

BREA OLINDA 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, 2015



BETTY T. YEE
California State Controller

August 2019



BETTY T. YEE
California State Controller

August 26, 2019

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Brad Mason, Ed.D., Superintendent
Brea Olinda Unified School District
1 Civic Center Circle, Level 2
Brea, CA 92821

Dear Dr. Mason:

The State Controller's Office (SCO) audited the costs claimed by Brea Olinda 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, 2015.

The district claimed \$1,493,267 for the mandated program. Our audit found that the entire amount is unallowable because the district claimed reimbursement for unsupported and ineligible costs, and understated 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/as

cc: Kerrie Torres, Assistant Superintendent
Educational Services
Brea Olinda Unified School District
Rose Wadleigh, Director of Fiscal Services
Brea Olinda Unified School District
Carrie Flander, President
Board of Education
Brea Olinda Unified School District
Al Mijares, Ph.D., County Superintendent of Schools
Orange County Department 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

Summary	1
Background	1
Objective, Scope, and Methodology	3
Conclusion	4
Follow-up on Prior Audit Findings	4
Views of Responsible Officials	4
Restricted Use	4
Schedule—Summary of Program Costs	5
Findings and Recommendations	6

Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Brea Olinda 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, 2015.

The district claimed \$1,493,267 for the mandated program. Our audit found that the entire amount is unallowable because the district claimed reimbursement for unsupported and ineligible costs, and understated 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 local agencies and 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, *if* used by a school district on 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 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 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 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, 2015.

To achieve our objective, we:

- Reviewed the annual mandated cost claims filed by the district for the audit period to identify the material cost components of each claim to determine 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. Discussed the claim preparation process with district staff to determine what information was obtained, who obtained it, and how it was used;
- Requested inventory listings of the district's existing computing devices as of December 31, 2013; June 30, 2014; and June 30, 2015. The district did not maintain and was not able to provide source documentation to support the existing computing devices for these timeframes. As a result, we determined that the costs claimed for the computers, browsers, or peripherals activity are ineligible, unsupported, and unallowable for reimbursement for the audit period;
- Requested and reviewed expenditure reports, purchase orders, and invoices for the materials and supplies and contracted services costs claimed during the audit period. We traced all claimed materials and supplies and contracted services costs to the districts accounting records. We noted that the materials and supplies and contracted services costs were fully funded by a combination of revenues from federal and CDE funds; 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 reimbursement for 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, Brea Olinda Unified School District claimed \$1,493,267 for costs of the legislatively mandated CAASPP Program. Our audit found that the entire amount is unallowable. 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 June 27, 2019. Kerrie Torres, Assistant Superintendent, Educational Services, responded by email on July 16, 2019, accepting the audit findings.

Restricted Use

This audit report is solely for the information and use of Brea Olinda Unified School District, the Orange County Department 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.

Original signed by

JIM L. SPANO, CPA
Chief, Division of Audits

August 26, 2019

Schedule—

Summary of Program Costs

July 1, 2013, through June 30, 2015

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2013, through June 30, 2014</u>				
Direct costs:				
Materials and supplies:				
Computers, browsers, or peripherals	\$ 475,164	\$ -	\$ (475,164)	Finding 1
Total direct costs	475,164	-	(475,164)	
Indirect costs	26,561	-	(26,561)	Finding 1
Total direct and indirect costs	501,725	-	(501,725)	
Less offsetting revenues and reimbursements	(475,164)	(475,164)	-	
Subtotal	26,561	(475,164)	(501,725)	
Adjustment to eliminate negative balance	-	475,164	475,164	
Total program costs	<u>\$ 26,561</u>	-	<u>\$ (26,561)</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:				
Contract services:				
Internet service, network equipment, consultants, or engineers	\$ 1,381,340	\$ -	\$ (1,381,340)	Finding 2
Total direct costs	1,381,340	-	(1,381,340)	
Indirect costs	85,366	-	(85,366)	Finding 2
Total direct and indirect costs	1,466,706	-	(1,466,706)	
Less offsetting revenues and reimbursements	-	(1,381,340)	(1,381,340)	Finding 3
Subtotal	1,466,706	(1,381,340)	(2,848,046)	
Adjustment to eliminate negative balance	-	1,381,340	1,381,340	
Total program costs	<u>\$ 1,466,706</u>	-	<u>\$ (1,466,706)</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, 2015</u>				
Direct costs:				
Materials and supplies				
Computers, browsers, or peripherals	\$ 475,164	\$ -	\$ (475,164)	Finding 1
Contract services	1,381,340	-	(1,381,340)	Finding 2
Total direct costs	1,856,504	-	(1,856,504)	
Indirect costs	111,927	-	(111,927)	Finding 1, 2
Total direct and indirect costs	1,968,431	-	(1,968,431)	
Less offsetting revenues and reimbursements	(475,164)	(1,856,504)	(1,381,340)	Finding 3
Subtotal	1,493,267	(1,856,504)	(3,349,771)	
Adjustment to eliminate negative balance	-	1,856,504	1,856,504	
Total program costs	<u>\$ 1,493,267</u>	-	<u>\$ (1,493,267)</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 July 17, 2019.

Finding and Recommendation

FINDING 1— Unallowable materials and supplies

The district claimed \$475,164 in materials and supplies costs for the computers, browsers, or peripherals activity for fiscal year (FY) 2013-14. We found that the entire amount is unallowable. The costs are unallowable because the district did not claim costs in accordance with the program's parameters and guidelines or the mandated program claiming instructions. As a result, the district claimed ineligible and unsupported costs. In addition, unallowable related indirect costs total \$26,561, for a total finding of \$501,725.

A requirement for reimbursement is that districts 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.

During testing, we found that the district did not maintain supporting documentation to show how its existing inventory of computing devices and accessories, technology infrastructure, and broadband internet service was not sufficient to administer the CAASPP test to all eligible pupils in the testing window, based on the minimum technical specifications identified in the contractor(s) or consortium for the audit period. In addition, during the course of the audit, the district was unable to access historical data for the audit period due to a 2014 computer failure that caused records to be lost and unrecoverable. As a result, the district did not provide source documentation to show that the district's existing inventory of computing devices and accessories was 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. Furthermore, the district was unaware of the reimbursement requirements outlined in the program's parameters and guidelines.

The following table summarizes the claimed, allowable, and adjusted materials and supplies costs for the computers, browsers, or peripherals activity for the audit period:

Fiscal Year	Materials and Supplies			Related Indirect Costs		Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment	Indirect Cost Rate	Unallowable Indirect Costs	
2013-14	\$475,164	\$ -	\$ (475,164)	5.59%	\$ (26,561)	\$ (501,725)
Total	\$475,164	\$ -	\$ (475,164)		\$ (26,561)	\$ (501,725)

The claimed materials and supplies costs for the computers, browsers, or peripherals activity represent the acquisition of computing devices and accessories. We found that the entire amount is unallowable. Of that amount, the district claimed \$56,538 for carts. Carts are not mandate-related. Therefore, the costs claimed for carts are ineligible for reimbursement. Additional costs claimed, totaling \$418,626, for headphones, computers, and pointing devices are unsupported and unallowable because the district did not meet the existing inventory requirement outlined in the program's parameters and guidelines.

Criteria

The parameters and guidelines (section IV – Reimbursable Activities) require claimed costs to be supported by source documents. The parameters and guidelines state, in part:

Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

The parameters and guidelines (section IV.A – Reimbursable Activities) state:

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.

Reimbursement is NOT required to provide a computing device for every pupil, for the time to assess each pupil, or for the purchase of other equipment not listed.

The parameters and guidelines (section V.A.4 – Claim Preparation and Submission – Fixed Assets) require claimants to report the purchase price paid for a fixed asset, or the pro-rata portion of the purchase price used to implement the reimbursable activities. The parameters and guidelines state, in part:

Report the purchase price paid for fixed assets (including computers) necessary to implement the reimbursable activities, in accordance with Section IV.A of these parameters and guidelines. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

The Commission’s Statement of Decision, page 6, states:

Claimant’s request for reimbursement for “servers,” “carts, peripheral infrastructure equipment, fiber optic cabling,” “electrical cords, hardware and software,” is too broad, vague and ambiguous, and not supported by evidence in the record and is, therefore, denied.

Page 7 of the Statement of Decision states:

The Commission also finds that “carts, peripheral infrastructure equipment, fiber optic cabling, [and] electrical cords” are not supported by evidence in the record or are not defined, and are therefore denied.

Recommendation

As of FY 2017-18, the CAASPP Program is funded through the mandate block grant and 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 accepts the audit finding.

FINDING 2— Unallowable contracted services

The district claimed \$1,381,340 in contract services costs for FY 2014-15. We found that the entire amount is unallowable. The costs are unallowable because the district did not claim costs in accordance with the program’s parameters and guidelines or the SCO’s mandated cost manual and claimed unsupported costs. In addition, unallowable related indirect costs total \$85,366, for a total finding of \$1,466,706.

A requirement for reimbursement is that districts 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.

During testing, we found that the district claimed contract services costs for the reimbursable activity related to internet service, network equipment, consultants, or engineers. The claimed costs represent the purchase of services to expand existing technology infrastructure. The district claimed these contract service costs because it misinterpreted requirements of the parameters and guidelines to maintain documentation proving that its existing technology infrastructure and broadband internet service was not sufficient to administer the CAASPP test to all eligible pupils within the testing window. For the audit period, the district did not

maintain source documentation to support that its existing technology infrastructure and broadband internet service was not sufficient to administer the CAASPP test to all eligible pupils within the testing window. Consequently, the district did not provide supporting documentation to establish that the increased costs were required to administer the CAASPP test. Furthermore, the district was unaware of the reimbursement requirements outlined in the program’s parameters and guidelines.

The following table summarizes the claimed, allowable and adjusted contract services costs for the audit period:

Fiscal Year	Contracted Services			Related Indirect Costs		Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment	Indirect Cost Rate	Unallowable Indirect Costs	
2014-15	\$ 1,381,340	\$ -	\$ (1,381,340)	6.18%	\$ (85,366)	\$ (1,466,706)
Total	\$ 1,381,340	\$ -	\$ (1,381,340)		\$ (85,366)	\$ (1,466,706)

Criteria

The parameters and guidelines (section IV – Reimbursable Activities) require claimed costs to be supported by source documents. The parameters and guidelines state, in part:

Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

The parameters and guidelines (section IV.A – Reimbursable Activities) state:

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.

Reimbursement is NOT required to provide a computing device for every pupil, for the time to assess each pupil, or for the purchase of other equipment not listed.

Recommendation

As of FY 2017-18, the CAASPP Program is funded through the mandate block grant and 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 accepts the audit finding.

FINDING 3— Understated offsetting revenues

We found that the district understated offsetting revenues by \$1,381,340 for FY 2014-15 because it did not follow the program's parameters and guidelines, which require that all revenues applicable to the mandated program be offset from claimed costs.

Based on our review of the district's accounting records, we found that the district used the restricted revenue in the Capital Facilities Fund to pay for the contract services costs incurred in FY 2014-15, totaling \$1,381,340; however, the district did not offset this restricted revenue on its claim form when requesting reimbursement for the contract service costs incurred.

The following table summarizes the reported, actual, and adjusted offsetting revenues for the audit period:

Fiscal Year	Reported Offset	Actual Offset	Audit Adjustment
2013-14	\$(475,164)	\$ (475,164)	\$ -
2014-15	-	(1,381,340)	(1,381,340)
Total	<u>\$(475,164)</u>	<u>\$(1,856,504)</u>	<u>\$(1,381,340)</u>

Criteria

The parameters and guidelines (section VII – Offsetting Revenues and Reimbursements) state:

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 any of 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 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.

Recommendation

As of FY 2017-18, the CAASPP Program is funded through the mandate block grant and 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 related offsetting revenues are identified and deducted from claimed costs.

District’s Response

The district accepts the audit finding.

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

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