

# LIMITED PROCEDURES ENGAGEMENT

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## Avon Grove School District Chester County, Pennsylvania

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September 2018



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Christopher Marchese, Superintendent  
Avon Grove School District  
375 South Jennersville Road  
West Grove, Pennsylvania 19390

Ms. Tracy Lisi, Board President  
Avon Grove School District  
375 South Jennersville Road  
West Grove, Pennsylvania 19390

Dear Dr. Marchese and Ms. Lisi:

We conducted a Limited Procedures Engagement (LPE) of the Avon Grove School District (District) to determine its compliance with certain relevant state laws, regulations, policies, and administrative procedures (relevant requirements). The LPE covers the period July 1, 2013 through June 30, 2017, except for any areas of compliance that may have required an alternative to this period. The engagement was conducted pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania and the Fiscal Code, 72 P.S. §§ 402 and 403, but was not conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

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

- Did the District have documented board policies and administrative procedures related to the following?
  - Internal controls
  - Budgeting practices
  - The Right-to-Know Law
  - Transportation Operations
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- Did the District comply with the relevant requirements in the Right-to-Know Law?

Dr. Christopher Marchese

Ms. Tracy Lisi

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- Did the District correctly calculate and report transportation data to the Pennsylvania Department of Education (PDE), and did the District receive the correct amount of transportation reimbursement? (24 P.S. §§ 13-1301, -1302, -1305, -1306; PA Code Title 22, Chap. 11)

Our engagement found that the District properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements except as detailed in the finding in this report.

The finding and our related recommendations have been discussed with the District's management, and their responses are included in the finding section of this letter. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal requirements, administrative requirements, and best practices. We appreciate the District's cooperation during the conduct of the engagement.

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 PDE, and other appropriate officials as deemed necessary.

Sincerely,



Eugene A. DePasquale  
Auditor General

September 21, 2018

cc: **AVON GROVE SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2017-18 School Year <sup>A</sup>	
County	Chester
Total Square Miles	67
Number of School Buildings	4
Total Teachers	351
Total Full or Part-Time Support Staff	145
Total Administrators	26
Total Enrollment for Most Recent School Year	5,063
Intermediate Unit Number	24
District Vo-Tech School	Technical College High School - Pennock's Bridge Campus

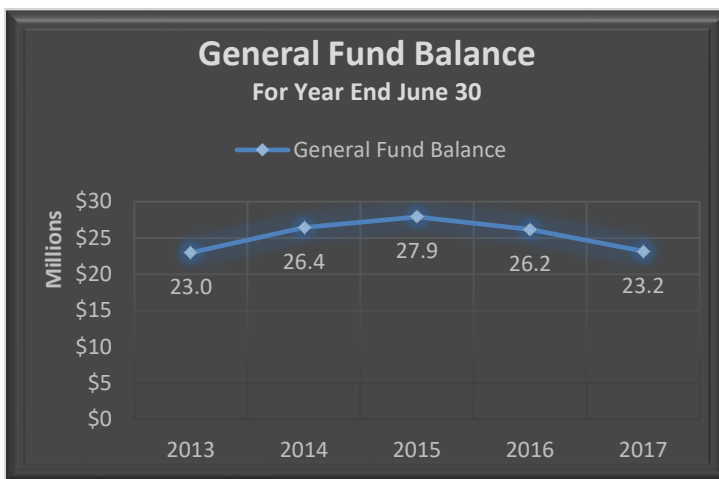
A - Source: Information provided by the District administration and is unaudited.

## Mission Statement<sup>A</sup>

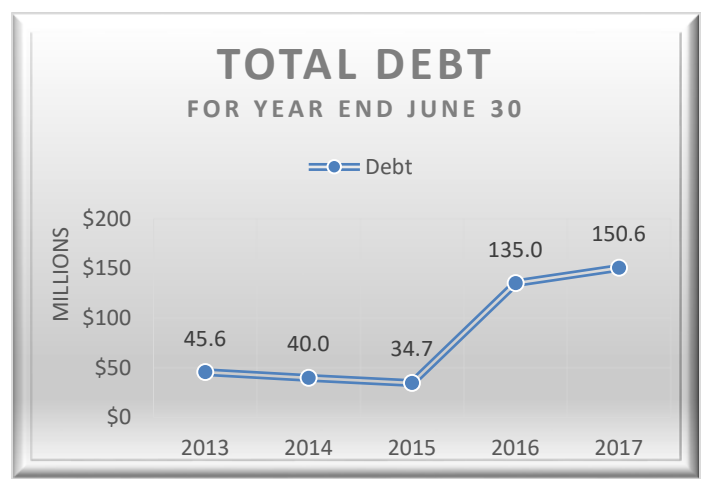
The purpose of the Avon Grove School District is to foster a learning environment for all to be exceptionally well prepared to succeed and lead full and meaningful lives.

## Financial Information

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

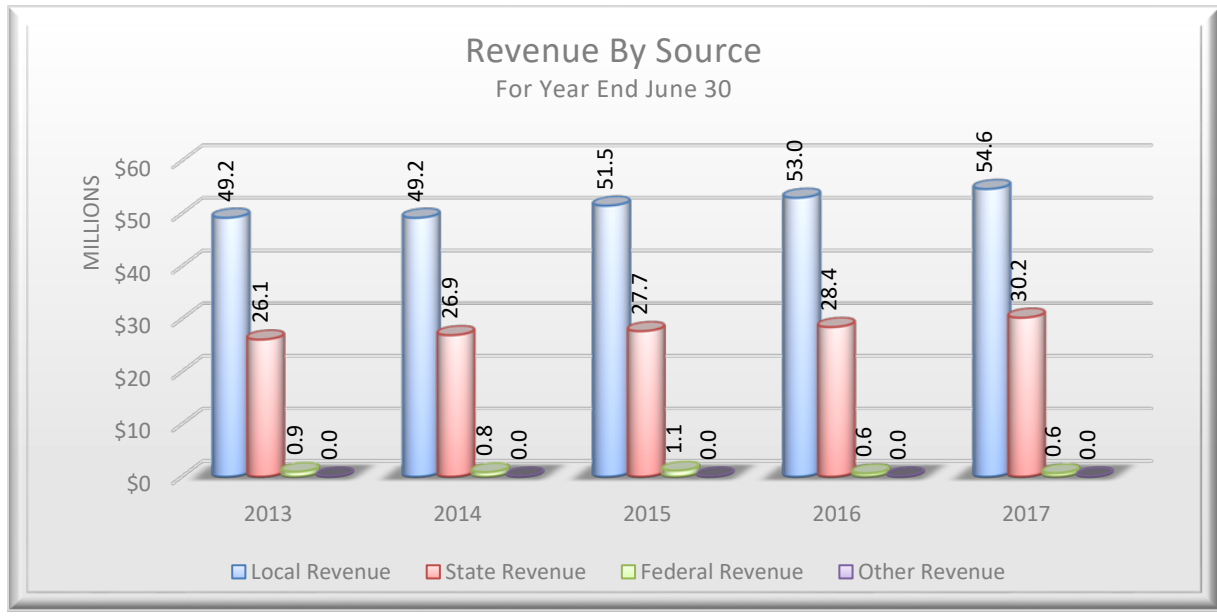
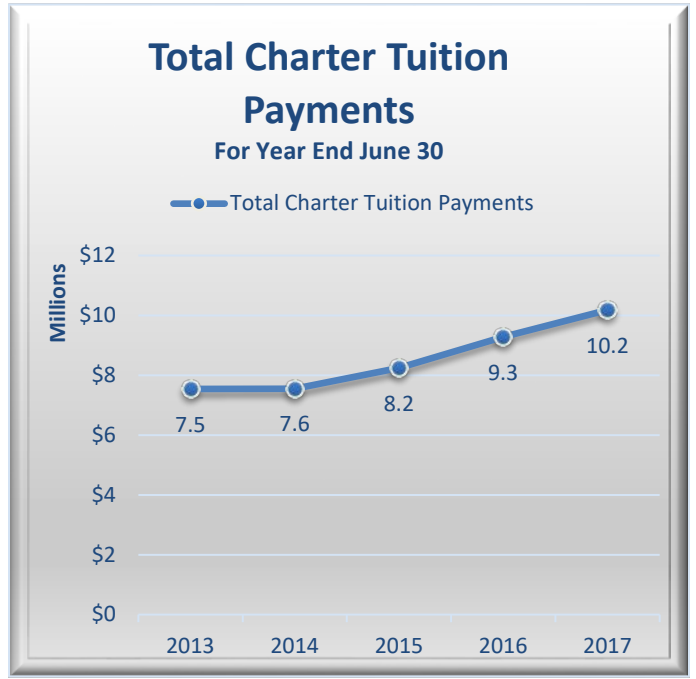
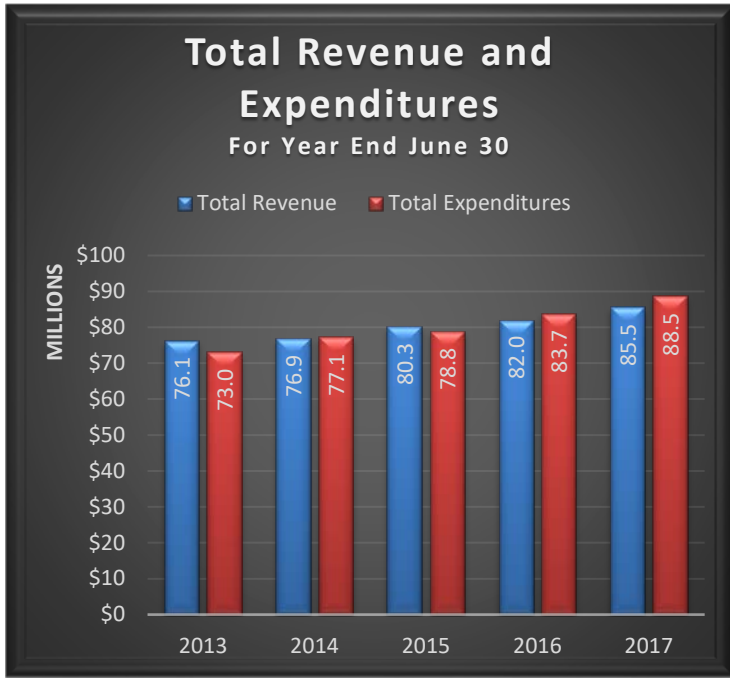


**Note:** General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



**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.

**Financial Information Continued**



## Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from the PDE's data files for the 2014-15, 2015-16, and 2016-17 school years.<sup>1</sup> These scores are provided in the District's Limited Procedures Engagement 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 graph.<sup>2</sup> 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.<sup>3</sup>

### **What is a SPP score?**

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. The 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 exam scores), 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.

The PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, the 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.<sup>4</sup> The PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

### **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 the 2020-21 school year.<sup>5</sup> 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.

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<sup>1</sup> The PDE is the sole source of academic data presented in this report. All academic data was obtained from the PDE's publically available website.

<sup>2</sup> The 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 the PDE's website for general information regarding the issuance of academic scores.

<sup>3</sup> 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.

<sup>4</sup> According to the 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 PA 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.

<sup>5</sup> Act 39 of 2018, effective July 1, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement for an additional year until the 2020-21 school year. *See* 24 P.S. § 1-121(b)(1).

### **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.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.<sup>6</sup> 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 a 4-Year Cohort Graduation Rate?**

The 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.<sup>7</sup>

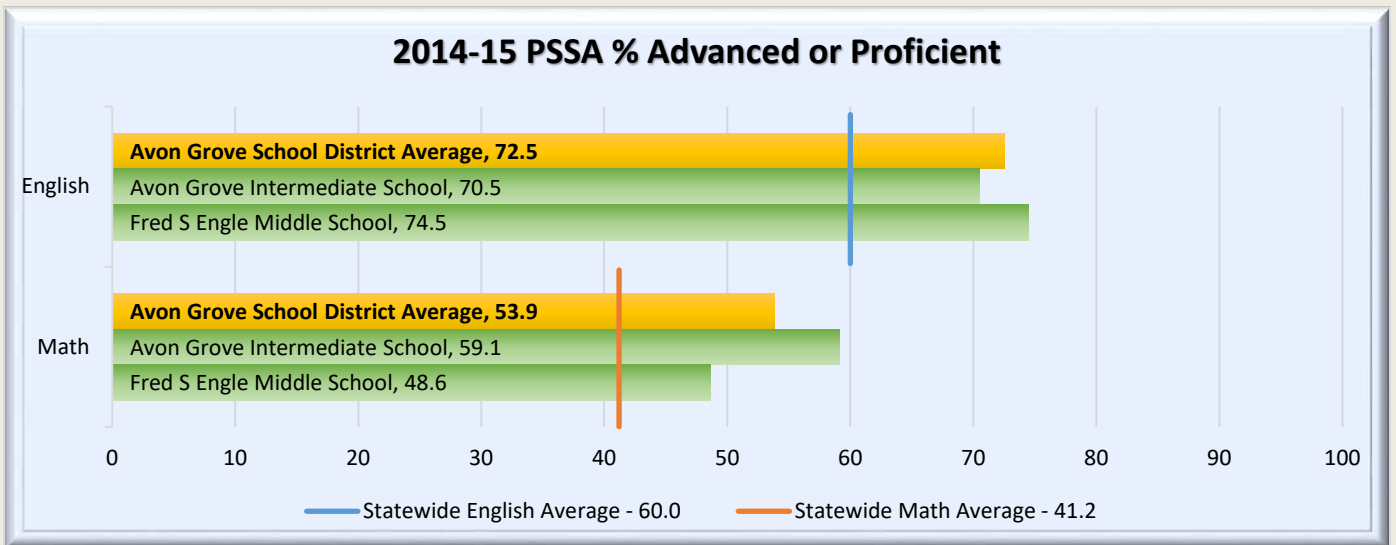
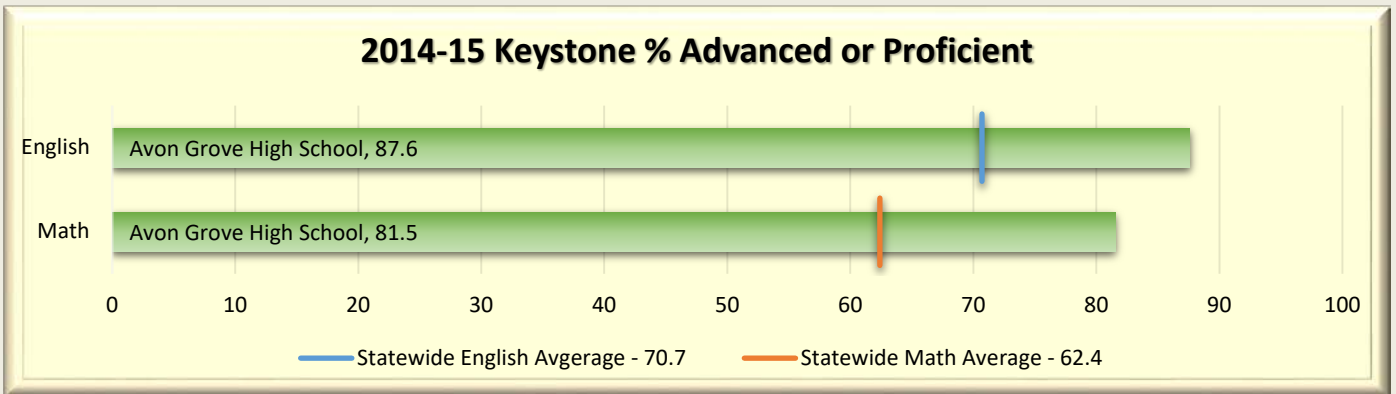
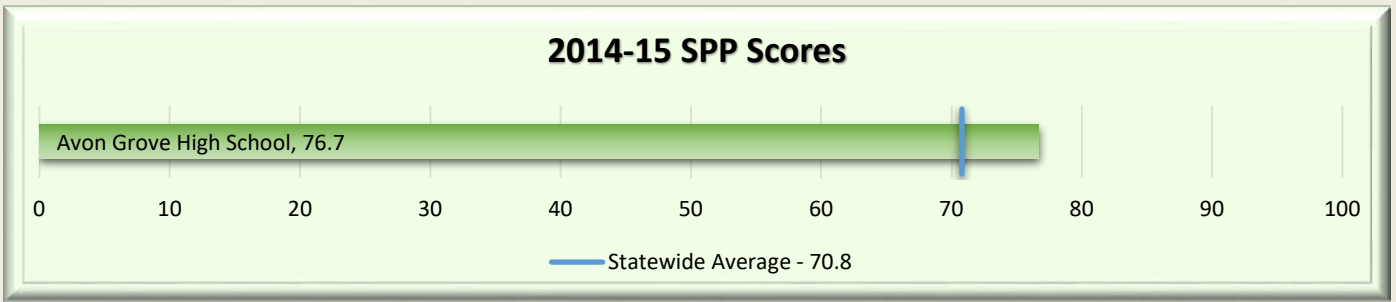
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<sup>6</sup> The PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam.

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

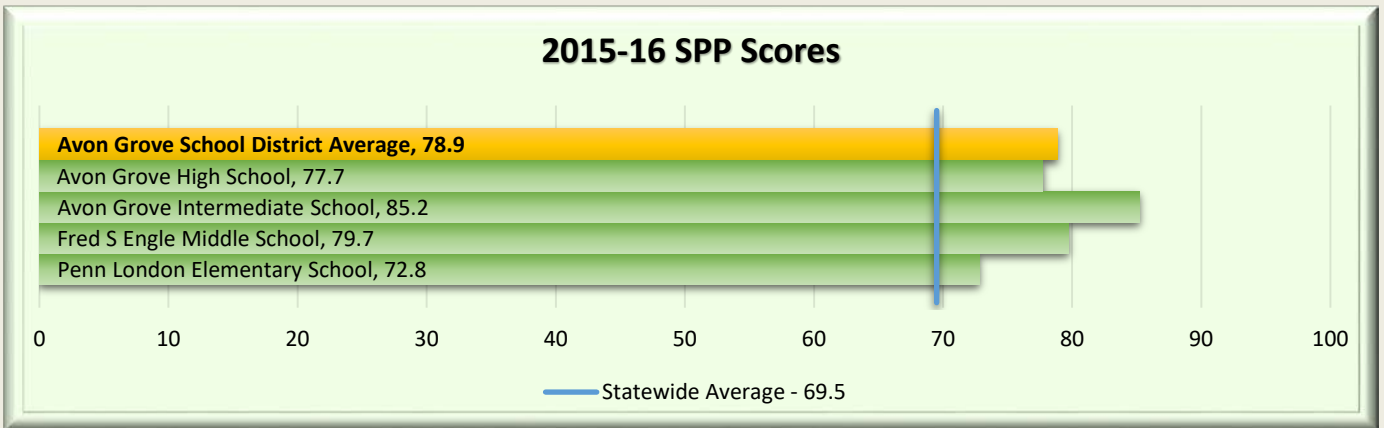


**2014-15 Academic Data**  
**School Scores Compared to Statewide Averages**

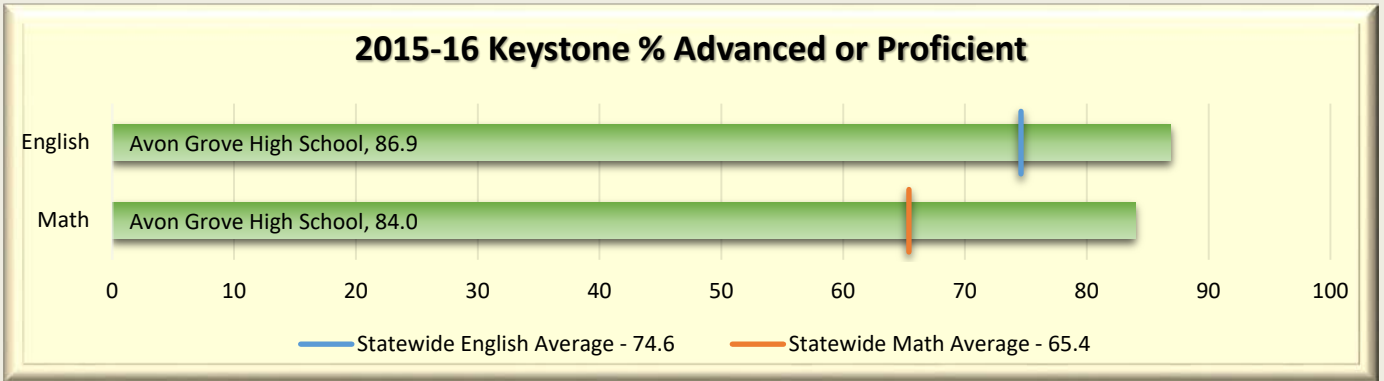


**2015-16 Academic Data**  
**School Scores Compared to Statewide Averages**

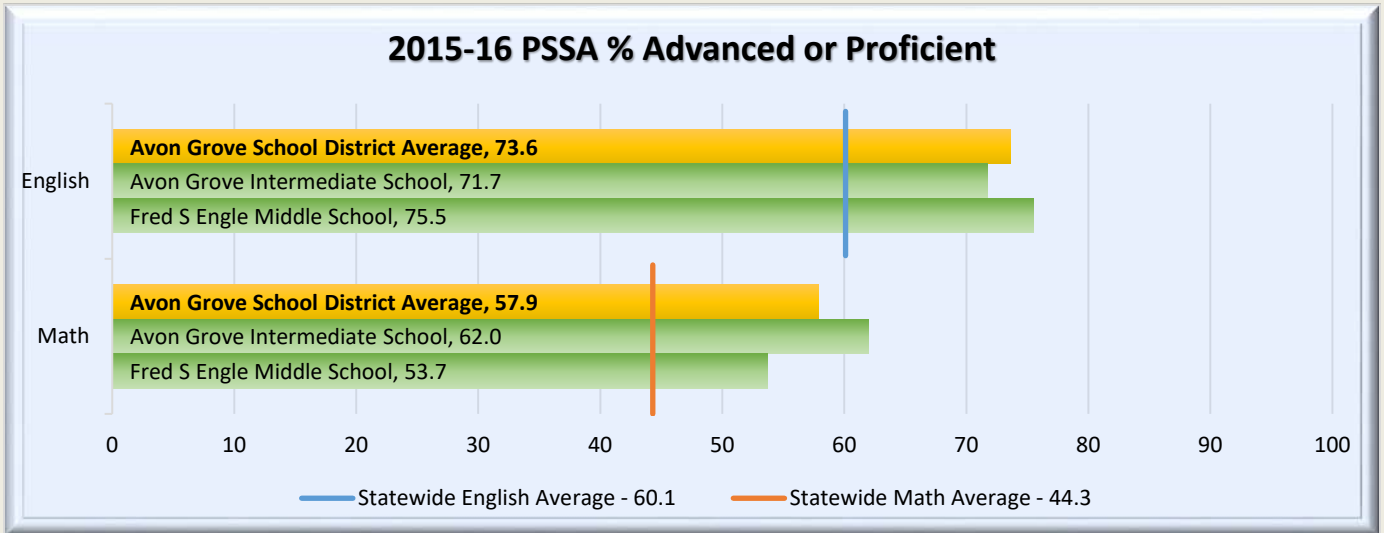
**2015-16 SPP Scores**



**2015-16 Keystone % Advanced or Proficient**

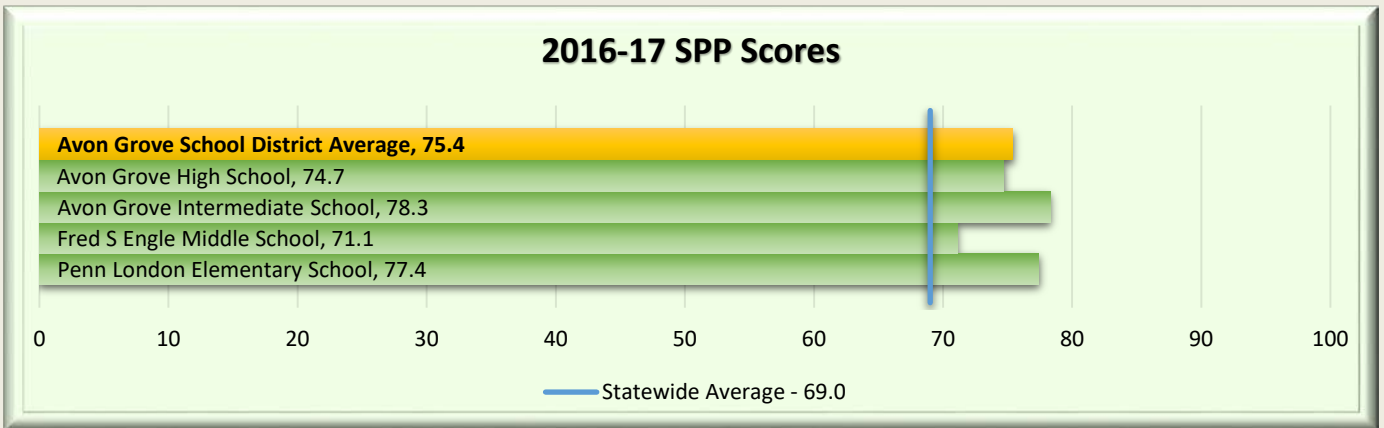


**2015-16 PSSA % Advanced or Proficient**

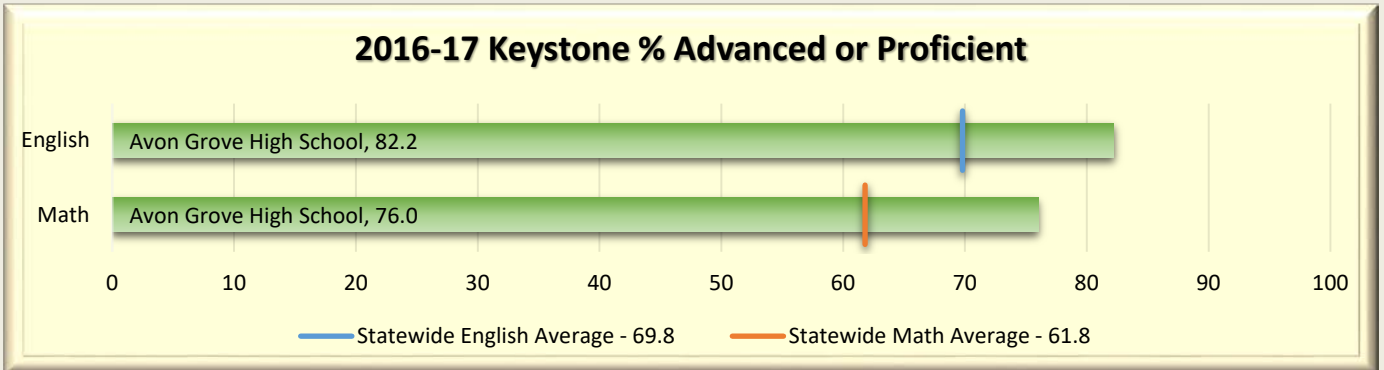


**2016-17 Academic Data**  
**School Scores Compared to Statewide Averages**

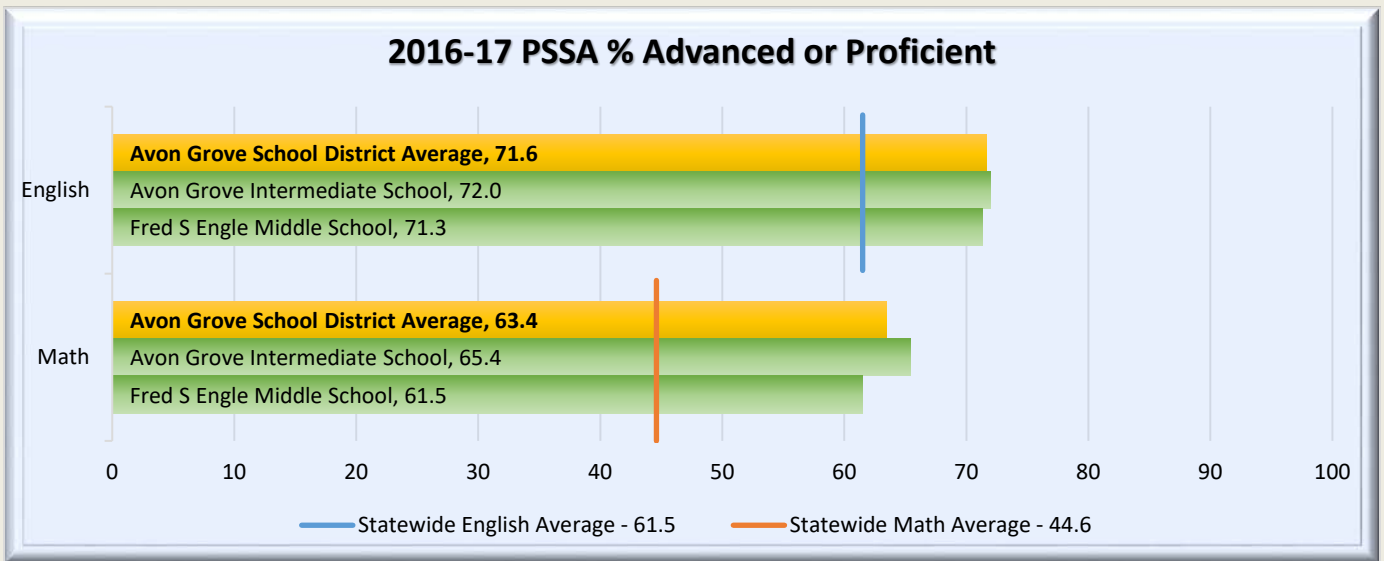
**2016-17 SPP Scores**



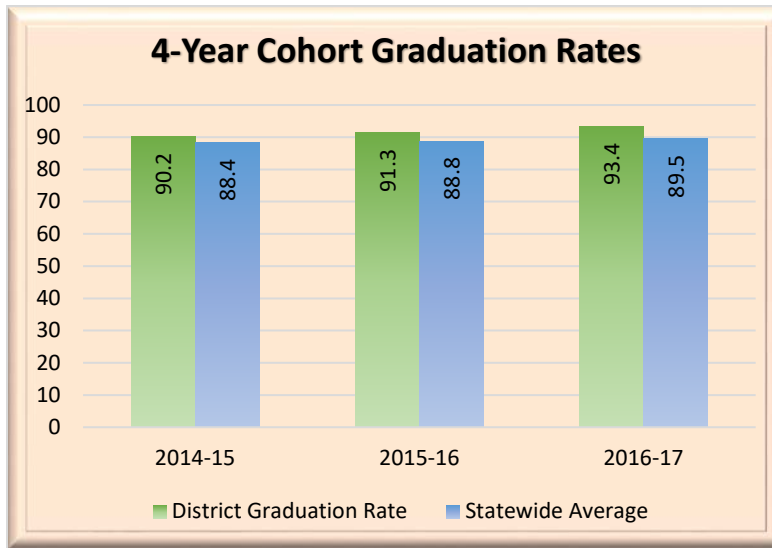
**2016-17 Keystone % Advanced or Proficient**



**2016-17 PSSA % Advanced or Proficient**



**Graduation Data**  
**District Graduation Rates Compared to Statewide Averages**



## Finding

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### Finding

### The District Incorrectly Reported the Number of Nonpublic School and Charter School Students Transported Resulting in a Net Overpayment of \$115,500

*Criteria relevant to the finding:*

#### **Supplemental Transportation Subsidy for Public Charter School and Nonpublic School Students**

The Charter School Law (CSL), through its reference to Section 2509.3 of the Public School Code (PSC) provides for an additional, per student subsidy for the transportation of charter school students. *See* 24 P.S. § 17-1726-A(a); 24 P.S. § 25-2509.3.

Section 1726-A(a) of the CSL (cited above) addresses the transportation of charter school students in that, “[s]tudents who attend a charter school located in their school district of residence, a regional charter school of which the school district is a part or a charter school located outside district boundaries at a distance not exceeding ten (10) miles by the nearest public highway shall be provided free transportation to the charter school by their school district of residence on such dates and periods that the charter school is in regular session whether or not transportation is provided on such dates and periods to students attending schools of the district . . . .”

The Avon Grove School District (District) was overpaid a total of \$115,500 in transportation reimbursement from the Pennsylvania Department of Education (PDE). This overpayment was due to the District improperly reporting the number of charter school and nonpublic school students transported by the District during the 2013-14, 2014-15, 2015-16, and 2016-17 school years.

According to the Public School Code (PSC), a nonpublic school is defined, in pertinent part, as a nonprofit school other than a public school within the Commonwealth of Pennsylvania, wherein a resident of the Commonwealth may legally fulfill the compulsory school attendance requirements.<sup>8</sup> The PSC requires school districts to provide transportation services to students who reside in its district and who attend a charter school or nonpublic school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district. This reimbursement was made applicable to the transportation of charter school students pursuant to an equivalent provision in the Charter School Law (CSL), which refers to Section 2509.3 of the PSC.<sup>9</sup>

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<sup>8</sup> *See* Section 922.1-A(b) (relating to “Definitions”) of the PSC, 24 P.S. § 9-922.1-A(b).

<sup>9</sup> *See* 24 P.S. § 17-1726-A(a) which refers to 24 P.S. § 25-2509.3. A charter school is an independent public school and educates public school students within the applicable school district. *See* 24 P.S. § 17-1703-A (relating to “Definitions”).

*Criteria relevant to the finding (continued):*

Section 1726-A(a) further provides for districts to receive a state subsidy for transporting charter school students both within and outside district boundaries in that, “[d]istricts providing transportation to a charter school outside the district and, for the 2007-2008 school year and each school year thereafter, districts providing transportation to a charter school within the district shall be eligible for payments under section 2509.3 for each public school student transported.”

Section 2509.3 of the PSC provides that each school district shall receive a supplemental transportation payment of \$385 for each nonpublic school student transported. This payment provision is also applicable to charter school students through Section 1726-A(a) of the CSL. *See* 24 P.S. § 17-1726-A(a); 24 P.S. § 25-2509.3.

**Annual Filing Requirement**

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

The following table summarizes the District’s reporting errors by school year and the resulting net overpayment:

<b>Avon Grove School District Nonpublic and Charter School Errors</b>			
<b>School Year</b>	<b>Nonpublic Students Over/(Under) Reported</b>	<b>Charter School Students Over/(Under) Reported</b>	<b>Over/(Under) Payment<sup>10</sup></b>
<b>2013-14</b>	110	32	\$54,670
<b>2014-15</b>	45	(62)	(\$6,545)
<b>2015-16</b>	83	1	\$32,340
<b>2016-17</b>	78	13	\$35,035
<b>Total</b>	<b>316</b>	<b>(16)</b>	<b>\$115,500</b>

The District reported to the PDE almost all students who attended nonpublic schools as nonpublic school students transported by the District despite not transporting each of those students. As a result, the District overreported the number of nonpublic school students transported during each year reviewed. Similarly, the District reported all charter school students as students transported by the District during the 2013-14, 2015-16, and 2016-17 school years. The District did not provide transportation for all charter school students during these years and, as a result, overreported this data to the PDE.

During the 2014-15 school year, the District failed to report charter school students who were transported for less than a full year. It is important to note that if the District transported one charter school or nonpublic school student for one single day at any time during the school year, the District would be eligible for \$385 in reimbursement for that student.

The District did not have a process in place to reconcile all requests for transportation from nonpublic and charter school students to yearly totals reported to the PDE. Additionally, the District did not have a review process in place to help ensure that charter school and nonpublic school student data was reported correctly to the PDE.

<sup>10</sup> The overpayment is computed by multiplying the net amount of nonpublic and charter school students not reported by \$385.

We provided the PDE with reports detailing the nonpublic and charter school reporting errors for the 2013-14, 2014-15, 2015-16, and 2016-17 school years. The PDE requires these reports to verify the overpayment to the District. The District's future transportation subsidies will be adjusted by the amount of the overpayment.

### **Recommendations**

The *Avon Grove School District* should:

1. Perform yearly reconciliations of bus rosters to requests for student transportation to ensure nonpublic and charter school students reported to the PDE are accurate.
2. Implement a procedure to have a District official, other than the person who prepares the data, review and approve the transportation data prior to submission to the PDE to help ensure accuracy.

The *Pennsylvania Department of Education* should:

3. Adjust the District's future transportation subsidy to recover the \$115,500 overpayment to the District.

### **Management Response**

District management provided the following response:

“After significant analysis and review of the requirements governing public school district transportation and state reporting, the Avon Grove School District disagrees with the reported finding. The cause of the reporting discrepancies and basis for the District's disagreement follow. While the District disagrees with the finding, the recommendations provided by the Office of the Auditor General have been noted and accepted, and have been used to revise the District's practices and procedures regarding state reporting. Revised procedures have already been implemented to prevent future reporting issues and are also explained below.

As noted in the relevant criteria included in the finding, the cited portion of 24 P.S. § 1726-A(a) legally obligates the District to provide free transportation to certain charter school students, as follows and in pertinent part:

- a) *Students who attend a charter school located in their school district of residence, a regional charter school of which the school district is a part or a charter school located outside district boundaries at a distance not exceeding ten (10) miles by the nearest public highway shall be provided free transportation to the charter school by their school district of residence on such dates and periods that the charter school is in regular session whether or not transportation is provided on such dates and periods to students attending schools of the district...*

To ensure compliance with this legal requirement, all non-public and charter school students, regardless of whether they requested transportation, were entered into the District’s transportation software. This practice was designed to ensure that if a student who previously did not require transportation suddenly needed it (due to changing family circumstances, a loss of a vehicle, etc.), District personnel would be able to quickly and easily place the student onto an existing bus route without delay, as all of the required student information was already in the system. While this practice made transportation available, expedited sudden requests for transportation, and helped avoid interruptions in students’ attendance, it also contributed to the reported finding by increasing the number of non-public and charter school students included on reports sourced from the District’s transportation software.

In addition to the above practice, District personnel have now been made aware of the distinction drawn by the Pennsylvania Department of Education (“PDE”) between the methodology used for claiming public school students in the PDE-2576 Summary of Pupil Transportation Subsidy report and the methodology used to claim charter and non-public school students. Historically, when completing the PDE-2576 reports, the District used the guidance included in the instructions for the PDE-1049 Transportation Service Form and PDE-2089 Summary of



Pupils Transported Form available on PDE’s website. Section D(3)(f) of the instructions to form PDE-1049 state the following:

*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.*

The “Entering Data” section of the instructions to the PDE-2089 Summary of Pupils Transported Form states the following as it pertains to claiming public and non-public school pupils transported:

*Number of Public School Pupils Transported: Enter the total number of resident, PUBLIC school pupils you transported to and from school.*

*This figure should include public school pupils you transported because of certified hazardous walking conditions, public school pupils you transported to area vocational-technical schools or to charter schools and nonreimbursable public school pupils you transported.*

*Number of Nonpublic School Pupils Transported: Enter the total number of resident NONPUBLIC school pupils you transported to and from school.*

No distinction is made in the instructions to either form between public school students and non-public or charter school students. The PDE-1049 instructions state simply to report the greatest number of pupils assigned to ride a vehicle at any one time during the day, and the PDE-2089 instructions discuss the claiming of both public and non-public students consistently – i.e. both simply refer to the number of students “transported.” The District used this guidance from these instructions when claiming students for reimbursement on the PDE-2576 report, and therefore claimed public and non-public and charter school students on a consistent basis.

However, the requirement for claiming charter and non-public students is governed by 24 P.S. § 25-2509.3, which includes the following statutory language:

*For the school year 2001-2002 and each school year thereafter, each school district shall be paid the sum of three hundred eighty-five (\$385) for each nonpublic school pupil transported.*

Based on the language above, non-public students must have been actually transported in order for the District to be eligible for reimbursement. This language, as it is written, conflicts with the guidance in the instructions to Form 1049, which states that students are claimed for reimbursement based on the number of students assigned to a bus.

The conflicting language in 24 P.S. § 25-2509.3 and the instructions to the forms noted above is therefore the basis for the District's disagreement with this finding. The District strives to adhere to all requirements and mandates issued by the Commonwealth of Pennsylvania and PDE, but strongly believes that those requirements should be clear and unambiguous in order to be held accountable to them. While the interpretation being used by PDE and the Office of the Auditor General is now understood, and will be strictly abided by moving forward, the District feels it is unfair to be cited in this manner based on differing interpretations of the guidelines.

To prevent future findings of this nature, and to adhere to all applicable guidelines, the Avon Grove School District has revised its practices and procedures for claiming students for the PDE-2576 Summary of Pupil Transportation Subsidy report. Known students that have been entered into the District's transportation software that attend a charter or non-public school and that have not requested transportation have been removed to ensure that they are not included in reports generated by the software. In addition, the District is now requiring all charter and non-public students to complete a form indicating whether or not they are requesting transportation from the District; only students who request transportation will be entered into the system, and only students who have requested transportation and have returned their signed form will be claimed in future subsidy reports. These transportation

request forms will be filed and retained with the subsidy report in future years as proof that the number of students claimed in the subsidy report equal the number of charter or non-public school students that rode a District bus or van at least one time during a given school year.”

### **Auditor Conclusion**

We are pleased that the District has implemented our recommendations in its revised District procedures to report transportation data. We believe our recommendations will help ensure that the District reports transportation data accurately in the future. We will review these and any other corrective action taken by the District during our next review of the District.

While it is understandable that the District took measures to ensure transportation was readily available for all nonpublic and charter school students, Section 2509.3 of the PSC and PDE-2089 instructions clearly require districts to report the total number of nonpublic and charter school students **transported**.

We believe that the PDE instructions clearly distinguish between reporting total pupils transported and the number of nonpublic school and charter school students transported. We are pleased that the District acknowledges this difference in their response to our finding.

While the District may have been confused by the PDE’s instructions during our audit period, the District’s lack of reconciliation and review procedures allowed incorrect transportation data to be reported to the PDE.

We disallowed only those nonpublic and charter school students that never had a bus assigned during each school year reviewed. Therefore, assigned versus actually transported is not pertinent to our finding. If the District had procedures in place to ensure requests for transportation were current, their rosters would not have included the students we disallowed.

## **Status of Prior Audit Findings and Observations**

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**O**ur prior audit of the Avon Grove School District resulted in no findings or observations.

## **Distribution List**

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This letter 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 Harestown Building #2  
333 Market Street  
Harrisburg, PA 17126

**The Honorable Joe Torsella**

State Treasurer  
Room 129 - Finance Building  
Harrisburg, PA 17120

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Director  
Bureau of Budget and Fiscal Management  
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Harrisburg, PA 17126

**Dr. David Wazeter**

Research Manager  
Pennsylvania State Education Association  
400 North Third Street - Box 1724  
Harrisburg, PA 17105

**Mr. Nathan Mains**

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

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