

PERFORMANCE AUDIT

Brookville Area School District Jefferson County, Pennsylvania

June 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
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EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. Robin Fillman, Superintendent
Brookville Area School District
104 Jenks Street, P.O. Box 479
Brookville, Pennsylvania 15825

Mr. Don Gill, Board President
Brookville Area School District
104 Jenks Street, P.O. Box 479
Brookville, Pennsylvania 15825

Dear Dr. Fillman and Mr. Gill:

We have conducted a performance audit of the Brookville Area School District (District) for the period July 1, 2012 through June 30, 2016, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in the appendix of this report:

- Transportation Operations
- Data Integrity
- Administrator Contract Buyout
- Bus Driver Requirements

We also evaluated the application of best practices in the area of school safety. Due to the sensitive nature of this issue and the need for the results of this review to be confidential, we did not include the results in this report. However, we communicated the results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. 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.

Our audit found that the District performed adequately in the areas in the bulleted list above, except as noted in the following finding:

- The District Incorrectly Reported Transportation Data to the Pennsylvania Department of Education Resulting in a \$27,989 Overpayment

Dr. Robin Fillman
Mr. Don Gill
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We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

June 7, 2018

cc: **BROOKVILLE AREA SCHOOL DISTRICT** Board of School Directors

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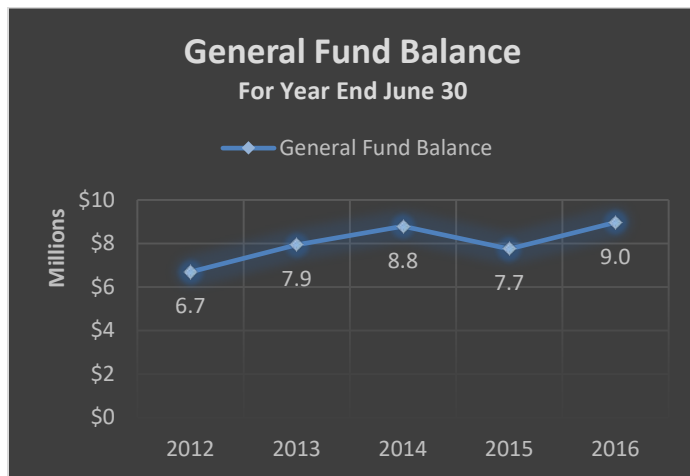
Background Information

School Characteristics 2016-17 School Year ^A		Mission Statement ^A
County	Jefferson	Educate – Empower – Inspire
Total Square Miles	262	
Number of School Buildings	4 ¹	
Total Teachers	122	
Total Full or Part-Time Support Staff	92	
Total Administrators	12	
Total Enrollment for Most Recent School Year	1,485	
Intermediate Unit Number	6	
District Vo-Tech School	Jefferson County-DuBois AVTS	

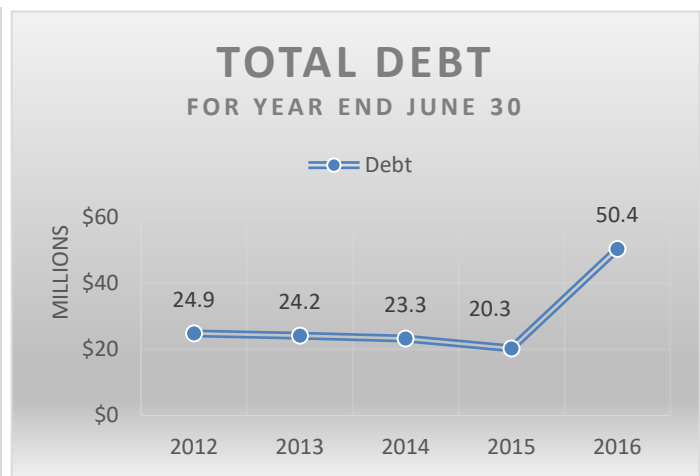
A - Source: Information provided by the District administration and is unaudited.

Financial Information

The following pages contain financial information about the Brookville Area School District (District) obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.



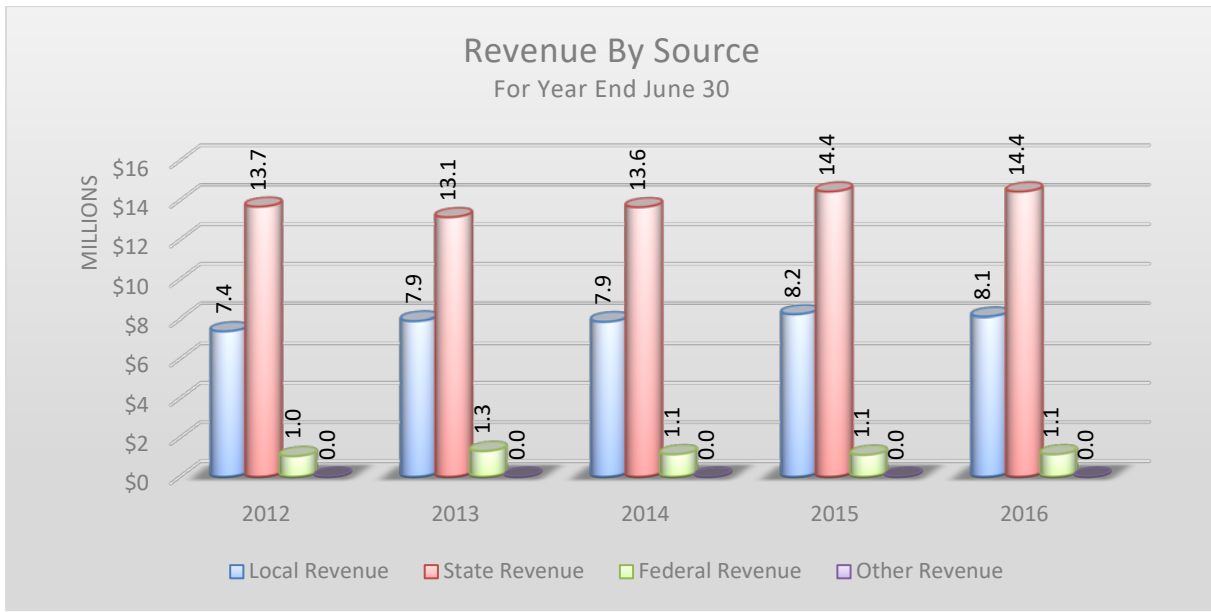
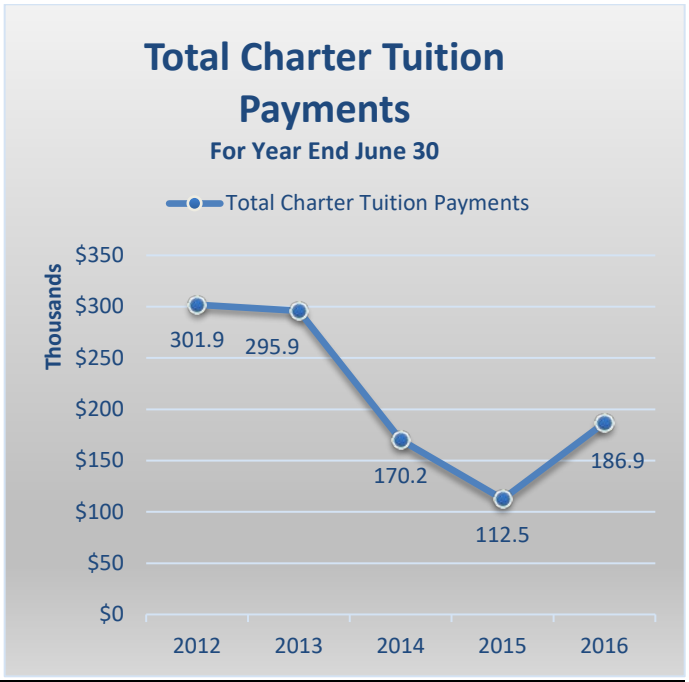
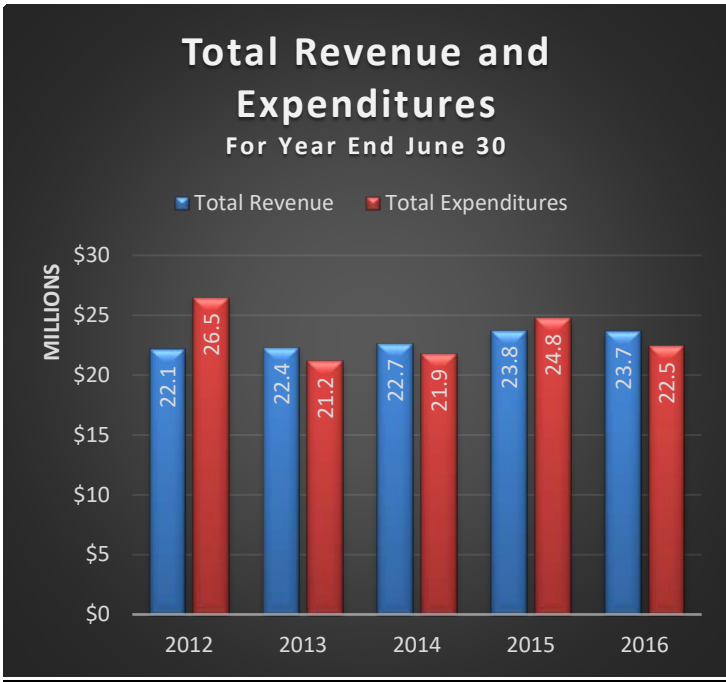
Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.

¹ One of the District's buildings educates only 1st and 2nd grades. No academic testing occurs at this building so it will not be found in the academic section in the background of this report.

Financial Information Continued



Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA), Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2014-15 and 2015-16 school years.² These scores are provided in the District's audit report for **informational purposes only**, and they were not audited by our Department. Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding chart.³ Finally, benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.⁴

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score using a 0-100 scale for all school buildings in the Commonwealth annually, which is calculated based on standardized testing (i.e. PSSA and Keystone exams), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.

PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle schools were put on hold due to changes with PSSA testing.⁵ PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

What is the PSSA?

The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English and Math. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, and policymakers with important information about the state's students and schools.

² PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available website.

³ PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

⁴ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

⁵ According to PDE, SPP scores for elementary and middle schools were put on hold for the 2014-15 school year due to the state's major overhaul of the PSSA exams to align with state Common Core standards and an unprecedented drop in public schools' PSSA scores that year. Since PSSA scores are an important factor in the SPP calculation, the state decided not to use PSSA scores to calculate a SPP score for elementary and middle schools for the 2014-15 school year. Only high schools using the Keystone Exam as the standardized testing component received a SPP score.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.⁶ The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.

What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until at least 2020. In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

What is a 4-Year Cohort Graduation Rate?

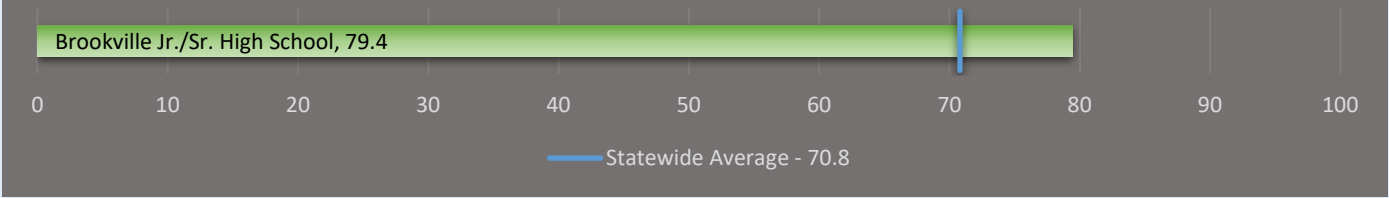
PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph.⁷

⁶ PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam.

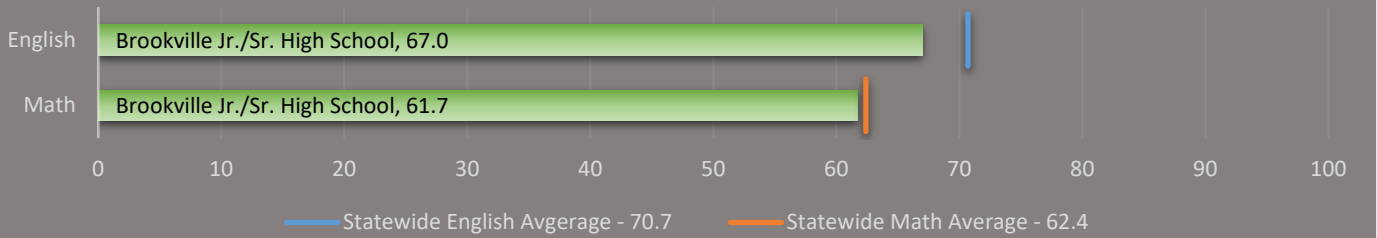
⁷ PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

2014-15 Academic Data
School Scores Compared to Statewide Averages

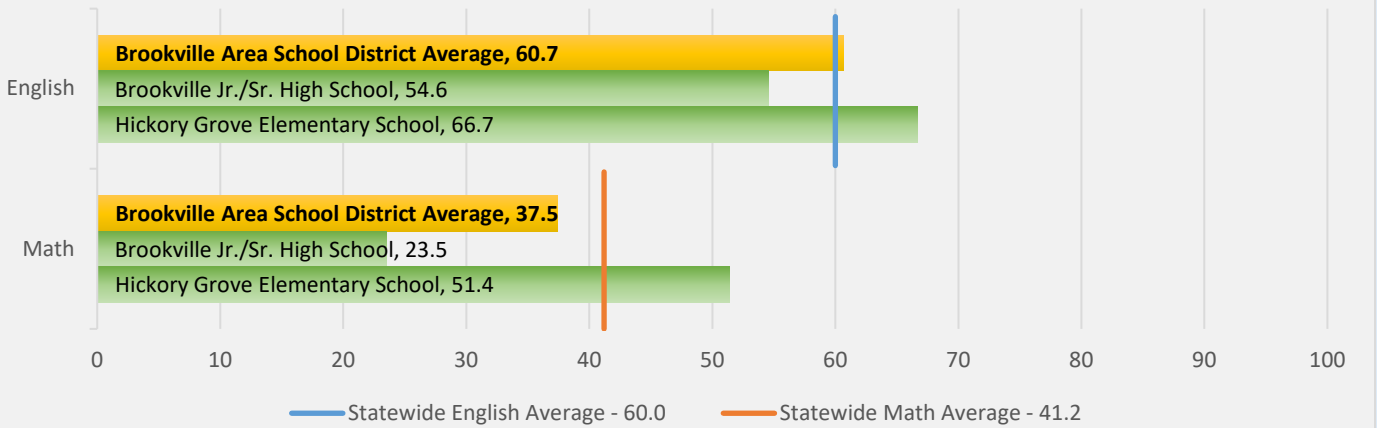
2014-15 SPP Scores



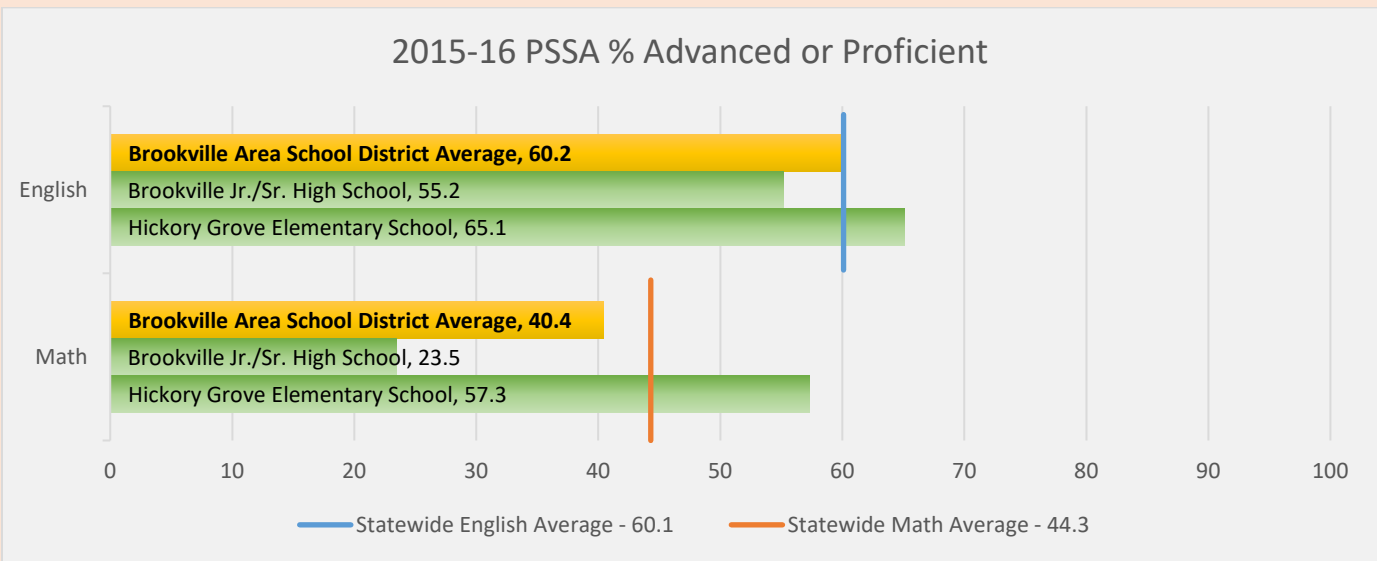
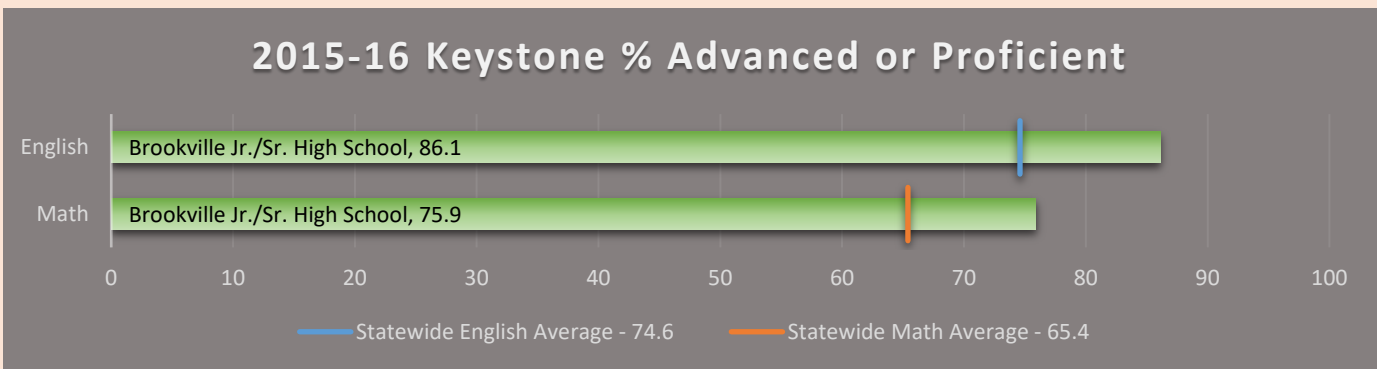
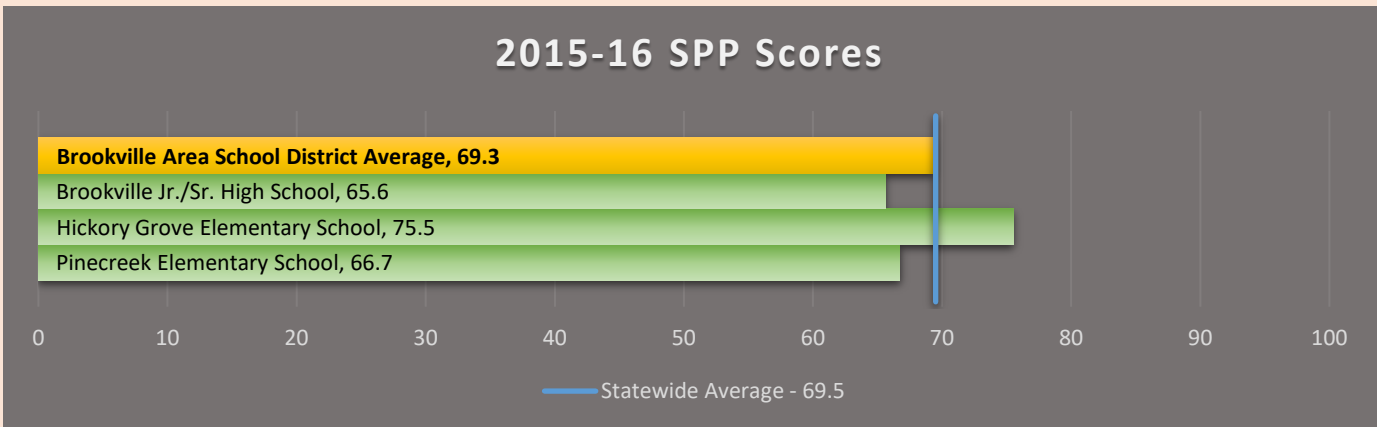
2014-15 Keystone % Advanced or Proficient



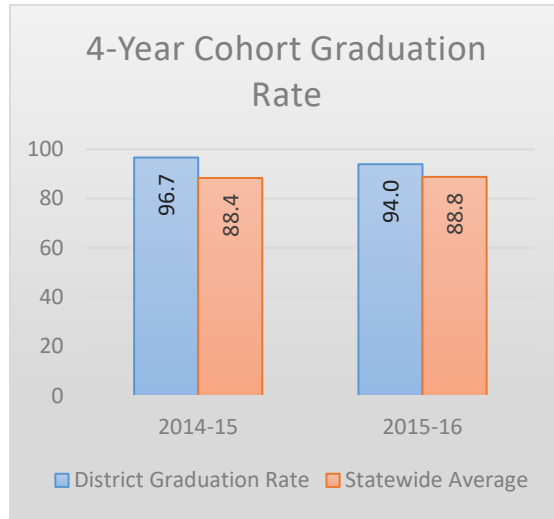
2014-15 PSSA % Advanced or Proficient



2015-16 Academic Data
School Scores Compared to Statewide Averages



4-Year Cohort Graduation Rate



Finding

Finding

The District Incorrectly Reported Transportation Data to the Pennsylvania Department of Education Resulting in a \$27,989 Overpayment

Criteria relevant to the finding:

Student Transportation Subsidy:

The Public School Code (PSC) provides that school districts receive a transportation subsidy for most students who are provided transportation. Section 2541 of the PSC specifies the transportation formula and criteria. *See* 24 P.S. § 25-2541.

Total Students Transported:

Section 2541(a) of the PSC states, in part:

“School districts shall be paid by the Commonwealth for every school year on account of pupil transportation which, and the means and contracts providing for which, have been approved by the Department of Education, in the cases hereinafter enumerated, an amount to be determined by multiplying the cost of approved reimbursable pupils transportation incurred by the district by the district’s aid ratio. In determining the formula for the cost of approved reimbursable transportation, the Secretary of Education may prescribe the methods of determining approved mileages and the utilized passenger capacity of vehicles for reimbursement purposes.” *See* 24 P.S. § 25-2541(a).

The Brookville Area School District (District) was overpaid \$27,989 in transportation reimbursement from the Pennsylvania Department of Education (PDE). This overpayment was primarily the result of the District improperly reporting the approved daily miles traveled during the 2014-15 and 2015-16 school years. In addition, the District incorrectly reported the number of days vehicles were used to transport students to and from school and the number of students assigned to each vehicle during the 2015-16 school year. However, these errors had less of a financial impact than the incorrect reporting of miles.

Student transportation reimbursement is based on several components that are reported by the District to PDE for use in calculating the District’s annual reimbursement amount. These components include, but are not limited to, the following:

- Total number of days each vehicle is used to transport students to and from school.
- Miles with and miles without students for each vehicle.
- Number of students assigned to each vehicle.

Since the above components are integral to the calculation of the District’s transportation reimbursement, it is essential for the District to properly record, calculate, and report this information to PDE. PDE provides instructions to help school districts report this information accurately. Some of these instructions are cited in the criteria box to the left of this finding.

*Criteria relevant to the finding
(continued):*

Sworn Statement and Annual Filing Requirements:

Section 2543 of the PSC sets forth the requirement for school districts to annually file a sworn statement of student transportation data for the prior and current school year with PDE in order to be eligible for the transportation subsidies. *See* 24 P.S. § 25-2543.

Section 2543 of the PSC, which is entitled, “Sworn statement of amount expended for reimbursable transportation; payment; withholding,” states, in part: “Annually, each school district entitled to reimbursement on account of pupil transportation shall provide in a format prescribed by the Secretary of Education, data pertaining to pupil transportation for the prior and current school year. . . . The Department of Education may, for cause specified by it, withhold such reimbursement, in any given case, permanently, or until the school district has complied **with the law or regulations** of the State Board of Education.” (Emphasis added.)

Reporting Instructions:

Instructions for completing PDE’s End-of-Year Pupil Transportation reports provides that the local education agency (LEA) must maintain records of miles with pupils, miles without pupils, and the largest number of pupils assigned to each vehicle.

Specifically, the instructions state that if the number of pupils, miles with pupils, or miles without pupils, change during the year, LEAs should calculate a weighted or a sample average.

During the 2014-15 and 2015-16 school years, the District used one primary transportation contractor and multiple secondary contractors. While the primary transportation contractor was found to have made minor reporting errors, the more substantial mileage reporting errors were made by one of the secondary contractors in each school year.

During the 2014-15 school year, the District incorrectly reported the approved daily miles for the only van this secondary contractor used. The District incorrectly reported approved daily miles for three of the contractor’s five vans during the 2015-16 school year. Specifically, these particular errors were the result of the District incorrectly reporting the number of miles traveled with and without students during the respective school year. The District incorrectly reported instances when an aide was the only person on the bus as miles traveled with students. This was the primary factor which led to the District being overpaid \$13,648 in the 2014-15 school year and \$14,341 in the 2015-16 school year. Therefore, the District was overpaid a total of \$27,989 to which it was not entitled.

The following errors also resulted in the District reporting incorrect transportation data to PDE during the 2015-16 school year, however, the errors had less of a financial impact on the District’s transportation reimbursement overpayment:

- Incorrectly reported the number of days students were transported on three vans.
- Incorrectly reported the number of students transported on three separate vans.

It should be noted that our review of the 2012-13 and 2013-14 school years did not disclose any transportation reporting errors which would have resulted in reimbursement adjustments.

The District incorrectly reported approved daily mileage to PDE when only an aide was in the vehicle because the District’s contractor incorrectly reported these miles as if students were being transported. The District did not identify these errors prior to submitting its transportation data to PDE. The District also failed to identify the errors in regard to the number of students and number of days transported as a result of a lack of proper review of

*Criteria relevant to the finding
(continued):*

**Form Completion Instruction –
PDE-1049 Transportation Services
Forms**

Pupils Assigned

Report the greatest number of pupils assigned to ride this vehicle at any one time during the day. Report the number of pupils assigned to the nearest tenth. The number cannot exceed the seating capacity. If the number of pupils assigned changed during the year, calculate a weighted average or a sample average.

Daily Miles With

Report the number of miles per day, to the nearest tenth, that the vehicle traveled with pupils. If this figure changed during the year, calculate a weighted average or sample average.

Daily Miles Without

Report the number of miles per day, to the nearest tenth, that the vehicle traveled without pupils. If this figure changed during the year, calculate a weighted average or sample average.

Number of Days

Report the number of days (a whole number) this vehicle provided to and from school transportation. Count any part of a day as one day. Depending upon the service the vehicle provided, this number could exceed or be less than the number of days the district was in session; however, summer school or “Extended School Year” (*Armstrong v. Kline*) transportation may not be included in this number. “Early Intervention” program transportation may be included. If the district received a waiver of instructional days due to a natural or other disaster (such as a hurricane), the waiver does not extend to transportation services. Only days on which transportation was actually provided may be reported.

the transportation data submitted to PDE and the failure to reconcile contractor invoices to days traveled.

We provided PDE with reports detailing the errors we identified during the 2014-15 and 2015-16 school years. PDE requires these reports to help verify the overpayment to the District. The District’s future transportation subsidies can then be adjusted by the amount of the overpayment.

Recommendations

The *Brookville Area School District* should:

1. Provide written guidance to all transportation contractors specifically addressing the requirement of reporting miles with and without students.
2. Ensure that contractor invoices documenting days in service is reconciled to District determined days traveled prior to submission to PDE.
3. Implement a procedure to have a District official, other than the person who prepares the data, review transportation data prior to submission to PDE.

The *Pennsylvania Department of Education* should:

4. Adjust the District’s subsidy to correct the overpayment of \$27,989 for the 2014-15 and 2015-16 school years.

Management Response

District management provided the following response:

The District agrees there was confusion with the contractor reports when there was an aid on the bus. This resulted in reports that showed too many miles as miles traveled with students. This error was not caught at the District level when reporting annual submissions of transportation totals to PDE. Everyone is now clear on the reporting process and the District will follow up with all transportation contractors by providing written guidance about reporting miles with and without students.

Any errors in reconciling contractor invoices to days in service were rare and the District will continue with their efforts to reconcile days traveled prior to submission to PDE.

Any errors related to data review were rare and the District will continue to have a District official, other than the person who prepares the data, review transportation data prior to submission to PDE.

Auditor Conclusion

We are encouraged that the District has implemented new procedures for the reporting of pupil transportation. We will review the effectiveness of these procedures and any additional corrective actions implemented by the District during our next scheduled audit.

Status of Prior Audit Findings and Observations

Our prior audit of the Brookville Area School District resulted in no findings or observations.

Appendix: Audit Scope, Objectives, and Methodology

School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with LEA management, the Governor, Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,⁸ is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. 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.

Scope

Overall, our audit covered the period July 1, 2012 through June 30, 2016. In addition, the scope of each individual audit objective is detailed on the next page.

The Brookville Area School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).⁹ In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, which we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

⁸ 72 P.S. §§ 402 and 403.

⁹ Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, academic performance data, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2012 through June 30, 2016. We also determined if the District had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the District's efficiency and effectiveness in the following areas:

- ✓ Transportation Operations
- ✓ Data Integrity
- ✓ Administrator Contract Buyout
- ✓ Bus Driver Requirements
- ✓ Safe Schools

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- ✓ Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?¹⁰
 - To address this objective, we randomly selected 10 of the 36 vehicles used to transport District students during the 2014-15 school year.¹¹ We verified that the number of days these vehicles were used, daily mileage of these vehicles, and student counts were accurately reported to PDE. Due to errors found with one vehicle in the initial test, we expanded our review to include seven additional vehicles that employed an aide to assist students in the 2012-13 through the 2015-16 school years to ensure daily miles were reported correctly.¹² See the Finding in this report for the results of our review of this objective.
- ✓ Did the District accurately report nonresident students to PDE? Did the District receive the correct reimbursement for these nonresident students?¹³

¹⁰ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

¹¹ While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

¹² The District employed an aide on 7 vehicles in total during the 2012-13 through 2015-16 school years. We reviewed these 7 vehicles in addition to the randomly selected 10 vehicles we reviewed for the 2014-15 school year.

¹³ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

- To address this objective, we reviewed all five nonresident students reported as educated by the District in the 2015-16 school year, payable in the 2016-17 school year. We compared the PDE Summary of Child Accounting to the instructional time and membership report to check for the accuracy of reporting. We also obtained placement letters for all five students verifying that the students were not District residents. Our review of this objective did not disclose any reportable issues.
- ✓ Did the District pursue a contract buyout with an administrator and if so, what was the total cost of the buyout, what were the reasons for the termination/settlement, and did the employment contract(s) comply with the Public School Code¹⁴ and the Public School Employees' Retirement System guidelines?
 - To address this objective, we reviewed the contracts, board meeting minutes, board policies, and payroll records for all seven administrators who separated employment from the District during the period July 1, 2012 through November 2, 2017. Our review of this objective did not disclose any reportable issues.
- ✓ Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances as outlined in applicable laws?¹⁵ Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
 - To address this objective, we randomly selected 10 of the 46 bus drivers employed by the District's bus contractors, as of October 16, 2017, and reviewed documentation to ensure the District complied with the requirements for bus drivers.¹⁶ We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures ensure compliance with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.
- ✓ Did the District take actions to ensure it provided a safe school environment?¹⁷
 - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, and after action reports. In addition, we conducted on-site review at one of the District's four school buildings to assess whether the District had implemented basic safety practices.¹⁸

¹⁴ 24 P.S. § 10-1073(e)(v).

¹⁵ 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 *Pa. Code Chapter 8*.

¹⁶ While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

¹⁷ 24 P.S. § 13-1301-A *et seq.*

¹⁸ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

Due to the sensitive nature of school safety, the results of our review of this objective area are not described in our audit report. The results of our review of school safety are shared with District officials, PDE and, if deemed necessary other appropriate agencies.

Distribution List

This report was initially distributed to the Superintendent of the District, the Board of School Directors, and the following stakeholders:

The Honorable Tom W. Wolf

Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Pedro A. Rivera

Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Joe Torsella

State Treasurer
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Harrisburg, PA 17120

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Mr. Nathan Mains

Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: News@PaAuditor.gov.