

LIMITED PROCEDURES ENGAGEMENT

Northern Tioga School District
Tioga County, Pennsylvania

April 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. Diana Barnes, Superintendent
Northern Tioga School District
110 Ellison Road
Elkland, Pennsylvania 16920

Mrs. Julie Preston, Board President
Northern Tioga School District
110 Ellison Road
Elkland, Pennsylvania 16920

Dear Dr. Barnes and Mrs. Preston:

We conducted a Limited Procedures Engagement (LPE) of the Northern Tioga 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 internal controls?
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- 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; 22 Pa. Code 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.

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.

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, administrative requirements, and best practices. We appreciate the District's cooperation during the conduct of the engagement.

Sincerely,



Eugene A. DePasquale
Auditor General

April 8, 2019

cc: **NORTHERN TIOGA SCHOOL DISTRICT** Board of School Directors

Table of Contents

	Page
Background Information	1
Finding	9
Finding – The District Inaccurately Reported the Number of Nonpublic School Students Transported Resulting in an Overpayment of \$9,240	9
Status of Prior Audit Findings and Observations	12
Distribution List	13

Background Information

School Characteristics 2017-18 School Year ^A	
County	Tioga
Total Square Miles	335
Number of School Buildings	5
Total Teachers	177
Total Full or Part-Time Support Staff	117
Total Administrators	8
Total Enrollment for Most Recent School Year	2,172
Intermediate Unit Number	17
District Vo-Tech School	N/A

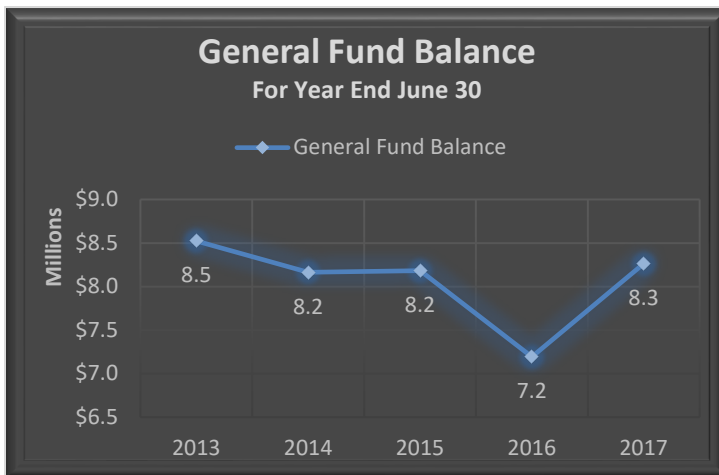
A - Source: Information provided by the District administration and is unaudited.

Mission Statement^A

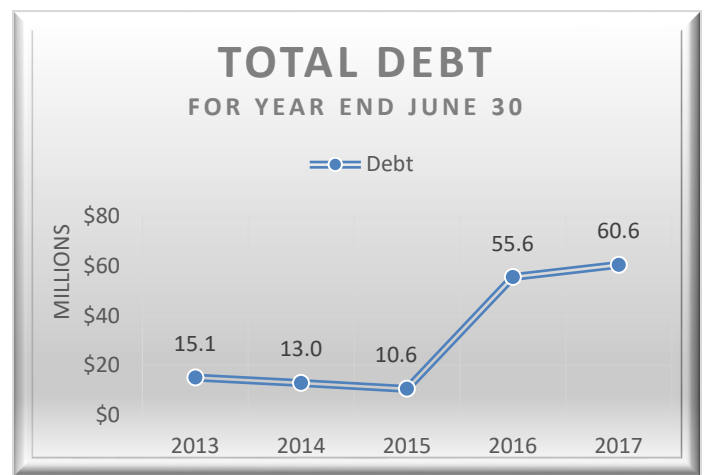
To equip all students with a foundation of critical thinking and problem solving tools essential for lifelong learning within local and global communities.

Financial Information

The following pages contain financial information about the Northern Tioga 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**.

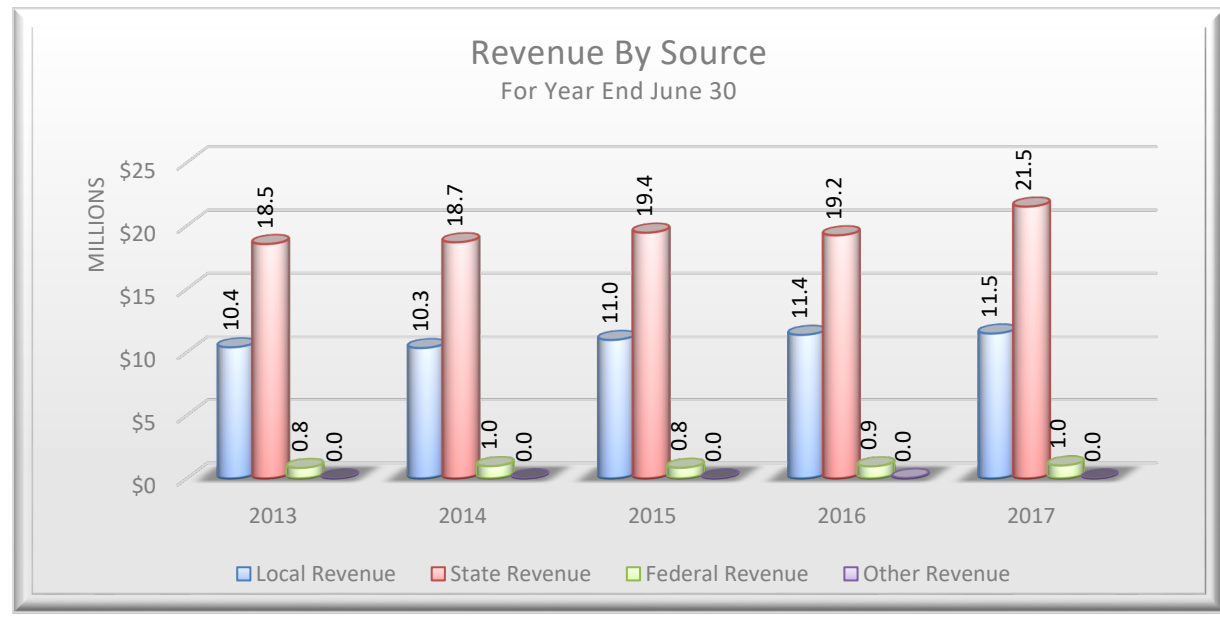
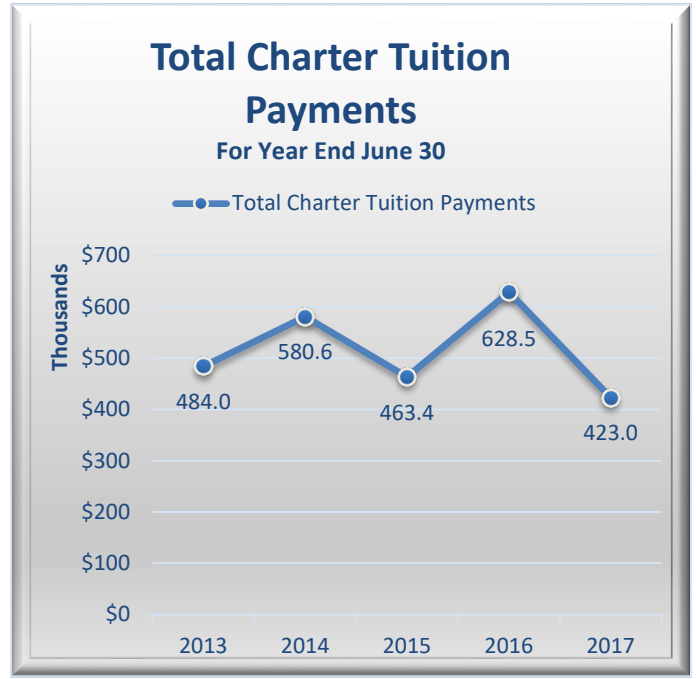
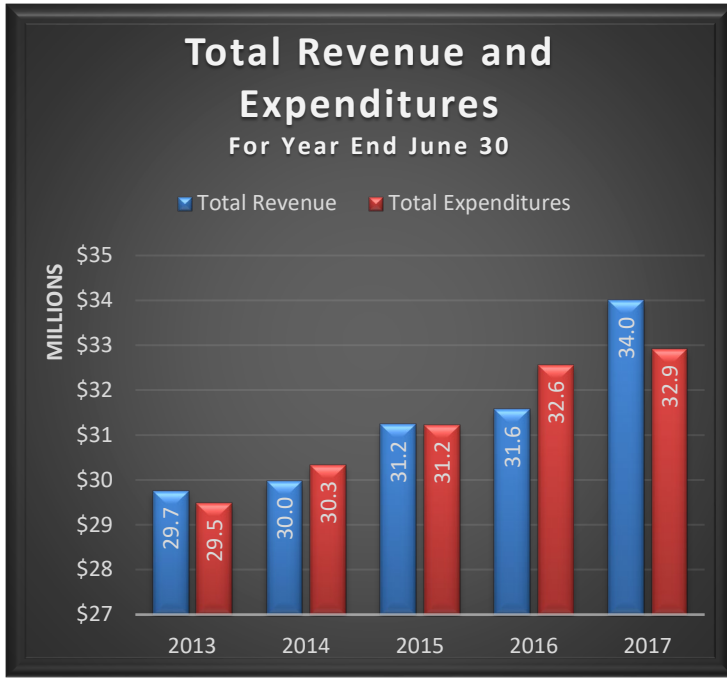


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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.¹ 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 graph.² 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.³

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.⁴ 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.⁵ 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.

¹ 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.

² 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.

³ 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.

⁴ 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.

⁵ 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.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 a 4-Year Cohort Graduation Rate?

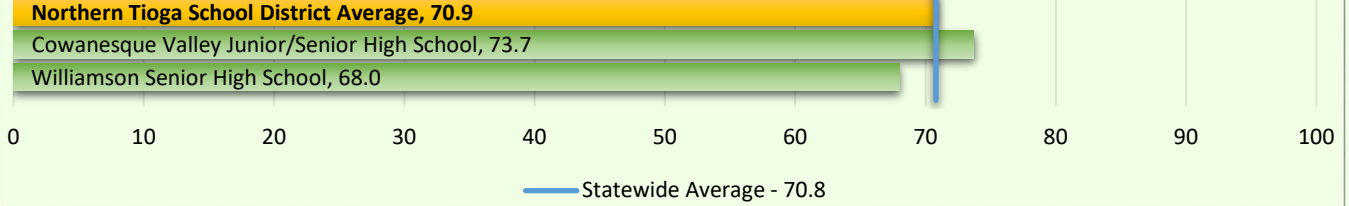
The PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student 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.⁷

⁶ 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.

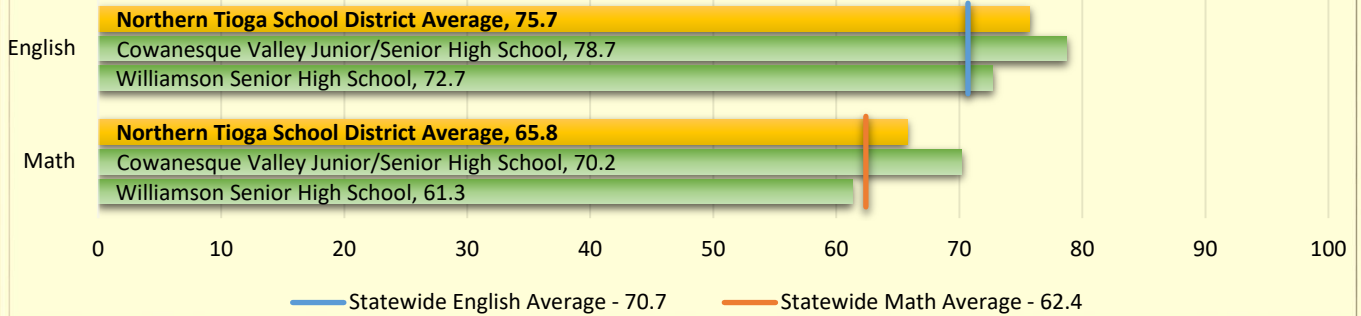
⁷ The PDE also calculates 5-year and 6-year cohort graduation rates. Please visit the PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

2014-15 Academic Data
School Scores Compared to Statewide Averages

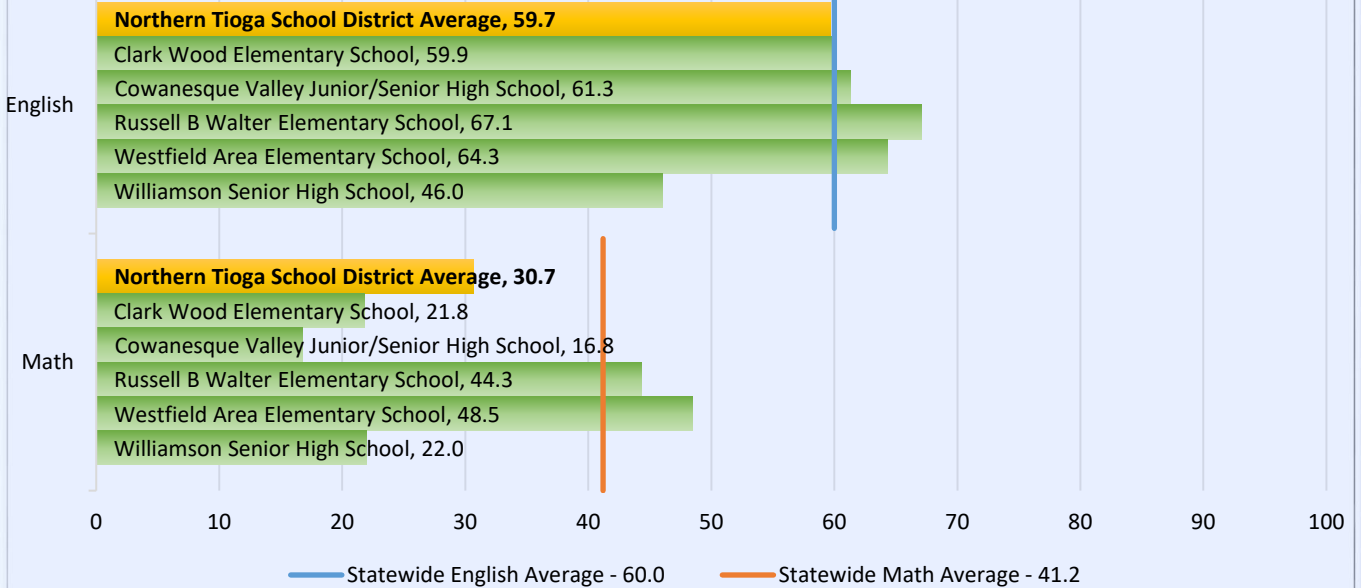
2014-15 SPP Scores



2014-15 Keystone % Advanced or Proficient

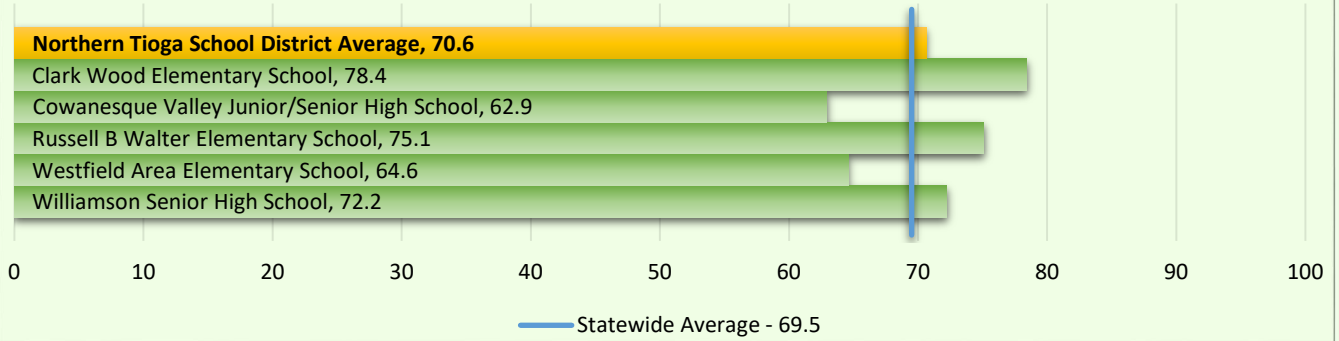


2014-15 PSSA % Advanced or Proficient

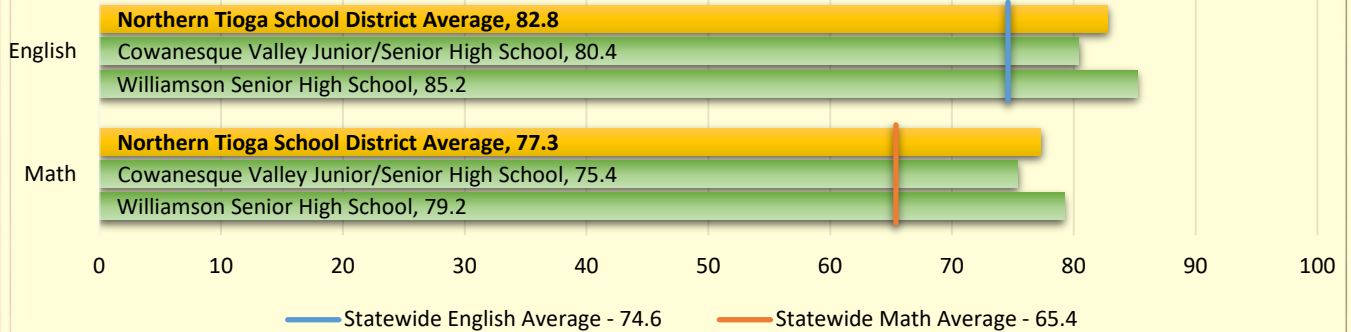


2015-16 Academic Data
School Scores Compared to Statewide Averages

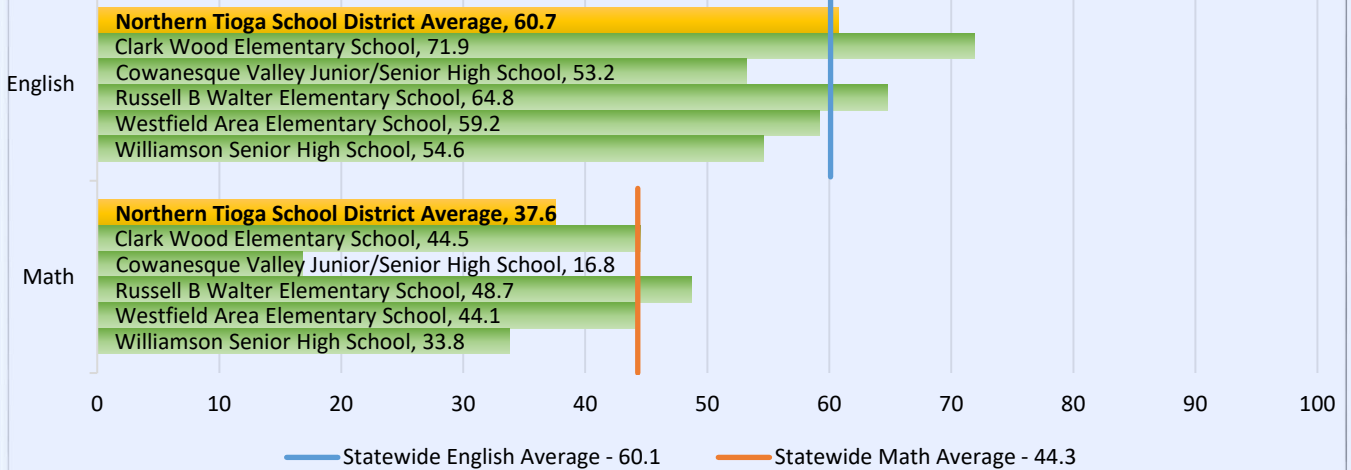
2015-16 SPP Scores



2015-16 Keystone % Advanced or Proficient

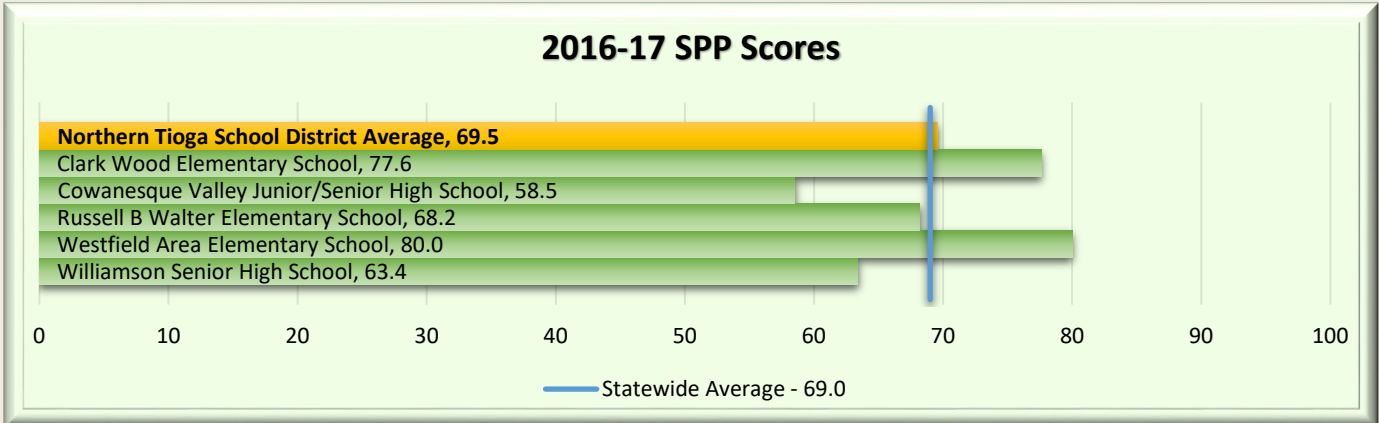


2015-16 PSSA % Advanced or Proficient

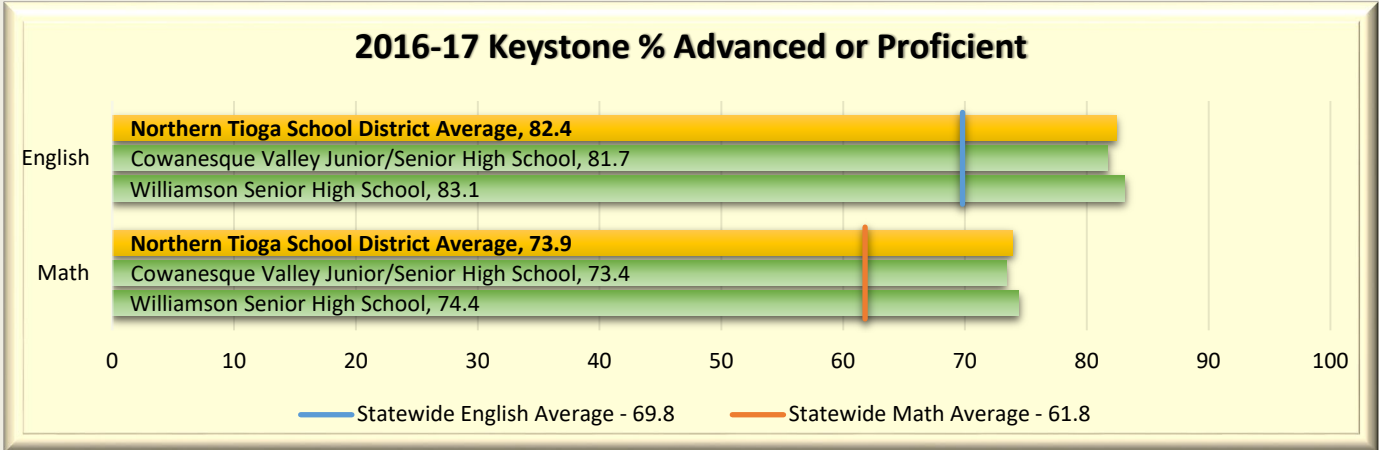


2016-17 Academic Data
School Scores Compared to Statewide Averages

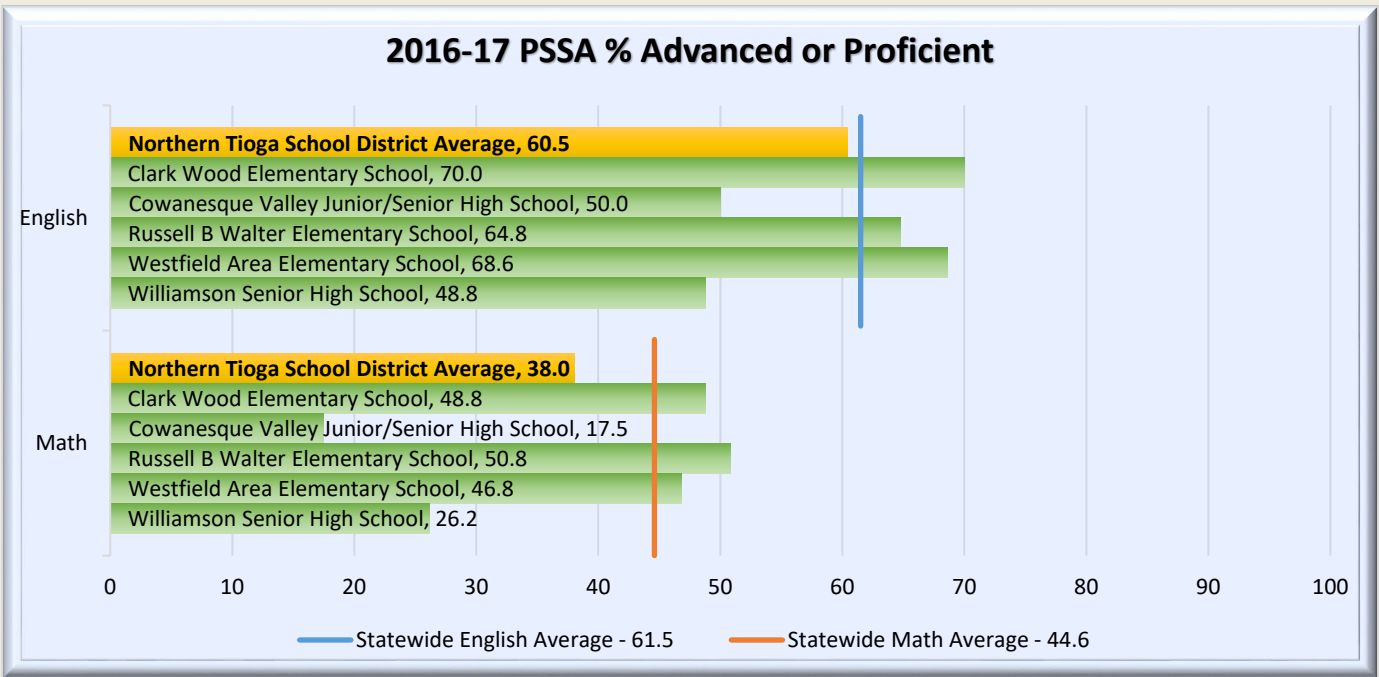
2016-17 SPP Scores



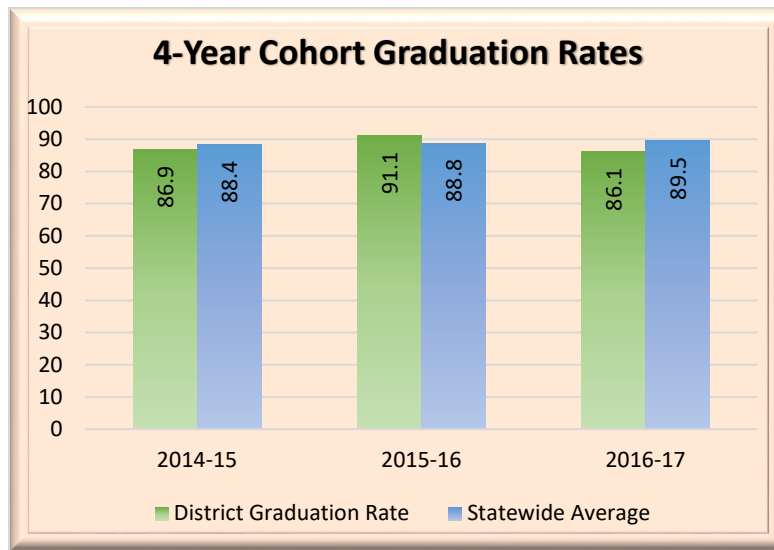
2016-17 Keystone % Advanced or Proficient



2016-17 PSSA % Advanced or Proficient



Graduation Data
District Graduation Rates Compared to Statewide Averages



Finding

Finding

The District Inaccurately Reported the Number of Nonpublic School Students Transported Resulting in an Overpayment of \$9,240

Criteria relevant to the finding:

Supplemental Transportation Subsidy for Nonpublic School Students

Section 2509.3 of the Public School Code (PSC) provides that each school district shall receive a supplemental transportation payment of \$385 for each nonpublic school student transported. *See* 24 P.S. § 25-2509.3.

Nonpublic school pupils are children whose parents are paying tuition for them to attend a nonprofit or parochial school.

Sworn Statement and Annual Filing Requirement

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

The Northern Tioga School District (District) was overpaid \$9,240 in transportation reimbursements from the Pennsylvania Department of Education (PDE). This overpayment was due to the District inaccurately reporting the number of nonpublic school students transported by the District during the 2014-15, 2015-16, and 2016-17 school years.⁸

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.⁹ The PSC requires school districts to provide transportation services to students who reside in its district and who attend a nonpublic school, and it provides for a reimbursement from the Commonwealth of \$385 for each nonpublic student transported by the district.

The following table summarizes the District's nonpublic school student reporting errors by school year and the resulting overpayments:

Northern Tioga School District Nonpublic School Student Reporting Errors		
School Year	Nonpublic Students Over Reported	Total Annual Overpayment ¹⁰
2014-15	5	\$1,925
2015-16	10	\$3,850
2016-17	9	\$3,465
Total	24	\$9,240

⁸ The District correctly reported the number of nonpublic school students transported by the District during the 2013-14 school year.

⁹ *See* Section 922.1-A(b) (relating to "Definitions") of the PSC, 24 P.S. § 9-922.1-A(b).

¹⁰ The overpayment is computed by multiplying the amount of nonpublic school students over reported by \$385.

*Criteria relevant to the finding
(continued):*

Section 2543 of the PSC, which is entitled, “Sworn statement of the 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.” (Emphases added.)

The PDE has established a Summary of Students Transported form (PDE-2089) and relevant instructions specifying how districts are to report nonpublic students transported to and from school.

Number of Nonpublic School Pupils Transported

Enter the total number of resident NONPUBLIC school pupils you transported to and from school. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff. NONPUBLIC school pupils are children whose parents are paying tuition for them to attend a nonprofit private or parochial school. (Any child that your district is financially responsible to educate is a PUBLIC pupil.)

We found the District inappropriately included students who were not provided transportation by the District in the reported number of students transported to nonpublic schools. Inaccurately reporting these students to the PDE for reimbursement resulted in the District being overpaid over \$9,000 in transportation reimbursements. During our audit period, the District annually received requests for transportation for nonpublic students. However, the District did not have procedures in place to verify the total number of nonpublic students transported prior to reporting this data to the PDE. District personnel failed to reconcile total nonpublic students with rosters and requests for transportation to ensure only nonpublic students for which transportation services were provided were reported to the PDE.

It is important to note that the PSC requires that all school districts must annually file a sworn statement of student transportation data for the prior and current school year with the PDE in order to be eligible for the transportation subsidies. It is essential that the District accurately report transportation data to the PDE and retain the support for this transportation data. Further, the sworn statement of student transportation data should not be filed with the state Secretary of Education unless the data has been double checked for accuracy by personnel trained on the PDE’s reporting requirements.

We provided the PDE with reports detailing the nonpublic school reporting errors for the 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 should be adjusted by the amount of the overpayment.

Recommendations

The *Northern Tioga School District* should:

1. Perform yearly reconciliations of bus rosters to student requests for transportation to ensure nonpublic school students are accurately reported to the PDE.
2. Develop written administrative procedures for transportation reporting. These procedures should include a review of transportation data by an individual other than the person who prepared the data to provide

additional assurance of the accuracy of the information before it is submitted to the PDE.

3. Review transportation data submitted to the PDE for the 2017-18 school year and, if necessary, revise the total number of nonpublic students transported and then submit the revised total to the PDE.
4. Ensure its personnel in charge of calculating and reporting the number of nonpublic school students transported by the District are appropriately trained in regard to the PDE's transportation reporting requirements.

The *Pennsylvania Department of Education* should:

5. Adjust the District's future transportation subsidies to resolve the \$9,240 overpayment to the District.

Management Response

District management provided the following response:

“When reporting the number of nonpublic students during the 2014/2015, 2015/2016, and 2016/2017 school years, the district over reported the total number of students in error.

Procedures have been put in place to correct and double check this process. All private school students will be required to complete a request for transportation.”

Auditor Conclusion

We are pleased that the District is implementing corrective actions as specified in our recommendations. We will review this and any other corrective action taken by the District during our next District engagement.

Status of Prior Audit Findings and Observations

Our prior audit of the Northern Tioga School District resulted in no findings or observations.

Distribution List

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
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Harrisburg, PA 17120

Mrs. Danielle Mariano

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Bureau of Budget and Fiscal Management
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Harrisburg, PA 17126

Dr. David Wazeter

Research Manager
Pennsylvania State Education Association
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Harrisburg, PA 17105

Mr. Nathan Mains

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

This letter is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the letter 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.