

# **SWEETWATER UNION HIGH SCHOOL DISTRICT**

Audit Report

## **NOTIFICATION OF TRUANCY PROGRAM**

Chapter 498, Statutes of 1983;  
Chapter 1023, Statutes of 1994;  
Chapter 19, Statutes of 1995;  
and Chapter 69, Statutes of 2007

*July 1, 2006, through June 30, 2010*



**JOHN CHIANG**  
California State Controller

April 2012



**JOHN CHIANG**  
**California State Controller**

April 11, 2012

Pearl Quiñones, President  
Board of Trustees  
Sweetwater Union High School District  
1130 Fifth Ave  
Chula Vista, CA 91911-2896

Dear Ms. Quinoñes:

The State Controller's Office audited the costs claimed by the Sweetwater Union High School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2006, through June 30, 2010.

The district claimed \$1,423,308 (\$1,428,715 less a \$5,407 penalty for filing late claims) for the mandated program. Our audit disclosed that \$1,271,939 is allowable and \$151,369 is unallowable. The costs are unallowable because the district claimed unallowable and noncompliant initial truancy notifications. The State paid the district \$187,605. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,084,334, contingent upon available appropriations.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

*Original signed by*

**JEFFREY V. BROWNFIELD**  
Chief, Division of Audits

JVB/bf

cc: Edward Brand, Ed.D., Interim Superintendent  
Sweetwater Union High School District  
Dianne Russo, Acting Deputy Superintendent  
Fiscal Services  
Sweetwater Union High School District  
Karen Michel, Director  
Fiscal Services  
Sweetwater Union High School District  
Sharon Moreno, Accounting Technician  
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Randolph E. Ward, Ed.D., Superintendent of Schools  
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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by the Sweetwater Union High School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2006, through June 30, 2010.

The district claimed \$1,423,308 (\$1,428,715 less a \$5,407 penalty for filing late claims) for the mandated program. Our audit disclosed that \$1,271,939 is allowable and \$151,369 is unallowable. The costs are unallowable because the district claimed unallowable and noncompliant initial truancy notifications. The State paid the district \$187,605. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,084,334, contingent upon available appropriations.

## Background

Education Code section 48260.5 (added by Chapter 498, Statutes of 1983) originally required school districts, upon a pupil's initial classification as a truant, to notify the pupil's parent or guardian by first-class mail or other reasonable means that: (1) the pupil is truant; (2) parents or guardians are obligated to compel the pupil's attendance at school; (3) parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution; (4) alternative educational programs are available in the district; and (5) they have the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.

Chapter 1023, Statutes of 1994, amended Education Code section 48260.5 to additionally require school districts to notify the pupil's parent or guardian that (1) the pupil may be subject to prosecution; (2) the pupil may be subject to suspension, restriction, or delay of the pupil's driving privilege; and (3) it is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day.

Chapter 1023, Statutes of 1994, and Chapter 19, Statutes of 1995, amended Education Code section 48260 and renumbered it to section 48260, subdivision (a), stating that a pupil is truant when he or she is absent from school without valid excuse three full days in one school year or is tardy or absent for more than any 30-minute period during the school day without a valid excuse on three occasions in one school year, or any combination thereof.

On November 29, 1984, the State Board of Control (now the Commission on State Mandates [CSM]) determined that Chapter 498, Statutes of 1983, imposed a state mandate upon school districts reimbursable under Government Code section 17561.

The parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted parameters and guidelines on August 27, 1987. The CSM subsequently amended the parameters and guidelines four times, most recently on May 27, 2010. In compliance

with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and schools districts in claiming mandated program reimbursable costs.

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

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Notification of Truancy Program for the period of July 1, 2006, through June 30, 2010.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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.

## **Conclusion**

Our audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, the Sweetwater Union High School District claimed \$1,423,308 (\$1,428,715 less a \$5,407 penalty for filing late claims) for costs of the Notification of Truancy Program. Our audit disclosed that \$1,271,939 is allowable and \$151,369 is unallowable.

The State paid the district \$187,605. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,084,334, contingent upon available appropriations.

## **Views of Responsible Officials**

We discussed our audit results with the district's representatives during an exit conference conducted on March 21, 2012. Karen Michel, Director, Fiscal Services; and Sharon Moreno, Accounting Technician, Fiscal Services, agreed with the audit results. Regarding Finding 1, the district stated that it has revised its truancy notification procedures to eliminate the possibility of issuing and claiming more than one initial truancy notification per student during a school year. Ms. Michel declined a draft audit report and agreed that we could issue the audit report as final.

**Restricted Use**

This report is solely for the information and use of the Sweetwater Union High School District, the San Diego County Office 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 report, which is a matter of public record.

*Original signed by*

**JEFFREY V. BROWNFIELD**  
Chief, Division of Audits

April 11, 2012

## Schedule 1— Summary of Program Costs July 1, 2006, through June 30, 2010

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2006, through June 30, 2007</u>				
Number of initial truancy notifications	22,315	23,358	1,043	Finding 1
Uniform cost allowance	x \$16.15	x \$16.15	x \$16.15	
Subtotal <sup>2</sup>	\$ 360,387	\$ 377,232	\$ 16,845	
Noncompliant initial truancy notifications	-	(47,154)	(47,154)	Finding 2
Total program costs	<u>\$ 360,387</u>	330,078	<u>\$ (30,309)</u>	
Less amount paid by the State		(58,418)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 271,660</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Number of initial truancy notifications	26,710	26,476	(234)	Finding 1
Uniform cost allowance	x \$17.28	x \$17.28	x \$17.28	
Subtotal <sup>2</sup>	\$ 461,549	\$ 457,505	\$ (4,044)	
Noncompliant initial truancy notifications	-	(57,188)	(57,188)	Finding 2
Total program costs	<u>\$ 461,549</u>	400,317	<u>\$ (61,232)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 400,317</u>		
<u>July 1, 2008, through June 30, 2009</u>				
Number of initial truancy notifications	20,734	21,766	1,032	Finding 1
Uniform cost allowance	x \$17.74	x \$17.74	x \$17.74	
Subtotal <sup>2</sup>	\$ 367,821	\$ 386,129	\$ 18,308	
Noncompliant initial truancy notifications	-	(48,266)	(48,266)	Finding 2
Less late filing penalty	(954)	(954)	-	
Total program costs	<u>\$ 366,867</u>	336,909	<u>\$ (29,958)</u>	
Less amount paid by the State		(83,126)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 253,783</u>		

## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2009, through June 30, 2010</u>				
Number of initial truancy notifications	13,372	13,372	-	Finding 1
Uniform cost allowance	x \$17.87	x \$17.87	x \$17.87	
Subtotal <sup>2</sup>	\$ 238,958	\$ 238,958	\$ -	
Noncompliant initial truancy notifications	-	(29,870)	(29,870)	Finding 2
Less late filing penalty	(4,453)	(4,453)	-	
Total program costs	<u>\$ 234,505</u>	204,635	<u>\$ (29,870)</u>	
Less amount paid by the State		(46,061)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 158,574</u>		
<u>Summary: July 1, 2006, through June 30, 2010</u>				
Total costs	\$ 1,428,715	\$ 1,277,346	\$ (151,369)	
Less late filing penalty	(5,407)	(5,407)	-	
Total program costs	<u>\$ 1,423,308</u>	1,271,939	<u>\$ (151,369)</u>	
Less amount paid by the State		(187,605)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,084,334</u>		

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

<sup>2</sup> Calculation differences due to rounding.

# Findings and Recommendations

## FINDING 1— Overstated and understated allowable initial truancy notifications

The district overstated or understated the number of allowable initial truancy notifications distributed for each fiscal year. For the audit period, the district understated claimed costs by \$31,109.

For each fiscal year, the district provided a list of students for whom it distributed initial truancy notifications. The number of notifications documented did not agree with the number of notifications claimed. In addition, each list included unallowable notifications. We identified the following issues from the notifications documented:

- For some students, the district distributed more than one notification (duplicate notifications) to the students' parents/guardians during the school year. A student's *initial* truancy notification is the only notification eligible for mandated program reimbursement.
- The district distributed notifications for charter school students during fiscal year (FY) 2007-08 and FY 2008-09. Charter school activities are not eligible for mandated program reimbursement.

The following table details the audit adjustment:

	Fiscal Year			Total
	2006-07	2007-08	2008-09	
Number of notifications documented	23,467	26,781	22,294	
Less number of notifications claimed	(22,315)	(26,710)	(20,734)	
Understated number of notifications	1,152	71	1,560	
Uniform cost allowance	x \$16.15	x \$17.28	x \$17.74	
Audit adjustment	\$ 18,605	\$ 1,227	\$ 27,674	\$ 47,506
Duplicate notifications	(109)	(302)	(522)	
Uniform cost allowance	x \$16.15	x \$17.28	x \$17.74	
Audit adjustment	\$ (1,760)	\$ (5,219)	\$ (9,260)	(16,239)
Charter school student notifications	-	(3)	(6)	
Uniform cost allowance	x \$16.15	\$17.28	x \$17.74	
Audit adjustment	\$ -	\$ (52)	\$ (106)	(158)
Total audit adjustment <sup>1</sup>	\$ 16,845	\$ (4,044)	\$ 18,308	\$ 31,109

<sup>1</sup> Calculation differences due to rounding.

The program's parameters and guidelines instruct claimants to claim mandate-related costs as follows:

Report the number of initial notifications of truancy distributed during the year. Do not include in that count the number of notifications or other contacts which may result from the initial truancy notification to the parent or guardian.

The parameters and guidelines also require claimants to maintain documentation that supports the total number of initial truancy notifications distributed.

In addition, Government code section 17519 defines a “school district” as any school district, community college district, or county superintendent of schools. This definition does not include charter schools. As a result, charter school activities are not eligible for reimbursement under Government Code section 17560.

### Recommendation

We recommend that the district claim the number of allowable initial truancy notifications that its records support. We recommend that the district exclude from this count those notifications distributed for charter school students and multiple notifications distributed for the same student during the school year.

## **FINDING 2— Noncompliant initial truancy notifications**

The district claimed unallowable costs totaling \$182,478. The costs are unallowable because the district distributed initial truancy notifications that did not comply with the parameters and guidelines.

The parameters and guidelines require that districts distribute initial truancy notification forms that notify parents/guardians of the following eight items:

1. The pupil is truant.
2. The parent or guardian is obligated to compel the attendance of the pupil at school.
3. Parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution pursuant to Article 6 (commencing with Education Code section 48290) of Chapter 2 of Part 27.
4. Alternative educational programs are available in the district.
5. The parent or guardian has the right to meet with appropriate school personnel to discuss solutions to the pupil’s truancy.
6. The pupil may be subject to prosecution under Education Code section 48264.
7. The pupil may be subject to suspension, restriction, or delay of the pupil’s driving privileges pursuant to Vehicle Code section 13202.7.
8. It is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day.

The district distributed notifications that did not include the eighth item above. Therefore, we allowed only 87.5% (7/8) of the unit cost allowance for each notification.

The following table summarizes the audit adjustment:

	Fiscal Year				Total
	2006-07	2007-08	2008-09	2009-10	
Number of notifications claimed	22,315	26,710	20,734	13,372	
Adjustments from Finding 1:					
Understated notifications	1,152	71	1,560	-	
Duplicate notifications	(109)	(302)	(522)	-	
Charter school notifications	-	(3)	(6)	-	
Allowable notifications	23,358	26,476	21,766	13,372	
Uniform cost allowance	x \$16.15	x \$17.28	x \$17.74	x \$17.87	
Subtotal	\$ 377,232	\$ 457,505	\$ 386,129	\$ 238,958	
Unallowable percentage	x (12.5)%	x (12.5)%	x (12.5)%	x (12.5)%	
Audit adjustment	\$ (47,154)	\$ (57,188)	\$ (48,266)	\$ (29,870)	\$ (182,478)

### Recommendation

We recommend that the district ensure that all initial truancy notifications comply with the minimum requirements specified in the parameters and guidelines.

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