

**PROPOSITION 47  
SAFE NEIGHBORHOODS AND  
SCHOOLS FUND**

Report to the California State Legislature

**GRANTS PROGRAM OPERATED BY  
THE CALIFORNIA BOARD OF STATE AND  
COMMUNITY CORRECTIONS, CALIFORNIA  
VICTIM COMPENSATION BOARD, AND  
CALIFORNIA DEPARTMENT OF EDUCATION**

*July 1, 2022, through June 30, 2024*



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

October 2024



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

October 14, 2024

Members of the California State Legislature  
State Capitol Building  
Sacramento, CA 95814

Dear Members of the California State Legislature:

I am pleased to present you with the State Controller's Office biennial report on the Proposition 47 Safe Neighborhoods and Schools Fund Grants Program. This report has been prepared pursuant to Government Code section 7599.2(c).

During the period of July 1, 2022, through June 30, 2024, the State Controller's Office completed audits of four grantees that received funds from these administrative agencies.

We audited \$6,377,072 in grantee expenditures. We found that the grantees were in compliance with the program guidelines and grant requirements, and that program funds were disbursed and expended legally, properly, and in accordance with program requirements.

Please direct any questions regarding this report to Kimberly A. Tarvin, CPA, Chief of our Division of Audits, at 916-324-1696. Thank you.

Sincerely,

*Original signed by*

Malia M. Cohen

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# Overview

## Summary

This report summarizes the results of the State Controller's Office (SCO) audits of the Proposition 47 Safe Neighborhoods and Schools Fund (SNSF) Grants Program during the period of July 1, 2022, through June 30, 2024. This report has been prepared pursuant to Government Code (GC) section 7599.2(c).

SCO completed audits of the following four grantees:

- California State University, Long Beach Research Foundation (Research Foundation) for the period July 1, 2018, through June 30, 2020;
- Hemet Unified School District (HUSD) for the period July 1, 2017, through December 31, 2020;
- Pasadena Unified School District (PUSD) for the period July 1, 2018, through December 31, 2021; and
- Oceanside Unified School District (OUSD) for the period July 1, 2018, through June 30, 2022.

The purpose of these audits, as required by GC section 7599.2(c), was to determine whether Proposition 47 grant funds were disbursed and expended in accordance with program guidelines and grant requirements, and applicable laws and regulations.

We audited \$6,377,072 in grantee expenditures. We found that the grantees were in compliance with the program guidelines and grant requirements, and that program funds were disbursed and expended legally, properly, and in accordance with program requirements.

The Audit Results section of this report summarizes our audits of the four grantees.

## Background

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 from the General Fund 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 kindergarten through grade 12, increase victim services grants, and support substance abuse and mental health treatment and diversion programs for people in the criminal justice system.

Since fiscal year (FY) 2022-23, Proposition 47 has provided an estimated \$274 million in savings to the General Fund. The FY 2023-24 Budget included savings of \$112.9 million, and the FY 2022-23 Budget included a net savings of \$161.1 million.

**Audit  
Authority**

We conducted these audits in accordance with GC section 7599.2(c), which requires SCO, every two years, to conduct an audit of the Proposition 47 SNSF Grants Program operated by the California Board of State and Community Corrections, the California Victim Compensation Board (CalVCB), and the California Department of Education (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 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 determine whether the grantees disbursed and expended Proposition 47 grant funds in compliance with program guidelines and grant requirements, and applicable laws and regulations.

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 interviewed key personnel; completed internal control questionnaires; obtained documents and records; reviewed policies and procedures, grant agreements, and grant processes; and traced transactions and activities through the information system to gain an understanding of internal controls related to the Proposition 47 SNSF Grants Program; and we identified controls significant to our audit objective.
- We assessed the design and implementation of the significant controls related to the Proposition 47 SNSF Grants Program. Our consideration of internal control was for the limited purpose of providing a conclusion based on our audit objectives.
- We performed various audit procedures on Proposition 47 grant funds awarded, disbursed, and expended.
- We assessed the reliability of computer-processed data for Proposition 47 grant expenditures by interviewing grantee 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 our audit reports.

None of these audits included objectives related to economy or efficiency measures.

This report summarizes the results of our audits, during the period of July 1, 2022, through June 30, 2024, of four grantees that received funds from the administrative agencies. The four grantees were awarded a total of \$6,554,714, of which \$6,393,949 was disbursed. Total grantee expenditures were \$6,377,072.

# Audit Results

## Introduction

The audit results included in this section are presented as they were stated in the Proposition 47 grant expenditures audit reports issued by SCO from July 1, 2022, through June 24, 2024.<sup>1</sup> The full audit reports for the four audits summarized here are available at [www.sco.ca.gov](http://www.sco.ca.gov).

The audit results are solely for the information and use of the Legislature, the California Board of State and Community Corrections, CalVCB, CDE, the respective grantees, and SCO; they are not intended to be, and should not be, used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report or the respective audit reports, which are a matter of public record.

## California State University, Long Beach Research Foundation July 1, 2018, through June 30, 2020

CalVCB awarded the Research Foundation with \$2,079,800 in grant funds, comprising \$1,565,240 from the Safe Neighborhoods and Schools Fund and \$514,560 from the Restitution Fund. CalVCB disbursed \$1,919,035 (\$824,386 in FY 2018-19 and \$1,094,649 in FY 2019-20) to the Research Foundation. We verified that the Research Foundation expended the same amounts that it received (\$824,386 in FY 2018-19 and \$1,094,649 in FY 2019-20).

Our audit found that the Research Foundation adequately accounted for Proposition 47 grant expenditures, and ensured that Proposition 47 grant funds were properly disbursed and expended in accordance with program guidelines and grant agreements.

## Hemet Unified School District July 1, 2017, through December 31, 2020

CDE awarded HUSD with \$954,914 in Proposition 47 grant funds. CDE disbursed the entire amount (\$318,305 in FY 2017-18, \$318,305 in FY 2018-19, and \$318,304 in FY 2019-20) to HUSD. We verified that HUSD expended \$973,355 (\$231,156 in FY 2017-18; \$281,833 in FY 2018-19; \$336,325 in FY 2019-20; and \$124,041 in FY 2020-21) in program-related expenditures. HUSD indicated that funds from other sources would be used to cover expenditures that exceeded the grant amount.

Our audit found that HUSD adequately accounted for Proposition 47 grant expenditures, and ensured that Proposition 47 grant funds were properly disbursed and expended in accordance with program guidelines and grant agreements.

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<sup>1</sup> SCO completed audit work and issued draft audit reports during the period of July 1, 2022, through June 24, 2024. The final audit reports for the Research Foundation and HUSD were issued during the same period. The final audit reports for OUSD and PUSD were issued on July 19, 2024 and July 24, 2024, respectively.

**Pasadena Unified School District**  
**July 1, 2018, through December 31, 2021**

CDE awarded PUSD with \$1,760,000 in Proposition 47 grant funds. CDE disbursed the entire amount (\$586,667 in FY 2018-19, \$586,667 in FY 2019-20, and \$586,666 in FY 2020-21) to PUSD. We verified that PUSD expended the same amounts that it received (\$236,975 in FY 2018-19; \$628,822 in FY 2019-20; \$650,485 in FY 2020-21; and \$243,718 in FY 2021-22).

Our audit found that PUSD adequately accounted for Proposition 47 grant expenditures, and ensured that Proposition 47 grant funds were properly disbursed and expended in accordance with program guidelines and grant agreements.

**Oceanside Unified School District**  
**July 1, 2018, through June 30, 2022**

CDE awarded OUSD with \$1,760,000 in Proposition 47 grant funds. CDE disbursed the entire amount (\$586,667 in FY 2018-19; \$586,667 in FY 2019-20; and \$586,666 in FY 2020-21) to OUSD. We verified that OUSD expended \$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). OUSD indicated that unused program funds would be returned to the CDE at the end of the grant period.

Our audit found that OUSD adequately accounted for Proposition 47 grant expenditures, and ensured that Proposition 47 grant funds were properly disbursed and expended in accordance with program guidelines and grant agreements.

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