

# **OCEANSIDE UNIFIED SCHOOL DISTRICT**

Audit Report

## **PROPOSITION 47 SAFE NEIGHBORHOODS AND SCHOOLS FUND GRANT EXPENDITURES**

*July 1, 2018, through June 30, 2022*



**MALIA M. COHEN**  
CALIFORNIA STATE CONTROLLER

July 2024



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

July 19, 2024

Raquel Alvarez, President  
Board of Education  
Oceanside Unified School District  
2111 Mission Avenue  
Oceanside, CA 92058

Dear Ms. Alvarez:

This is the final report on our audit of the Oceanside Unified School District's Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures for the period of July 1, 2018, through June 30, 2022.

If you have any questions regarding this report, please contact Roochel Espilla, Chief, State Agency Audits Bureau by telephone at (916) 323-5744, or by email at [respilla@sco.ca.gov](mailto:respilla@sco.ca.gov).

Sincerely,

*Original signed by*

Kimberly A. Tarvin, CPA  
Chief, Division of Audits

KAT/lis

Ms. Raquel Alvarez

July 19, 2024

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Copy: Stacy Begin, Ed.D., Vice President  
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# Audit Report

## Summary

The State Controller’s Office (SCO) conducted a performance audit of Oceanside Unified School District’s (OUSD) Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures for the period of July 1, 2018, through June 30, 2022. The purpose of the audit was to ensure that program funds were disbursed and expended in accordance with program guidelines and grant requirements, as required by Government Code (GC) section 7599.2(c), and applicable laws and regulations.

We verified that during the audit period, the California Department of Education (CDE) awarded OUSD with \$1,760,000 from the Proposition 47 Safe Neighborhoods and Schools Fund (SNSF) Grants Program. For the same period, OUSD’s Safe Neighborhoods and Schools Fund grant expenditures were \$1,724,682. All costs were allowable (see Schedules 1 and 2). Unused program funds will be returned to the CDE at the end of the grant period.

OUSD adequately accounted for its Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures, and ensured that program funds were disbursed and expended in accordance with program guidelines and grant requirements, and as required by GC section 7599.2(c).

Our audit did not disclose any findings.

## Background

### Proposition 47 – Safe Neighborhoods and Schools Fund

On November 4, 2014, California voters approved Proposition 47, which reduces penalties for certain offenders convicted of non-serious and nonviolent property and drug crimes. It also allows some offenders to apply for reduced sentences. Proposition 47 established the Safe Neighborhoods and Schools Fund, which is funded by savings that accrue to the State from implementation of the measure. This mandate is expected to save significant state corrections dollars annually.

Savings resulting from Proposition 47 are transferred to the Safe Neighborhoods and Schools Fund to be used in support of truancy reduction and drop-out prevention programs for public school pupils in grades K through 12, increase victim services grants, and support substance abuse and mental health treatment and diversion programs for people in the criminal justice system.

### Oceanside Unified School District

OUSD is located in San Diego County and operates 23 schools, which include elementary, middle, high, and alternative schools. The 23 OUSD schools serve over 16,000 students.

In fiscal year (FY) 2018-19, the CDE awarded OUSD with \$1,760,000 from the Proposition 47 SNSF Grants Program through a competitive bidding process. The funding period is July 1, 2018, through June 30, 2021.

The OUSD used its grant to implement the Learning Communities for School Success Program (LCSSP), established by Assembly Bill 1014 (Statutes of 2016). LCSSP supports evidence-based, non-punitive education programs and practices to keep vulnerable students in school. All 23 OUSD school sites received program services through LCSSP.

Due to the COVID-19 pandemic, the CDE extended the program's award end date from June 30, 2021, to December 31, 2021. The extension was communicated to the OUSD superintendent in March 2021. In February 2022, the CDE further extended the grant period to June 30, 2022.

## **Audit Authority**

We conducted this audit in accordance with GC section 7599.2(c), which requires the SCO, every two years, to conduct an audit of the Proposition 47 SNSF Grants Program operated by the CDE "to ensure that the funds are disbursed and expended solely according to this chapter," and to report its findings to the California State Legislature. In addition, GC section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

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

Our audit objective was to ensure that OUSD adequately accounted for Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures, and that its program funds were disbursed and expended in accordance with program guidelines and grant requirements, and as required by GC section 7599.2(c).

The audit period was July 1, 2018, through June 30, 2022.

To achieve our objective, we performed the following procedures:

- We identified the Proposition 47 SNSF Grants Program background, criteria, purpose, and requirements by reviewing GC sections 7599 through 7599.2, and the California Department of Finance fund classification and basis for the Safe Neighborhoods and Schools Fund.
- We reviewed OUSD's Safe Neighborhoods and Schools Fund grant files, grant agreements, program guidelines, program requirements, and claimed invoices.
- We reviewed OUSD's claimed Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures; and performed analytical procedures and budgetary analysis to identify material cost components of each claim, any errors, and any unusual or unexpected variances.

- We interviewed OUSD’s key personnel; completed internal control questionnaires; reviewed written internal policies and procedures; identified internal controls significant to the audit objective; and performed a limited walk-through of significant controls in order to gain a general understanding of OUSD’s internal controls related to the Proposition 47 SNSF Grants Program, such as accounting, timekeeping, procurement, and procedures performed by staff when preparing, reviewing and approving Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures, monitoring the Proposition 47 SNSF Grants Program, and recording disbursements and expenditures in OUSD’s financial management system.
- We assessed OUSD’s internal controls related to the Proposition 47 SNSF Grants Program by reviewing policies and procedures, guidelines, grant agreements, contracts, expenditure reports, and supporting documents; and by conducting limited tests of the controls significant to the audit objective in order to determine whether the controls were functioning as intended, and whether OUSD was in compliance with written internal policies and procedures, and applicable provisions of laws, regulations, and established criteria.
- We verified that the CDE awarded OUSD with \$1,760,000 from the Proposition 47 SNSF Grants Program. In addition, we verified that OUSD’s Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures were \$1,724,682 (\$63,856 in FY 2018-19, \$737,454 in FY 2019-20, \$796,154 in FY 2020-21, and \$127,218 in FY 2021-22).
- We conducted a risk assessment and reviewed internal controls for Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures to determine the nature, timing, and extent of substantive testing.
- To reduce audit risk, we tested sample transactions, traced those transactions to supporting documentation, and performed analytical procedures and budgetary analysis:
  - We used a judgmental (non-statistical) sampling approach to select samples that supported our audit conclusions, and to ensure that the samples selected were representative of the population and provided sufficient, appropriate evidence; and
  - We also tested compliance with applicable laws, regulations, internal policies and procedures, and program requirements. Our audit procedures included interviewing appropriate personnel and inspecting documents, records, and grant agreements.
- We tested 14% of \$1,724,682 claimed by OUSD. The amount tested totaled \$234,778, and was selected from four cost categories as follows:
  - Materials and supplies – We tested \$7,093 (39%) of \$18,061.
  - Consultant services (non-instructional) – We tested \$194,453 (71%) of \$275,000.

- Consultant services (instructional) – We tested \$11,000 (15%) of \$75,000.
- Indirect costs – We tested all \$22,232.

Errors found, if any, were not projected to the intended (total) population.

- We assessed the reliability of computer-processed data for Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures by interviewing OUSD officials knowledgeable about the data; reviewing existing information about the data and the system that produced it; and tracing data to source documents, based on judgmental sampling. We determined that the data was sufficiently reliable for the purposes of this report.

We did not examine the information-system controls or the economy, efficiency, or effectiveness of the program. Our audit of the program was related solely to program expenditures as required by GC section 7599.2(c).

We did not audit OUSD's financial statements. We limited our audit scope to planning and performing audit procedures necessary to achieve our audit objective. In addition, our review of internal control was limited to gaining an understanding of the transaction flows and financial-management accounting system, and performing limited tests of controls regarding OUSD's ability to accumulate and segregate reasonable and allowable program costs.

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 we obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## **Conclusion**

We verified that during the period of July 1, 2018, through June 30, 2022, the CDE awarded OUSD with \$1,760,000 from the Proposition 47 SNSF Grants Program. Our audit found that OUSD adequately accounted for its Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures; and ensured that its program funds were disbursed and expended in accordance with program guidelines and grant requirements, and as required by GC section 7599.2(c).

Our audit did not disclose any findings.

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

We have not previously conducted an audit of OUSD's Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures.



**Views of  
Responsible  
Officials**

We discussed our audit results with OUSD representatives by email dated May 5, 2023. An OUSD representative responded by email dated May 8, 2023, agreeing with the audit results.

**Restricted Use**

This audit report is intended solely for the information and use of OUSD, the CDE, and the SCO; it is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record, and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

Kimberly A. Tarvin, CPA  
Chief, Division of Audits

July 19, 2024

**Schedule 1—  
Summary of Grant Awards, Amounts Disbursed and  
Expended, and Audit Adjustments  
July 1, 2018, through June 30, 2022**

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The following table summarizes the grant award, the amounts disbursed and expended during the audit period, and the audit adjustment. All monetary amounts are rounded to the nearest whole dollar.

<u>Fiscal Year</u>	<u>Grant Amount Awarded</u>	<u>Grant Amount Disbursed</u>	<u>Grant Amount Expended</u>	<u>Amount Allowable per Audit</u>	<u>Audit Adjustment</u>
2018-19	\$ 1,760,000	\$ 586,667	\$ 63,856	\$ 63,856	\$ -
2019-20	-	586,667	737,454	737,454	-
2020-21	-	586,666	796,154	796,154	-
2021-22	-	-	127,218	127,218	-
<b>Grand total</b>	<b><u>\$ 1,760,000</u></b>	<b><u>\$ 1,760,000</u></b>	<b><u>\$ 1,724,682</u></b>	<b><u>\$ 1,724,682</u></b>	<b><u>\$ -</u></b>

**Schedule 2—  
Summary of Program Costs  
July 1, 2018, through June 30, 2022**

The following table summarizes the grant amounts expended, the amounts allowable per our audit, and the audit adjustment. All monetary amounts are rounded to the nearest whole dollar.

Cost Element	Grant Amount Expended	Amount Allowable per Audit	Audit Adjustment
<u>July 1, 2018, through June 30, 2019</u>			
Direct costs:			
Certificated personnel salaries	\$ -	\$ -	\$ -
Employee benefits	-	-	-
Books and other instructional materials	-	-	-
Materials and supplies	5,227	5,227	-
Travel and conferences	1,035	1,035	-
Interprogram services	759	759	-
Consultant services (non-instructional)	25,000	25,000	-
Consultant services (instructional)	-	-	-
Subagreements for services	30,000	30,000	-
Total direct costs	62,021	62,021	-
Total indirect costs	1,835	1,835	-
Total program costs	<u>\$ 63,856</u>	<u>\$ 63,856</u>	<u>\$ -</u>
<u>July 1, 2019, through June 30, 2020</u>			
Direct costs:			
Certificated personnel salaries	\$ 122	\$ 122	\$ -
Employee benefits	28	28	-
Books and other instructional materials	-	-	-
Materials and supplies	-	-	-
Travel and conferences	4,076	4,076	-
Interprogram services	289	289	-
Consultant services (non-instructional)	100,000	100,000	-
Consultant services (instructional)	25,000	25,000	-
Subagreements for services	600,000	600,000	-
Total direct costs	729,515	729,515	-
Total indirect costs	7,939	7,939	-
Total program costs	<u>\$ 737,454</u>	<u>\$ 737,454</u>	<u>\$ -</u>

## Schedule 2 (continued)

Cost Element	Grant Amount Expended	Amount Allowable per Audit	Audit Adjustment
<u>July 1, 2020, through June 30, 2021</u>			
Direct costs:			
Certificated personnel salaries	\$ 9,784	\$ 9,784	\$ -
Employee benefits	2,183	2,183	-
Books and other instructional materials	1,358	1,358	-
Materials and supplies	-	-	-
Travel and conferences	16,144	16,144	-
Interprogram services	312	312	-
Consultant services (non-instructional)	125,000	125,000	-
Consultant services (instructional)	25,000	25,000	-
Subagreements for services	608,283	608,283	-
Total direct costs	788,064	788,064	-
Total indirect costs	8,090	8,090	-
Total program costs	<u>\$ 796,154</u>	<u>\$ 796,154</u>	<u>\$ -</u>
<u>July 1, 2021, through June 30, 2022</u>			
Direct costs:			
Certificated personnel salaries	\$ 8,703	\$ 8,703	\$ -
Employee benefits	2,031	2,031	-
Books and other instructional materials	-	-	-
Materials and supplies	12,834	12,834	-
Travel and conferences	11,100	11,100	-
Interprogram services	9,462	9,462	-
Consultant services (non-instructional)	25,000	25,000	-
Consultant services (instructional)	25,000	25,000	-
Subagreements for services	28,720	28,720	-
Total direct costs	122,850	122,850	-
Total indirect costs	4,368	4,368	-
Total program costs	<u>\$ 127,218</u>	<u>\$ 127,218</u>	<u>\$ -</u>

**State Controller's Office  
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