP testing and determining if the District had the proper equipment and technology to administer the testing effective January 1, 2014. In order to be adequately equipped and prepared for CAASPP testing the District had to re-evaluate its needs, purchase additional chrome books and improve technology infrastructure long before these "guidelines" were published.
- The Smarter Balanced Technology Readiness Calculator used during the audit to determine the number of computing devices and network bandwidth is inadequate, unreasonable and not practical. Glendale USD has approximately 26,000 students and 30 school sites. The "calculation" that the District could use its 2013 technology to assure all students would have access to all technology for instructional time and administer CAASPP testing is completely unreasonable, unrealistic and lacks any thought of what is practical.
- The fact that only a couple of school districts in the entire State of California actually did meet the qualifications for cost reimbursement proves that the "parameters and guidelines" and the "Calculator" are unreasonable and unrealistic.
- The Commission on State Mandates failed to provide proper guidance to all districts in regards to what would and would not be allowed prior to January 1, 2014.

In conclusion Glendale Unified School District does not concur with this audit finding. We recommend the Commission re-evaluate the "parameters and guidelines" and "Calculator" with appropriate, updated knowledge and input from education and technology experts.

Thank you for your attention to this matter. If you have any questions in regards to this response, please reach out to Steve Dickinson, Chief Business & Financial Officer, at 818-241-3111 ext. 1271.

Sincerely,

A handwritten signature in cursive script that reads "Vivian Ekchian".

Vivian Ekchian, Ed.D.
Superintendent
Glendale Unified School District

**State Controller's Office
Division of Audits
Post Office Box 942850
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<http://www.sco.ca.gov>