

# **TWIN RIVERS UNIFIED 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, 2010, through June 30, 2012*



**BETTY T. YEE**  
California State Controller

June 2015



**BETTY T. YEE**  
California State Controller

June 5, 2015

Rebecca Sandoval, President  
Board of Trustees  
Twin Rivers Unified School District  
3222 Winona Way  
North Highlands, CA 95660

Dear Ms. Sandoval:

The State Controller's Office audited the costs claimed by the Twin Rivers Unified 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, 2010, through June 30, 2012.

The district claimed \$376,812 for the mandated program. Our audit found that \$366,355 is allowable and \$10,457 is unallowable. The costs are unallowable because the district claimed unsupported and non-reimbursable initial truancy notifications. The State made no payments to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$366,355, contingent upon available appropriations.

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

Sincerely,

*Original signed by*

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

JVB/gj

cc: Steven Martinez, Ed.D., Superintendent  
Twin Rivers Unified School District  
Bill McGuire, Deputy Superintendent  
Twin Rivers Unified School District  
Kate Ingersoll, Executive Director Fiscal Services  
Twin Rivers Unified School District  
Robert Roach, Budget Technician  
Twin Rivers Unified School District  
Keith Nezaam, Staff Finance Budget Analyst  
Education Systems Unit  
California Department of Finance  
Debbie Wilkins, Coordinator  
District Fiscal Services  
Sacramento County Office of Education  
Peter Foggiato, Director  
School Fiscal Services Division  
California Department of Education  
Amy Tang-Paterno, Education Fiscal Services Consultant  
Government Affairs Division  
California Department of Education  
Thomas Todd, Assistant Program Budget Manager  
Education Systems Unit  
California Department of Finance  
Jay Lal, Manager  
Division of Accounting and Reporting  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by the Twin Rivers Unified 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, 2010, through June 30, 2012.

The district claimed \$376,812 for the mandated program. Our audit found that \$366,355 is allowable and \$10,457 is unallowable. The costs are unallowable because the district claimed unsupported and non-reimbursable initial truancy notifications. The State made no payments to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$366,355, 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 (Commission)) 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 mandated and define the reimbursement criteria. The Commission adopted parameters and guidelines on August 27, 1987. The Commission 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.

## **Objectives, 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, 2010, through June 30, 2012.

The objectives of our audit were 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 legal authority to conduct this audit is provided by Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. 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 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. Our audit scope did not assess the efficiency or effectiveness of program operations.

To achieve our audit objectives, we performed the following audit procedures:

- Interviewed employees, completed the internal control questionnaire, and performed a walk-through of the cost components of each claim.
- Traced costs claimed to supporting documentation that showed when the costs were incurred, the validity of such costs, and their relationship to mandated activities.

## **Conclusion**

Our audit found 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 Twin Rivers Unified School District claimed \$376,812 for costs of the Notification of Truancy Program. Our audit found that \$366,355 is allowable and \$10,457 is unallowable.

The State made no payments to the district. Our audit found that \$366,355 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$366,355, contingent upon available appropriations.

### **Views of Responsible Officials**

We discussed our audit results with the district's representatives during an exit conference conducted on April 20, 2015. Kate Ingersoll, Executive Director of Fiscal Services; and Robert Roach, Budget Technician, agreed with the audit results. Ms. Ingersoll 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 Twin Rivers Unified School District, the Sacramento 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, CPA  
Chief, Division of Audits

June 5, 2015

**Schedule 1—  
Summary of Program Costs  
July 1, 2010, through June 30, 2012**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference <sup>1</sup>
<u>July 1, 2010, through June 30, 2011</u>				
Number of initial truancy notifications	9,345	9,345	—	
Uniform cost allowance	× \$18.29	× \$18.29	× —	
Total program costs <sup>2</sup>	<u>\$ 170,920</u>	\$ 170,920	<u>\$ —</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 170,920</u>		
<u>July 1, 2011, through June 30, 2012</u>				
Number of initial truancy notifications	10,888	10,335	(553)	Findings 1 & 2
Uniform cost allowance	× \$18.91	× \$18.91	× \$18.91	
Total program costs <sup>2</sup>	<u>\$ 205,892</u>	195,435	<u>\$ (10,457)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 195,435</u>		
<u>Summary: July 1, 2010, through June 30, 2012</u>				
Total program costs	<u>\$ 376,812</u>	\$ 366,355	<u>\$ (10,457)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 366,355</u>		

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

# Findings and Recommendations

**FINDING 1—  
Understated and  
unallowable initial  
truancy notifications**

The district understated the number of initial truancy notifications it distributed and also claimed unallowable initial truancy notifications for fiscal year (FY) 2011-12. The unallowable costs total \$3,101 (understated by \$19,044 and overstated by \$22,145).

For FY 2011-12, the district claimed costs for distributing 10,888 truancy notifications during the school year to students’ parents or guardians. The district provided a list taken from its attendance accounting systems that supported the distribution of 11,397 notifications, a difference of 509 initial truancy notifications. Additionally, there were 673 unallowable initial truancy notifications distributed, 481 for students in charter schools and 192 for independent study students, based on the district’s electronic list.

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. Government Code section 17560, states that a local agency or school district may claim reimbursement for State-mandated costs. Therefore, charter schools are not eligible for reimbursement of State-mandated costs.

Independent study students are evaluated for compliance with their individual independent study agreements. They do not attend a normal class schedule and are not evaluated for normal school attendance tardiness or daily absences unless/until they return to a regular classroom schedule. Therefore, the initial truancy notification process is not applicable to independent study students.

The following table summarizes the overstated number of initial truancy notifications claimed and resulting audit adjustments:

	Fiscal Year 2011-12
Initial truancy notifications supported by district	11,397
Less initial truancy notifications claimed	<u>(10,888)</u>
Understated initial truancy notifications	509
Unallowable charter school notifications	(481)
Unallowable independent study student notifications	<u>(192)</u>
(Overclaimed) initial truancy notifications	(164)
Uniform cost allowance	<u>x \$18.91</u>
Audit adjustment	<u>\$ (3,101)</u>

The program's parameters and guidelines require the district to provide documentation that shows the total number of initial truancy notifications distributed. The mandated program reimburses claimants based on a uniform cost allowance, and the number of allowable and reimbursable notifications documented.

#### Recommendation

Commencing in FY 2012-13, the district elected to participate in a block grant program, pursuant to Government Code section 17581.6, in lieu of filing annual mandated cost claims. If the district chooses to opt out of the block grant program, we recommend that the district claim the number of allowable initial truancy notifications that its records support. We also recommend that the district exclude from this count any notifications that it distributes to charter school students and independent study students.

#### **FINDING 2— Non-reimbursable initial truancy notifications**

The district claimed non-reimbursable initial truancy notifications totaling \$13,483. The district claimed initial truancy notifications that it distributed for students who did not accumulate the required number of unexcused absences or tardiness occurrences while between the ages of 6 and 18 to be classified as truant under the mandated program. Under California law, only students between the ages of six and eighteen are subject to compulsory school attendance.

For each fiscal year, we selected a statistical sample of truancy notifications based on a 95% confidence level, a precision rate of +/-8%, and an expected error rate of 50%. We based our samples on the "population sample," as identified in the table on the next page, containing the details of the audit adjustment. We used a statistical sample so that we could project the sample results to the population. The district accounts for student attendance differently depending on the student's grade level. Therefore, we stratified the allowable population into two groups for each year: elementary students subject to daily attendance accounting, and middle and high school students subject to period attendance accounting. We selected our samples from the lists of students that the district provided, which were taken from its online attendance accounting system. We excluded notifications distributed for charter school students, and independent study students identified in Finding 1 above, from the stratified populations.

The following table summarizes the non-reimbursable initial truancy notifications identified from our statistical sample:

	Fiscal Year	
	2010-11	2011-12
Unexcused absences or tardiness occurrences when:		
Students were under six years of age	(4)	(9)
Students were 18 years of age or older	(6)	(3)
Unallowable initial truancy notifications	<u>(10)</u>	<u>(12)</u>

The following table summarizes the audit adjustment based on the unallowable initial truancy notifications identified for each group sampled:

	Fiscal Year		Total
	2010-11	2011-12	
<u>Elementary Schools</u>			
Unallowable initial truancy notifications	(4)	(9)	
Sample size	÷ 144	÷ 145	
Percentage of unallowable initial truancy notifications	(2.78)%	(6.21)%	
Population sampled	x 3,699	x 4,071	
Extrapolated number of unallowable initial truancy notifications	(103)	(253)	
Uniform cost allowance	x \$18.29	x \$18.91	
Audit adjustment - elementary schools	\$ (1,884)	\$ (4,784)	\$ (6,668)
<u>Middle/High Schools</u>			
Unallowable initial truancy notifications	(6)	(3)	
Sample size	÷ 146	÷ 147	
Percentage of unallowable initial truancy notifications	(4.11)%	(2.04)%	
Population sampled	x 5,646	x 6,653	
Extrapolated number of unallowable initial truancy notifications	(232)	(136)	
Uniform cost allowance	x \$18.29	x \$18.91	
Audit adjustment - middle/high schools	\$ (4,243)	\$ (2,572)	\$ (6,815)
Total audit adjustment	<u>\$ (6,127)</u>	<u>\$ (7,356)</u>	<u>\$ (13,483)</u>

Education Code section 48200 states that children between the ages of 6 and 18 are subject to compulsory full-time education. Therefore, student absences that occur before the student's 6<sup>th</sup> birthday or after the student's 18<sup>th</sup> birthday are not relevant when determining whether a student is a truant.

Education Code section 48260, subdivision (a), states:

*Any pupil subject to compulsory full-time or to compulsory continuation education [emphasis added] who is absent from school without valid excuse three full days in one school year or 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, is a truant.*

The parameters and guidelines (section 1–Background and Summary of Mandate) state:

A truancy occurs when a student is absent from school without valid excuse three (3) full days in one school year, or is tardy or absent without valid excuse for more than any thirty (30)-minute period during the school day on three (3) occasions in one school year, or any combination thereof.

#### Recommendation

Commencing in FY 2012-13, the district elected to participate in a block grant program, pursuant to Government Code section 17581.6, in lieu of filing annual mandated cost claims. If the district chooses to opt out of the block grant program, we recommend that the district claim initial truancy notifications only for those students who accumulate the required number of unexcused absences or tardiness occurrences while subject to compulsory full-time education.

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

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