



Audit Guide Update

2015-16 Audit Guide Update

2016-17 Audit Guide Proposals

**Special issues from 2013-14 and 2014-15
Audit Reports**



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State Superintendent
of Public Instruction

Topics for this Session

- The 2015–16 Audit Guide
 - Deleted Programs/Procedures – 4
 - New Programs/Procedures – 4
 - Amended Programs/Procedures – 6
- The 2016–17 Audit Guide
- Special issues from the 2013–14 and 2014–15 audit reports



The 2015–16 Audit Guide

CALIFORNIA DEPARTMENT OF EDUCATION
Tom Torlakson, State Superintendent of Public Instruction



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Deleted Audit Procedures

- Common Core Implementation Funds
- Maintenance of Effort – ROC/P
- Maintenance of Effort – Adult Education
- Proposition 39 – Verification of sole source



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New Audit Procedures

- Course-Based Independent Study
- Immunization
- Educator Effectiveness – (supplemental)
- Appendix – Local School Bond Audits



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New – Course-Based Independent Study (CBIS)

What is the New CBIS?

- Alternative method for operating and reporting independent study, beginning with 2015–16 school year
- Authority is in *EC* sections 51749.5 and 51749.6
- In general, replaces making time valued assignments with enrolling in an authorized “course”
- Attendance earned if all requirements are met and the pupil is making satisfactory progress
- ADA (which is basically enrollment) is reduced by the average statewide absence rate for ADA in excess of 10% of total ADA
- Reported separately from traditional independent study ADA
- Requires separate independent study ratio calculation



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New – Course-Based Independent Study (CBIS)

Special Considerations

- Certificated employee and pupil must communicate in person, by telephone or other live visual or audio connection, no less than twice per calendar month to assess satisfactory progress.
- Governing board/body must annually certify the CBIS courses to be the same rigor and quality as equivalent classroom-based courses and shall be aligned to all relevant content standards. Certification to include:
 - Duration of course
 - Number of equivalent daily instructional minutes
 - Number of equivalent total instructional minutes
 - Number of course credits for each course



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New – Course-Based Independent Study (CBIS)

Special Considerations

- To calculate ADA:
 - (A) For each school day, add combined daily instructional minutes for the CBIS courses in which the pupil is enrolled.
 - (B) For each school day, add combined daily instructional minutes of courses authorized by all other laws in which the pupil is enrolled and for which the pupil meets applicable attendance requirements.
 - Add the sum of (A) and (B) and if minimum instructional time is met, all CBIS requirements are met, and pupil is making satisfactory progress, then credit with up to one school day of the CBIS attendance.
- First 10 percent of total LEA ADA is computed as above.
- All CBIS ADA in excess of the first 10 percent is reduced by the statewide average absence rate for elementary (K–8) or high school (9–12) as calculated by the CDE for the prior fiscal year. The rates can be found at:
<http://www.cde.ca.gov/fg/aa/pa/pa1516rates.asp>
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New – Course-Based Independent Study (CBIS)

Special Considerations

- No more than one ADA can be earned per pupil.
- If an LEA has an MOU with another LEA, it would presumably be to provide a pupil with a course the first LEA does not offer. Advise caution that this does not conflict with the requirement that certain courses cannot be offered exclusively through independent study.
- As with the traditional independent study program, **all** requirements for CBIS must be met to earn attendance.
- If CBIS is used in combination with other modes of instruction, the ADA is reported as CBIS ADA, and the IS ratio becomes more difficult to meet.
- When reporting attendance, there is an informational line for reporting CBIS ADA.



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New – Immunization for Kindergarten and Grade 7

Reporting Requirement

- All public and private schools are required to report immunization status of each pupil enrolled to the California Department of Public Health (CDPH) and the local health department by October 15 of each year.
- The CDPH obtains the list of schools from the School Directory, so if a school is listed in the directory as serving kindergarten, then it is included on the list. If the school does not offer kindergarten, then the school should have reported zero enrollment (same rule for 7th grade).



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New – Immunization for Kindergarten and Grade 7

Reporting Requirement

- Testing will be limited to the schools that did not report to the Dept. of Public Health or that reported a high number of conditionally enrolled students.
- The list of schools that are subject to audit for the 2015–16 school year can be found at:
<http://www.shotsforschool.org/k-12/audit/>.

69 kindergarten schools did not report
166 kindergarten schools with high conditional counts
141 seventh grade schools did not report



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New – Immunization for Kindergarten and Grade 7

Immunization Requirements

- Schools are required to follow up on conditional admissions every 30 days.
- For an unconditional admission, student must have a DTaP dose before entering 7th grade.
- Special rules for foster students – not excluded from school if immunization records not available at time of admission.
- Due to the passage of SB 277 (Immunization law), the sample of students selected to test by the auditor will exclude (supplemental):
 - students in independent study
 - students with an individualized education program that includes special education and related services

New – Educator Effectiveness (Supplemental)



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Adoption of Plan

- If LEA had expenditures:
 - Verify that the LEA developed and adopted a plan to spend Educator Effectiveness funds and that the plan was explained in a public meeting before its adoption in a subsequent meeting.
 - If LEA did not explain the plan at a public meeting before adopting at a subsequent meeting, then recommend that the LEA either return the funds or comply with the requirement.

New – Educator Effectiveness (Supplemental)



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Final Expenditure Report

- If LEA had expenditures:
 - Verify that the LEA is separately tracking the number of teachers, administrators, and paraprofessionals receiving professional development in the areas listed on the final expenditure report template.
 - Verify that the LEA is separately tracking expenditures in each of the four category areas.
 - If the LEA is not tracking the professional development staff counts or the expenditures, then recommend that the LEA tracks expenditures in order to complete the required final expenditure report.
 - A template of the final expenditure report can be found at: <http://www.cde.ca.gov/fg/aa/ca/educatoreffectiveness.asp>.

**Educator Effectiveness Final Expenditure Report Template
For Expenditures Between July 1, 2015 and June 30, 2018**

Activity	Content Standards	Number of Teachers	Number of Administrators	Number of Paraprofessionals	Total Expenditures
Beginning teacher and administrator support and mentoring, including, but not limited to, programs that support new teacher and administrator ability to teach or lead effectively and to meet induction requirements adopted by the Commission on Teacher Credentialing and pursuant to Section 44259 of the California <i>Education Code</i>	N/A			N/A	\$
Of these expenditures, how much was spent on induction programs?	N/A	N/A	N/A	N/A	\$

Activity	Content Standards	Number of Teachers	Number of Administrators	Number of Paraprofessionals	Total Expenditures
Professional development, coaching, and support services for teachers who have been identified as needing improvement or additional support	N/A			N/A	\$

Activity	Content Standards	Number of Teachers	Number of Administrators	Number of Paraprofessionals	Total Expenditures
Professional development for teachers and administrators that is aligned to the state content standards adopted pursuant to sections 51226, 60605, 60605.1, 60605.2, 60605.3, 60605.8, 60605.11, 60605.85, as that section read on June 30, 2014, and 60811.3, as that section read on June 30, 2013, of the California <i>Education Code</i>	N/A	N/A	N/A	N/A	\$
	Mathematics			N/A	N/A
	English language arts/development			N/A	N/A
	Science			N/A	N/A
	History/social sciences			N/A	N/A
	Visual/performing arts			N/A	N/A
	Career technical			N/A	N/A
	World language			N/A	N/A
	Physical education			N/A	N/A

Activity	Content Standards	Number of Teachers	Number of Administrators	Number of Paraprofessionals	Total Expenditures
Activities to promote educator quality and effectiveness including, but not limited to, training on mentoring and coaching certificated staff and training certificated staff to support effective teaching and learning	N/A				\$

Note: N/A is used in areas where an item would not be applicable for a particular activity/category. LEAs should not be tracking expenditures, number of teachers, etc. in subject areas marked N/A.

Appendix – Local School Bond Audits



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- Added to Audit Guide as required by SB 584 (Chapter 167, Statutes of 2013)
- Provides guidance for auditors issuing financial and performance audits required for school facility projects pursuant to California *Education Code* Section 15286
- Reports are submitted to the Citizen's Oversight Committee

Amended Audit Procedures



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- **California Clean Energy Act – Prop 39** - If a school was forced to vacate, the audit should identify facility owner and contact information
- **K–3 Grade Span Adjustment** - Remove test of the 2012–13 school year
- **Local Control and Accountability Plan** - Reference Section 2 to reflect the latest SBE LCAP adoption
- **Instructional Time** - Remove the reduction of five days and the equivalent number of minutes
- **Education Protection Account** – Verify that EPA funds have been properly ~~disbursed~~ and expended. Remove the word “disbursed” (supplemental)

Amended Audit Procedures



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- **Unduplicated Pupil Counts**

On 6/24/15 (AB 104) *Education Code* 48000(c)(3)(B) was added that permits students who will turn five years old after December 2 to be enrolled in TK at the beginning of the school year; however ADA cannot be generated and those students are not included in the Unduplicated Pupil Count until the student turns 5. These students are reported in CALPADS.

Exclude from the testing sample any transitional kindergarten student who had a 5th birthday after Dec. 2 (supplemental).

The CALPADS 1.17 report will have the ability to run the report with or without the excluded students.



The 2016–17 Audit Guide (Proposal)

Amended Audit Procedures



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- **Unduplicated Pupil Counts**

If the student selected in the testing sample has left the LEA, the LEA may contact the new LEA for the supporting documentation, or the auditor can select another student to sample.

- **Educator Effectiveness**

The plan and subsequent adoption could be from either 2015–16 or 2016–17.

- **Immunization**

For kindergarten, personal belief exemptions acceptable only if filed prior to January 1, 2016 (this applies to 2015-16 TK students who had personal belief exemptions on file)



Special Issues from the 2013–14 and 2014–15 Audit Reports



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Special Issues

- Unduplicated Local Control Funding Formula Pupil Counts
- K–3 Grade Span Adjustment
- Common Core Implementation Funds
- Middle/Early College Requirements
- Expired Teacher Credentials
- Independent Study
- Kindergarten Continuance
- Instructional Time

Unduplicated Pupil Counts (UPC)



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Over 200 UPC findings in both 2013–14 and 2014–15

- Did not have proper supporting documentation to support their designation (FRPM, EL)
- Students ineligible for designation
- Unduplicated pupil counts inaccurate, clerical errors
- Used NSLP 30-day grace period for the CALPADS reporting (used prior year status)

Unduplicated Pupil Counts (UPC)



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Census Day Reporting

- FRPM and EL status as of Census Day (the first Wednesday in October) is reported and used to calculate the UPC percentage.
- FRPM applications may be collected through October 31 and be included in the Census Day count.

National School Lunch Program (NSLP) Verification

- If a student is determined to be ineligible for FRPM during the NSLP verification process then that student's FRPM status must be changed during the CALPADS correction window.
- Verification is completed for the NSLP applications approved between the beginning of the current school year and October 1st and must be completed by November 15th.

Unduplicated Pupil Counts (UPC)



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EL Status Change

- A student identified as EL as of Census Day is counted as EL for the remainder of the school year.
- If a student is reclassified after Census Day, the change is not entered into the CALPADS until the following school year.



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K–3 Grade Span Adjustments

K–3 Grade Span Adjustments (GSA)

- District must make progress toward a K–3 class size of 24 to 1 but may negotiate a different class size through collective bargaining
- Districts with current collective bargaining agreement should maintain data to calculate the K-3 class size requirement in case a future year does not have an agreement
- Does not apply to charter schools
- Two audit findings – Neither had a fiscal impact since one district was funded with minimum state aid and one was a basic aid district



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Common Core Implementation Funds

- Approximately \$1.1 million in invoices were billed for Common Core Implementation Funds (about half of the invoices were to closed charter schools)
 - No public meeting and subsequent adoption
 - 1 District
 - Did not submit final expenditure report
 - 2 Active charter schools
 - 16 Closed charter school
 - Did not spend the entire entitlement
 - 1 District
 - 7 Active charter schools
 - 2 Closed charter schools

Middle/Early College Requirements



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- *Education Code (EC) 46146.5* allows middle and early colleges, as defined in *EC 11300* or *11302* to have a 180 minute minimum day if the student is concurrently enrolled in college.
- Charter schools have a similarly reduced number of annual minutes for classroom based instruction if the student is concurrently enrolled in college.
- To be included in the minimum instructional time requirement, the student must be under the **immediate supervision and control** of an employee of the LEA. The time instructed by a college teacher cannot be counted toward the LEA's instructional time.
- LEAs must still **offer** the required number of annual instructional minutes (64,800 minutes).
- In 2014–15 over 300 ADA disallowed for not providing the correct number of minutes.



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Expired Teacher Credential

- LEAs do not have sufficient controls in place to ensure credentials are current for all teachers.
- If a district is assessed a teacher credentialing penalty, then the COE is also assessed a penalty for an amount equal to half of the district's penalty (if COE released the warrant).
- For charter schools, a teacher without a credential (teaching a core subject) may result in an instructional time penalty due to a loss of offered minutes.
- For charter school independent study, a teacher without a credential may result in a reduction of ADA. An uncredentialed teacher (core or non-core) is not included in the independent study pupil to teacher ratio.



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Independent Study

- Deficient master agreements – missing signatures, contract elements missing
- ADA claimed before signatures are obtained
- Missing work samples
- No documentation for educational activity (charter school)



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Kindergarten Continuation

- Kindergarten continuation forms were not completed for students that attended transitional kindergarten in the prior year but were actually age eligible to attend kindergarten in the prior year.
- Law only exempts age-eligible transitional kindergarten students to attend kindergarten without a signed continuation form.



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Instructional Time

- LCFF changed instructional time requirements for districts. Charter school requirements remained the same. For FAQs: <http://www.cde.ca.gov/fg/aa/pa/lcffitfaq.asp>
- For any districts that participated in longer day funding:
 - Districts now only have to offer the minutes listed in statute (*EC* Section 46201[b]).
 - There is no longer a requirement to offer the minutes offered in 1982–83 if they exceeded the minutes listed in statute.
 - Calculating instructional minutes using the weighted average by school site is no longer permitted (beginning in 2013–14).
- For districts that did not participate in longer year funding and/or longer day funding:
 - Once the LCFF target funding is reached, the required number of days is 180 and the required number of minutes is that listed in statute.
 - Once the LCFF target funding is reached districts that did not participate in longer day funding will no longer be permitted to offer the number of minutes offered in 1982–83.



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Instructional Time

- Requirement annual minutes in statutes:
 - Kindergarten, 36,000 minutes
 - Grades 1 to 3, inclusive, 50,400 minutes
 - Grades 4 to 8, inclusive, 54,000 minutes
 - Grades 9 to 12, inclusive, 64,800 minutes
- A schedule for the 10 districts that did not participate in the Longer Day or Longer Year program are listed with their requirements at:
<http://www.cde.ca.gov/fg/aa/pa/instructionaltimetable.asp>.
- In 2015–16 instructional time requirements revert to the statutory limits (five day reduction ends).
- Review bell schedules to ensure enough time is being offered.
- Verify with schools that bell schedules are being followed.

Audit Resolution Resources



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- State Controller's Office
 - http://sco.ca.gov/aud_k12_lea.html
- California Department of Education
 - <http://www.cde.ca.gov/fg/au/ag/statecomp.asp>
- Education Audit Appeals Panel
 - <http://www.eaap.ca.gov>

CDE Contact Information



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