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October 5, 1987

P-726

Honorable Art Agnos, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 3151
Sacramento, California 95814

Dear Mr. Chairman and Members:

In response to a request from the Legislature, we collected information on the funding for and attendance in pregnant minor programs in California's school districts and county offices of education. In fiscal year 1985-86, 100 school districts and 11 county offices of education in California reported the average daily attendance of pregnant minors and were entitled to receive a total of \$8,412,136 in general purpose funds for their pregnant minors. As we were gathering this information, we found that, during a 30-day period in 1986, both of the county offices of education and two school districts that we visited were providing services to students in their pregnant minor programs who were not eligible for the programs. During the same period, 4 of the 9 school districts could not identify how much they spent on their pregnant minors. Finally, of the 109 school districts and 11 county offices of education that were required to continue to operate pregnant minor programs, 25 school districts and one county office of education did not report average daily attendance of pregnant minors in fiscal year 1985-86. However, they did provide programs for their pregnant minors.

Background

California's Pregnant Minor Program provides funds to school districts and county offices of education to operate special programs directed to helping pregnant students stay in school, educating pregnant students about parenting, and assisting these students to adjust to parenthood and plan for their future. The State Department of Education (department) administers the Pregnant Minor Program through its Child Development Division. Pregnant minor programs typically offer academic

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instruction, prenatal education, nutrition education, family planning information, and other health and counseling services. Pregnant minor programs can provide services through home instruction programs, independent study programs, continuation high schools, and other special schools and classes.

Before fiscal year 1981-82, the department provided funds for pregnant minor programs in school districts and county offices of education from the funds for the department's special education programs. Since fiscal year 1981-82, the department has provided funds for pregnant minor programs from the general purpose funds of the school districts and county offices of education. Section 2551.3 and former Section 42241.5 of the Education Code directed the department to include funds for pregnant minor programs operated by school districts and county offices of education in their general purpose funds. According to the department, in fiscal year 1981-82, the department included \$1,690,750 of pregnant minor funds in the general purpose funds of school districts based on their actual expenditures on pregnant minor programs in the previous fiscal year. In fiscal year 1980-81, the department also included \$1,769,001 of pregnant minor funds in the general purpose funds of county offices of education based on their actual expenditures on pregnant minor programs in the previous fiscal year.

The financial support of a school district or a county office of education for its pregnant minor program is determined by the average daily attendance of students in the pregnant minor program. Average daily attendance is the total number of days pupils attended pregnant minor programs divided by the total number of authorized school days in the reporting period. The amount of funding available to school districts and county offices of education for each unit of average daily attendance is referred to as the base revenue limit per unit of average daily attendance. To determine the general purpose funds of a school district or a county office of education, the base revenue limit per unit of average daily attendance is multiplied by the average daily attendance of the school district or the county office of education. General purpose funds include both state aid and local revenue.

Scope and Methodology

We reviewed the department's reports related to the average daily attendance of pregnant minors in fiscal year 1985-86 to identify the school districts and county offices of education that reported average daily attendance. We also used these reports to determine the amount of general purpose funds that the school districts and county offices

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of education were entitled to receive in fiscal year 1985-86 for their pregnant minors. We also reviewed reports of the amount of pregnant minor funds that the department included in the general purpose funds of the school districts in fiscal year 1981-82 and the county offices of education in fiscal year 1980-81.

To determine if school districts and county offices of education that receive pregnant minor funds spend all of these funds on pregnant minors, we visited four school districts and two county offices of education, all but one of which reported the highest attendance of pregnant minors in fiscal year 1985-86. During our visits, we reviewed reports of expenditures for pregnant minors for fiscal year 1985-86, verified the accuracy of the attendance data that was reported, and reviewed the eligibility of the students who were enrolled in the pregnant minor programs in fiscal year 1985-86.

To determine how many school districts and county offices of education that reported attendance of pregnant minors in fiscal year 1985-86 have programs for their pregnant minors, we reviewed a list of programs for pregnant and parenting minors in California schools. The list was prepared for the Senate Office of Research in April 1987 by a research center known as the Policy Analysis for California Education (PACE). We verified the accuracy of the data in the PACE list and then compared the PACE list of pregnant minor programs in California with the list of school districts that reported attendance of pregnant minors in 1985-86. We conducted telephone interviews with officials of the school districts and county offices of education that were not listed in the PACE report and that we did not visit. We also conducted telephone interviews with the officials of those school districts and county offices that did not report attendance of pregnant minors in 1985-86 but that operated pregnant minor programs in fiscal year 1981-82 to determine whether these school districts and county offices of education currently operate pregnant minor programs.

Further, we asked each school district and county office of education that we telephoned to verify our understanding of the information provided in the telephone interview by reviewing and signing a written statement of the conversation. Finally, to verify that the information that school districts reported to us in our telephone conversations was accurate and that 5 of the school districts spent all of their pregnant minor funds on pregnant minors, we visited 7 of the 75 school districts that we telephoned.

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Funding for and Attendance
in Pregnant Minor Programs

Fiscal year 1985-86 is the last complete year for which data are available on the average daily attendance in pregnant minor programs. During that year, 100 school districts in California reported the average daily attendance of pregnant minors and were entitled to receive \$5,368,118 in general purpose funds for their pregnant minors. In the same year, 11 county offices of education reported the average daily attendance of pregnant minors and were entitled to receive \$3,044,018 in general purpose funds. Of these 100 school districts and 11 county offices of education, 13 did not have a pregnant minor program. Three of the 13 school districts inadvertently reported attendance of pregnant minors, and 10 school districts appropriately provided alternative programs for their pregnant minors. Attachment 1 lists the program provided by each school district and county office of education that reported the average daily attendance of pregnant minors in fiscal year 1985-86.

Some Pregnant Minor Programs
Provided Services to Students
Who Were Not Eligible

The California Administrative Code, Title 5, Section 11829, specifies that a student becomes ineligible for the pregnant minor program at the end of the semester in which her baby is born. Section 11829 further states that the program-plan committee may extend the eligibility of the student no more than one additional semester and only if an extension is in the best interest of the student. Therefore, a student who is enrolled in the pregnant minor program more than one semester following the semester in which her baby was born is no longer eligible for the pregnant minor program.

Both of the county offices of education and two of the school districts that we visited provided pregnant minor services to students who were no longer eligible for the programs. During a 30-day period in the spring semester of 1986, we found that 11 (22 percent) of 50 students in one pregnant minor program at a county office of education and 8 (6 percent) of 129 students in a program at another county office of education were not eligible for the pregnant minor programs. As a result, the two county offices of education were ineligible for a total of at least \$19,000 in fiscal year 1985-86. One county office of education allowed ineligible students to remain in its pregnant minor program because, according to the program director, the students did not have child care for their babies and may have dropped out of

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school. Another county office of education permitted ineligible students to remain in its pregnant minor program because six students' babies were born in the summer of 1985 and, according to the director of Curriculum and Instruction, the county counted the summer as part of the fall 1985 semester.

We also found that 3 (20 percent) of 15 students in the pregnant minor program in one school district and 4 (29 percent) of 14 in a program in another school district were not eligible for the pregnant minor program. In addition, one of the school districts reported the attendance of the students' young children in the pregnant minor program. These children were reported as pregnant minors. The school district received \$7,700 in state aid for the young children mistakenly included in its record of attendance for its pregnant minor program. However, the two school districts did not receive additional funds for their ineligible students.

Some School Districts Do Not
Ensure That Pregnant Minor
Funds Are Used on Pregnant Minors

The California Administrative Code, Title 5, Section 11833, requires that the state funds designated for the pregnant minor program be spent on items and services directly related to the program. The Legislative Counsel has issued an opinion stating that school districts and county offices of education may not use the general purpose funds that they receive for their pregnant minor programs for purposes other than pregnant minor programs.

In fiscal year 1985-86, the 100 school districts and 11 county offices of education that reported average daily attendance figures for their pregnant minors were entitled to receive a total of \$8,412,136 in general purpose funds for their pregnant minor programs. Four of the 9 school districts that we visited could not readily identify how much they spent on their pregnant minors in fiscal year 1985-86. According to 3 of these school districts, it is not cost effective for the districts to identify the expenditures of each of their programs. However, if the districts do not clearly account for pregnant minor funds, pregnant minors in these school districts may not receive the level of services that the pregnant minor funds were intended to provide.

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Some School Districts and
a County Office of Education
Provide Alternative Programs

Section 8901 of the Education Code requires those school districts that increased their general purpose funds to include programs for pregnant minors in fiscal year 1981-82 and those county offices of education that operated pregnant minor programs in fiscal year 1979-80 to continue to operate these pregnant minor programs in the future unless alternative programs such as independent study programs and home instruction programs are available. Of the 109 school districts that, in fiscal year 1981-82, increased their general purpose funds to include programs for pregnant minors, 25 school districts did not report average daily attendance in programs for pregnant minors in fiscal year 1985-86. In addition, one of the 11 county offices of education that operated pregnant minor programs in fiscal year 1979-80 did not report attendance of pregnant minors. However, the 25 school districts and the county office of education have complied with the Education Code by providing programs for their pregnant minors. Attachment 2 lists the school districts and the county office of education that were required to continue to operate pregnant minor programs and that did not report average daily attendance in fiscal year 1985-86.

Conclusion

In fiscal year 1985-86, 100 school districts and 11 county offices of education reported average daily attendance of pregnant minors and were entitled to receive \$5,368,118 and \$3,044,018, respectively, in general purpose funds for their pregnant minors. During our review, we found that, in a 30-day period in 1986, both of the county offices of education and two school districts that we visited were providing services to students in their pregnant minor programs who were not eligible for the programs. Further, 4 of the 9 school districts that we visited could not identify how much they spent on their pregnant minors. Finally, of the 109 school districts and 11 county offices of education that were required to continue to operate pregnant minor programs, 25 school districts and one county office of education did not report average daily attendance of pregnant minors in fiscal year 1985-86. However, the districts and county did provide programs for their pregnant minors.

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We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this letter.

Respectfully submitted,



for
THOMAS W. HAYES
Auditor General

Attachments

State Department of Education's response to this report

ATTACHMENT 1

**PROGRAM PROVIDED BY EACH CALIFORNIA SCHOOL DISTRICT AND
COUNTY OFFICE OF EDUCATION THAT REPORTED AVERAGE DAILY ATTENDANCE
OF PREGNANT MINORS IN FISCAL YEAR 1985-86**

	<u>Program for Pregnant Minors</u>	<u>Other Programs*</u>
<u>School Districts</u>		
ABC Unified	X	
Alhambra City High**	X	
Alvord Unified**	X	
Azusa Unified		X
Baldwin Park Unified	X	
Benicia Unified	X	
Berkeley Unified	X	
Burbank Unified	X	
Chaffey Joint Union High**	X	
Chico Unified	X	
Chowchilla Union High	X	
Clovis Unified	X	
Compton Unified	X	
Corona-Norco Unified**	X	
Covina-Valley Unified**	X	
Del Norte County Unified**	X	
Delano Joint Union High	X	
Dinuba Joint Union High**	X	
East Side Union High	X	
El Monte Union High	X	
El Rancho Unified**	X	
Elk Grove Unified**	X	
Escondido Union High	X	
Fairfield-Suisun Unified	X	
Folsom-Cordova Unified	X	
Fortuna Union High	X	

*These included programs such as independent study programs, home instruction programs, and continuation school programs. Also, some pregnant minors were referred to another pregnant minor program in the counties in which the students resided.

**We obtained information on these school districts from the PACE list.

	<u>Program for Pregnant Minors</u>	<u>Other Programs*</u>
Fremont Unified	X	
Fresno Unified	X	
Galt Joint Union High**	X	
Garden Grove Unified	X	
Gilroy Unified**	X	
Glendora Unified	X	
Grant Joint Union High	X	
Grossmont Union High**	X	
Hacienda La Puente Unified	X	
Huntington Beach Union High**	X	
Kern High**	X	
Kings Canyon Joint Unified	X	
Lagunitas Elementary***		
Lassen Union High**	X	
Liberty Union High		X
Lincoln Unified**	X	
Lodi Unified	X	
Lompoc Unified	X	
Long Beach Unified	X	
Los Angeles Unified	X	
Los Banos Unified**	X	
Manteca Unified		X
Marysville Joint Unified**	X	
Merced Union High	X	
Modesto City High**	X	
Monrovia Unified**	X	
Mount Diablo Unified**	X	
Mountain Empire Unified		X
Napa Valley Unified	X	
New Haven Unified	X	
Newport-Mesa Unified**	X	
Norwalk-La Mirada Unified**	X	
Novato Unified***		
Oakland Unified**	X	
Orange Unified**	X	
Pajaro Valley Unified**	X	
Palm Springs Unified		X
Paso Robles Joint Union High	X	

*These included programs such as independent study programs, home instruction programs, and continuation school programs. Also, some pregnant minors were referred to another pregnant minor program in the counties in which the students resided.

**We obtained information on these school districts from the PACE list.

***School districts that inadvertently reported average daily attendance of pregnant minors.

	<u>Program for Pregnant Minors</u>	<u>Other Programs*</u>
Petaluma Joint Union High		X
Placentia Unified**	X	
Porterville Union High**	X	
Redlands Unified**	X	
Richmond Unified	X	
River Delta Unified		X
Riverside Unified**	X	
Roseville Joint Union High	X	
Sacramento City Unified**	X	
Salinas Union High**	X	
San Bernardino City Unified**	X	
San Diego Unified**	X	
San Francisco Unified	X	
San Juan Unified	X	
San Mateo Union High	X	
Sanger Unified**	X	
Santa Ana Unified	X	
Santa Barbara High	X	
Santa Cruz City High**	X	
Santa Maria Joint Union High	X	
City of Santa Rosa		X
Sequoia Union High**	X	
Simi Valley Unified**	X	
South San Francisco Unified**	X	
Stockton City Unified**	X	
Sweetwater Union High**	X	
Trona Joint Unified***		
Tulare Joint Union High**	X	
Ukiah Unified**	X	
Vacaville Unified**	X	
Vallejo City Unified	X	
Visalia Unified	X	
Whittier Union High**	X	
William S. Hart Union High		X
Windsor Union Elementary		X
Woodlake Union High**	X	

*These included programs such as independent study programs, home instruction programs, and continuation school programs. Also, some pregnant minors were referred to another pregnant minor program in the counties in which the students resided.

**We obtained information on these school districts from the PACE list.

***School districts that inadvertently reported average daily attendance of pregnant minors.

<u>County Offices of Education</u>	<u>Program for Pregnant Minors</u>	<u>Other Programs*</u>
Alameda	X	
Imperial	X	
Kings	X	
Los Angeles	X	
Madera	X	
Nevada	X	
Riverside	X	
San Bernardino	X	
Shasta	X	
Sutter	X	
Yolo	X	

*These included programs such as independent study programs, home instruction programs, and continuation school programs. Also, some pregnant minors were referred to another pregnant minor program in the counties in which the students resided.

**THE SCHOOL DISTRICTS AND THE COUNTY OFFICE OF EDUCATION
THAT WERE REQUIRED TO CONTINUE TO OPERATE
PREGNANT MINOR PROGRAMS AND THAT DID NOT REPORT
AVERAGE DAILY ATTENDANCE IN FISCAL YEAR 1985-86**

School Districts

Analy Union High
Barstow Unified
Capistrano Unified
Ceres Unified
Colusa Unified
Corcoran Joint Unified
Corning Union High
Duarte Unified
Eastern Sierra Unified
Eureka City High
Fullerton Union High
Gridley Union High
Healdsburg Union High
McFarland Unified
Monterey Peninsula Unified
Northern Humboldt Union High
Oroville Union High
Oxnard Union High
Paramount Unified
Pasadena City Unified
Pomona Unified
San Jose City Unified
Santa Paula Union High
Tahoe-Truckee Joint Unified
Ventura Unified

County Office of Education

Tuolumne



CALIFORNIA STATE DEPARTMENT OF EDUCATION

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Bill Honig

Superintendent

of Public Instruction

September 30, 1987

Thomas W. Hayes, Auditor General
Office of the Auditor General
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Sacramento, California 95814

RE: P-726

Dear Mr. Hayes:

The Department of Education appreciates the opportunity to respond to the draft audit report entitled "A Review of Funding and Attendance in California's Pregnant Minor Programs." I am pleased to learn that all school districts and county offices of education required to operate programs for pregnant minors were in fact providing services. We are aware that most school districts and county offices of education subsidize their Pregnant Minor Programs with other sources of funding.

Attorneys for this Department have reviewed the report and the Legislative Counsel's opinion regarding the restriction on the use of funds by county offices of education and school districts. County offices of education receive funds specifically for the average daily attendance (ADA) reported in their Pregnant Minors programs and it appears that the full amount that they receive per ADA for identified students is restricted by regulation (Title 5, California Administrative Code, Section 11833) for use in the Pregnant Minors programs.

However, legal staff of this Department, on initial reading of the Legislative Counsel's opinion, have a different interpretation regarding a restriction on funds generated by participants in Pregnant Minors programs in school districts. As you know, the Legislature rolled the amount received by school districts in the 1980-81 fiscal year for the Pregnant Minors Program into the base revenue limit in 1981-82. Therefore, these funds became an unrecognizable portion of the base revenue limit for these districts. They can no longer be identified for this reason and because of other confounding forces that operate on the calculation of base revenue limits.

We agree with the Legislative Counsel that insofar as funds are designated for the Pregnant Minors Program they are restricted for use in that program, but there is no authority cited for bringing the base revenue limit amount per ADA, which the child would generate whether in the Pregnant Minors Program or not, within the limits of Section 11833. In our view, there is no "increment" of funds for school districts for these children. We

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will research this matter further to determine if there is a need for a change in Department policy or for clarifying language in the Education Code or the Title 5 regulations.

Beyond this technical issue however, I want you to know that we do believe that pregnant minors deserve services. Our purpose is to inform school districts as to their obligations within the law related to the Pregnant Minors Program. The Child Development Division will communicate with program providers to reiterate program policies and procedures with regard to eligibility and reporting requirements. The Department is committed to improving the delivery of program services. Your report will be helpful in this regard.

Sincerely,



William D. Dawson,
Executive Deputy Superintendent

WDD:sas