

Performance Audit

Scranton State School for the Deaf

**Commonwealth of Pennsylvania
Department of Education**

July 1, 2005, to July 18, 2008



Performance Audit

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December 11, 2009

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

This report contains the results of a performance audit of the Department of Education's Scranton State School for the Deaf for the period July 1, 2005, to July 18, 2008. The audit was conducted pursuant to Section 402 of The Fiscal Code and in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

The report details the audit objectives, scope, methodology, findings, and recommendations. The report notes the need to improve confidentiality over student records and the need to increase outside revenue. Prior to the completion of the audit, the Western Pennsylvania School for the Deaf took over Scranton School's existing programs for the 2009-2010 school year. The contents of the report were discussed with the officials of the Scranton State School for the Deaf, and all appropriate comments are reflected in the report.

We appreciate the cooperation extended to us by the management and staff of the Scranton State School for the Deaf and by others who provided assistance during the audit.

Sincerely,

JACK WAGNER
Auditor General

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Table of Contents

| | |
|---|----------|
| Background Information | 3 |
| Department of Education | 3 |
| Scranton State School for the Deaf | 3 |
| Subsequent Event – Scranton State School for the Deaf Transition Plan..... | 3 |
| | |
| Objectives, Scope, and Methodology | 6 |
| | |
| Audit Results | 9 |
| Campus Security – Finding 1 | 9 |
| Finding 1 – The security policies adequately met the needs of the students and staff. | 9 |
| Student Confidentiality – Findings 2 and 3..... | 10 |
| Finding 2 – Scranton School should improve the security measures over student record confidentiality and accessibility of social security numbers..... | 11 |
| Finding 3 – Scranton School complied with the provisions of the Family Educational Rights and Privacy Act that govern access to student records. | 13 |
| Travel Expense – Findings 4 and 5 | 13 |
| Finding 4 – Employee travel was conducted and reimbursed according to applicable policies and procedures. | 14 |
| Finding 5 – Out-service training reimbursements were completed according to applicable policies and procedures but were incorrectly classified as travel expenses. | 14 |
| Staff Certification – Findings 6 and 7 | 15 |
| Finding 6 – All instructors and administrators were properly certified for the courses taught or the positions held. | 16 |
| Finding 7 – All contracted staff had the required background checks..... | 16 |
| Outside Revenue – Finding 8 | 16 |
| Finding 8 – Scranton School should increase efforts to pursue additional revenue sources..... | 18 |

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Table of Contents

Status of Prior Audit Findings and Recommendations.....20
 Prior Finding 2 – Two employees were assigned conflicting roles in SAP/R3.20
 Prior Finding 3 – The Scranton School should reduce the number of
 purchasing cards.....20
 Prior Finding 8 – The Scranton School has dormant subsidiary accounts in the
 Central Treasury Fund.21

Background Information

Background Information

Department of Education

The mission of the Pennsylvania Department of Education is to prepare children and adults academically to succeed in their chosen profession. The Department of Education seeks to ensure that the technical support, resources and physical plant are in place for all students whether children or adults to receive a high quality of education.

Scranton State School for the Deaf

The Scranton State School for the Deaf, referred to as Scranton School, is a state-owned institution administered as part of the Department of Education. Scranton School's primary task is to nurture the positive development of the deaf child in areas of communication, personal development, academic, vocational, and social skills. The school is located on ten acres of land in the city of Scranton, Lackawanna County. The campus consists of nine buildings including academic, residential, educational, and recreational facilities, an infirmary, and a dining hall.

Founded as a private school in 1884, Scranton School became the property of the Commonwealth of Pennsylvania by Act 163 of 1913. At that time, it was renamed the Pennsylvania State Oral School for the Deaf. When the Commonwealth assumed full responsibility in January 1916, Scranton School was educating deaf children and young adults. A preschool education program was started during the 1952-1953 academic year. In 1960, a secondary educational program was initiated, which culminated in the school's first high school graduation on June 9, 1964. Scranton School's name changed to Scranton State School for the Deaf in June 1976.

Subsequent Event – Scranton State School for the Deaf Transition Plan

On May 8, 2009, the Department of Education announced that the Western Pennsylvania School for the Deaf would take over Scranton School's existing programs and continue to operate residential and day programs at the existing site during the 2009-2010 school year.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Background Information

Founded in 1869, the Western Pennsylvania School for the Deaf has high academic standards and is a non-profit tuition-free school providing over 250 deaf and hard of hearing students with a complete extracurricular program for children from birth to twelfth grade. Prior to the start of the 2009-2010 school year, Western Pennsylvania School for the Deaf served children from 100 school districts and 30 counties across Pennsylvania.

Over a three-year period, the Western Pennsylvania School for the Deaf plans on working with students, families, and their community to transition the existing Scranton School program into a permanent day program for kindergarten through eighth grades.

The terms of the three-year transition plan call for the Western Pennsylvania School for the Deaf to provide the following:

- Continue the existing programs, both day and residential, for the deaf and hard of hearing on the Scranton School site for the 2009-2010 school year.
- Establish a permanent day program in the 2010-2011 school year for elementary and middle school aged children, while continuing to enroll new students in the day program.
- Work with students currently enrolled at Scranton School and their families to accommodate residential and day students with the educational services they need. In future years, families that prefer a residential program will be able to enroll at the Western Pennsylvania School for the Deaf's 20-acre campus located in suburban Pittsburgh.

The new name for the Scranton School is Scranton School for the Deaf and Hard-Of-Hearing.

We did not audit the agreement enabling the Western Pennsylvania School for the Deaf to provide education to the students of Scranton School.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Background Information

The following schedule presents selected unaudited operating data for the Scranton School for the years ended June 30, 2005, 2006 and 2007.

| | 2005 | 2006 | 2007 |
|--|----------------|----------------|----------------|
| Operating expenditures (rounded in thousands) ¹ | | | |
| State | 7,167 | 7,467 | 7,824 |
| Federal | <u>279</u> | <u>286</u> | <u>248</u> |
| Total | <u>\$7,446</u> | <u>\$7,753</u> | <u>\$8,072</u> |
| Employee complement positions at year-end | 122 | 122 | 122 |
| Student population at year-end | 108 | 105 | 92 |
| Student average cost per year ² | \$68,944 | \$73,838 | \$87,739 |

¹ Operating expenditures are recorded net of fixed asset costs.

² Calculated by dividing operating expenditures by student population at year-end.

Objectives, Scope, and Methodology

Objectives, Scope, and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

We selected the audit objectives from the following general areas: client management, including campus security and student confidentiality, expense management, including travel, personnel management, including staff certification, and cash management, including outside revenue. The specific audit objectives were:

- To review campus security policies and measures, including a review of the school's warning systems, security, and access to campus buildings. (Finding 1)
- To evaluate the protection and confidentiality of student information and the accessibility of social security numbers. (Findings 2 and 3)
- To determine if travel by Scranton School employees was conducted and reimbursed according to applicable policies and procedures and to assess controls over travel expenditures. An additional objective was to ensure out-service training reimbursements were processed properly. (Findings 4 and 5)
- To determine if all professional employees involved in instruction and academic administration at Scranton School were appropriately certified for the courses they taught or the positions they held. A second objective was to determine if criminal history background checks were obtained for all contracted staff. (Findings 6 and 7)
- To evaluate the Scranton School's pursuit of outside revenue. (Finding 8)

In addition, we determined the status of the implementation of recommendations made during the prior audit of the Scranton School.

The scope of our audit covered the period from July 1, 2005, to July 18, 2008.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Objectives, Scope, and Methodology

To accomplish our audit objectives we reviewed the College Campus Security Assessment, the Safety Committee meeting minutes, the Safety Handbook and Parent/Student Handbook, federal statutes pertaining to protection of student records including the Family Educational Rights and Privacy Act, the Individuals with Disabilities Education Act, and the Federal Privacy Act of 1974. We also reviewed applicable travel policies and procedures and Department of Education Certification and Staffing Policy Guidelines,³ applicable portions of the Pennsylvania School Code of 1949,⁴ legislation regarding “Background Checks,”⁵ and Scranton School’s Policy/Guideline Statement regarding “Information on Required Background Checks.”⁶ Additionally, we reviewed Federal law regarding deaf education.⁷ Finally, we reviewed the written response dated March 8, 2007, replying to the prior Auditor General report.

We interviewed the superintendent, the facility maintenance manager responsible for security, the business manager, purchasing agent, director of instruction, assistant director of instruction, and the administrative assistant. We also interviewed various management and staff of the Department of Education, and held discussions with appropriate Scranton School personnel regarding the specific prior audit findings and recommendations.

To assess the campus security policies, we toured the campus to obtain an overview of the security system and observed an evacuation of the school.

To evaluate the protection and confidentiality of student information and the accessibility of social security numbers, we analyzed 25 of 83 student records.

To audit the travel expense reimbursements, we examined 78 of 389 employee travel expenditures incurred during the fiscal years ended June 30, 2005 and 2006.

³ Certification and Staffing Policies and Guidelines No. 1 “Appropriate Certification in Pennsylvania,” No. 7 “Level II (Permanent) Certification,” No. 13 “Emergency Permits,” No. 62 “Special Education-Deaf and Hard of Hearing,” and No. 91 “Supervisor of Special Education Area,” July 1, 2004.

⁴ Public School Code of 1949, 24 P.S. § 1212.

⁵ Title 22 Pennsylvania Code, Chapter 8, “Criminal History Background Checks” (Act 34 of 1985 amended by Act 114 of 2006) Section 1-111, and Public Welfare Code (Act 151 of 1994) Section 6354-6358.

⁶ Policy/Guideline Statement of the Scranton State School for the Deaf “Information on Required Background Checks,” October 24, 2007.

⁷ US Department of Education Office of Special Education and Rehabilitative Services Legislation and Policy <http://www.ed.gov/about/offices/list/osers/policy.html>, accessed June 12, 2008.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Objectives, Scope, and Methodology

To audit instructor certifications and employee background checks, we reviewed the certifications and assignments for all Scranton School instructors and administrators for the 2007-2008 school year, and examined the background check records for 30 of 47 current contracted employees.

To evaluate the Scranton School's pursuit of outside revenue, we reviewed the school's subsidiary account, the strategic plan for 2002-2005, and program offerings. We also researched internet sites to determine methods employed by other schools for the deaf to increase enrollment and revenue.

We also performed tests as part of, or in conjunction with, the current audit to determine the status of the implementation of recommendations made during the prior audit.

Audit Results

Audit Results

Campus Security – Finding 1

Scranton School's primary task is to enable and empower each enrolled student to reach their full potential.⁸ In order to accomplish this goal, the school must provide a safe and secure environment that meets the special needs of the students.

Finding 1 – The security policies adequately met the needs of the students and staff.

The Scranton School established safety policies addressing the needs of both the students and staff. A security system, installed in 2004, provided video surveillance of the entire campus, which is monitored by school personnel during school hours and a contracted security company during after hours and weekends.

Warning systems were in place to alert both the hearing and non-hearing of any impending crisis. A classroom warning system accessed through the classroom computer enabled students and teachers to seek assistance. In the event of a crisis, an alarm can be sounded and an announcement made instructing the hearing personnel to inform the non-hearing. A color card code system was in place to identify the type of disaster. Staff and students were required to wear personalized photo identification badges, which also serve as swipe cards for keyless entry into all academic and residential buildings. Parking tags were issued to all school staff as well as visitors ensuring vehicles on the campus were identifiable.

The Scranton School conducted disaster training and evacuation drills annually to ensure the staff was knowledgeable of the procedures to follow in the event of an emergency. During our fieldwork, an evacuation of the school occurred due to a water pipe breakage, and proper procedures were followed. All school personnel as well as all contracted vendors must obtain State Police, FBI, and child abuse clearances. A safety manual listing emergency preparedness plans was maintained and was in the process of being updated. The Parent/Student handbook listed Scranton School's policies and procedures. A safety committee was in place to address the safety issues regarding the students, staff, and school buildings.

⁸ Scranton State School for the Deaf, Mission Statement, May 13, 1997.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

Student Confidentiality – Findings 2 and 3

Educational agencies and institutions that receive funds from the United States Department of Education must abide by federal privacy laws, which pertain to the education records of students. The Family Educational Rights and Privacy Act⁹ and the Protection of Pupil Rights Amendment¹⁰ allow educational agencies to collect data on all students and also give the parents the right to review education records maintained by state or local education agencies or their representatives. The legislation also enables parents to review and provide consent for the child to participate in surveys, analyses, or evaluations, which are administered by state or local agencies. Additionally, the acts establish methods with which records are protected and released.

Each school or agency is required to have one official responsible for ensuring the confidentiality of any personally identifiable information. The school must train all persons who are collecting or using personally identifiable information regarding the policies on confidentiality. Moreover, a list of employees who have access to personally identifiable information must be maintained for public inspection.¹¹ Students' social security numbers are among personal information contained in educational records that are protected under Family Educational Rights and Privacy Act, as well as the Privacy Act of 1974.¹²

The Privacy Act of 1974 governs the collection of social security numbers. It requires any document requiring a social security number to be accompanied with a notice of nondisclosure stating that although a school has the right to ask for a social security number, the school cannot deny any benefit or right to those who refuse to provide it.

Students at the Scranton School are afforded the same rights given to all students, which include provisions to safeguard the privacy of their student educational records and pertinent personal information. Scranton School's handbook,¹³ in accordance with the Family Educational Rights and Privacy Act, ensures that all personal information remains confidential. All students at the school are protected by the Individuals with Disabilities

⁹ Family Educational Rights and Privacy Act (FERPA) (20 USC §1232g).

¹⁰ Protection of Pupils Rights Amendment (PPRA) (20 USC § 1232h).

¹¹ Forum Guide to Protecting the Privacy of Student Information: State and Local Education Agencies. National Forum on Education Statistics. <http://nces.ed.gov>, accessed May 28, 2008.

¹² Overview of the Privacy Act of 1974, 2004 edition Social Security Number Usage.

¹³ Scranton State School for the Deaf, Parent/Student Handbook 2003-2004.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

Act, which covers children with educational disabilities who require special services from specially trained teachers.¹⁴

Finding 2 – Scranton School should improve the security measures over student record confidentiality and accessibility of social security numbers.

Scranton School appointed the assistant director of instruction to the role of student record manager at the beginning of the 2007-2008 school year. The newly appointed record manager was not trained in record security management. Although a training session was held in the summer of 2007, neither the newly appointed manager nor her assistant attended.

The Privacy Act of 1974 requires that each agency (school) that retains a system of records shall:

*Establish rules of conduct for persons involved in the design, development, operation, or maintenance of any system of records, or in maintaining any record, and instruct each such person with respect to such rules ...*¹⁵

Additionally:

*The Individuals with Disabilities Education Act requires participating agencies to fully inform personnel who collect or use personally identifiable information about their responsibilities for implementing confidentiality provisions. Participating agencies must protect the confidentiality of information at collection, disclosure, and records destruction stages.*¹⁶

The student record manager is responsible for collecting and maintaining student records, which include a variety of details about the student such as date of birth, date of enrollment, immunization history, achievement test scores, grades, insurance information and in some instances social security numbers. In addition to not receiving proper training, the staff did not issue nondisclosure forms to parents when social security numbers were requested, and

¹⁴ Comparison of The Individuals with Disabilities Education Act (IDEA), Section 504 of the Rehabilitation Act, The Americans with Disabilities Act, and No Child Left Behind Act of 2001. Developed by the Postsecondary Education Consortium at the University of Tennessee.

¹⁵ Privacy Act of 1974 Sec 552 a. Records Maintained on Individuals.

¹⁶ <http://nces.ed.gov>, accessed July 1, 2008.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

written policies and procedures for maintaining student records were not established. As a result, Scranton School did not comply with various record retention requirements.

Our review of 25 school records revealed that personally identifiable data were included in each school record. Fifteen of the 25 records reviewed contained the student's social security number, birth date and other pertinent information. Although each student was given an identifier number provided by the PA Information Management System,¹⁷ and social security numbers were not entered into any computer programs, the school continued to maintain student's social security numbers in the student's record. These numbers were listed on the student's emergency notification card and authorization for medical treatment form. Neither of these forms were accompanied by a notice of nondisclosure to the parents when distributed.

Due to the numerous federal laws regarding student record keeping, it is imperative that staff receive training regarding the methods of obtaining information, type of information which can be obtained, who has the right to this information, and numerous other student and parents rights. Also, federal laws governing this information are constantly changing. It is therefore imperative that staff receive training, upon appointment as well as periodically to properly maintain and secure student records.

Recommendations:

The Scranton School should establish written policies regarding the safeguarding of student records. Also, training should be provided to all staff regarding the process of collecting student data and the maintenance of that data. In addition, Scranton School should discontinue requesting social security numbers whenever possible. When it is necessary to request a students' social security number, a nondisclosure form must accompany the request.

Comments of Scrantom School Management:

Scranton School management agreed with the recommendations and indicated that they were in the process of developing written policies pertaining to the confidentiality of student records. Scranton School management also asserted that student social security numbers are no longer routinely requested but when required a nondisclosure form will be provided. Finally, Scranton School officials indicated that the incumbent records manager would receive the required training.

¹⁷ www.able.state.pa.us/ed, accessed June 3, 2008.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

Finding 3 – Scranton School complied with the provisions of the Family Educational Rights and Privacy Act that govern access to student records.

The Family Educational Rights and Privacy Act does not require state education agencies to have written policies, however, regulations continue to encourage districts to develop privacy policies and establish written policies to ensure the law will be applied uniformly.

Scranton School, in accordance with the Family Educational Rights and Privacy Act, did require parent authorization for any access to their child’s record for those not authorized by statute to view the record; however, the Act allows school officials designated as having a "legitimate educational interest" to view student records.

Travel Expense – Findings 4 and 5

Travel Expense. Commonwealth employees who are required to travel as part of their official job responsibilities do so at the Commonwealth’s allowed expense but must follow established policies and procedures that detail allowable expenses and procedures for seeking reimbursement.¹⁸

The Scranton School utilizes the online service known as the Employee Self Service system to process travel expense reimbursements. Employees submit travel requests, plan trips, request travel expense reimbursements and receive approval for these actions from their supervisors through Employee Self Service. Travelers forward receipts and other supporting documents to the Bureau of Commonwealth Payroll Operations via United States mail for review before receiving reimbursement.

Out-Service Training. The Commonwealth also assumes responsibility for out-service training expenses as authorized by the Governor’s Management Directives:

...related to the maintenance and enhancement of knowledge, skills, and abilities in employees’ job duties¹⁹.

¹⁸ Management Directive 230.10 “Travel and Subsistence Allowances,” dated November 1, 2000, December 28, 2005, and December 18, 2006, Scranton State School for the Deaf “Request for Approval for Travel,” August 2001, and Integrated Enterprise System’s Employee Guide.

<http://www.ies.state.pa.us/imaginapa/cwp/view.asp?a=4&Q=174191&PM=1>, accessed, March 26, 2008.

¹⁹ Management Directive 535.3 “Out-Service Training,” November 16, 1999.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

Employees of the Scranton School requesting reimbursement for out-service training expenses, which might occur in conjunction with employee travel expenses, must follow established policies and procedures.²⁰

Finding 4 – Employee travel was conducted and reimbursed according to applicable policies and procedures.

We reviewed the following types of travel expenditures: travel expense adjustments with “Not Assigned” vendors, cash advancements, and reimbursable expenses, such as lodging, subsistence, mileage, and transportation costs. Our examination of the travel expenditures found no exceptions for documentation or accuracy and all were reimbursed according to applicable policies and procedures.

Travel expenses of the document type “Expense Adjustment” and vendor “Not Assigned” were explained and documented as adjustments made by the Budget Analyst from the Department of Public Welfare’s Bureau of Budget and Fiscal Management. Cash advancements were properly requested, processed, and approved. Reimbursements of travel expenses such as lodging, subsistence, and transportation were completed in accordance with policies and procedures.

Finding 5 – Out-service training reimbursements were completed according to applicable policies and procedures but were incorrectly classified as travel expenses.

For the fiscal years ended June 30, 2005, and 2006, the Commitments and Actual Expenditures Report revealed that Scranton School inappropriately charged reimbursements for out-service training paid through the advancement account as travel expenses. As a result, travel and out-service training expenses were misclassified.

All out-service training reimbursements, consisting of formal courses of study, conferences, and seminar fees, paid through the advancement account at the Scranton School, were made according to applicable policies and procedures. Scranton School ensured that employees submitted copies of both payment receipts and proof of meeting the Commonwealth’s criteria for successful completion of courses. Scranton School also verified that proper approval was granted for any out-service training before providing reimbursement.

²⁰ Management Directive 535.3 “Out-Service Training,” November 16, 1999, and Scranton State School for the Deaf, “Application for Professional Development/Out-Service Training Authorization,” August 2001.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

Scranton School staff indicated that with the implementation of the SAP/R3 system, they were instructed to use the general ledger code for “Travel–Other” when accounting for out-service training reimbursements. However, in February of 2008, prior to our audit, the Budget Analyst from the Bureau of Budget and Fiscal Management informed Scranton School staff of the misclassification. As of July 1, 2008, out-service training reimbursement should be coded using the general ledger account “Out-Service Training” and not as a travel expenditure. As a result of these corrective actions, no other recommendations are necessary at this time.

Staff Certification – Findings 6 and 7

A focus of the Department of Education involves the preparation and licensing of administrators and educators who excel in providing instruction and student services to pupils across the Commonwealth, including students at the Scranton School. According to Department of Education’s guidelines,²¹

Appropriate certification is required of all persons who are assigned to instructional, educational specialist or administrative functions during the school day.

Additionally, every applicant for employment at the Scranton School, including employees of independent contractors, must submit criminal history background checks in accordance with Act 34 of 1985, as amended by Act 114 of 2006, and Act 151 of 1994.²² In order to comply with Act 34, applicants must provide Scranton School staff with a Pennsylvania State Criminal History Record. Consistent with Act 114, any applicant hired on or after April 1, 2007, must also present a fingerprint-based background check, known as a Federal (FBI) Criminal History Report. Additionally, Act 151 mandates each applicant to submit a child abuse report.

²¹ Certification and Staffing Policy and Guideline No. 1, “Appropriate Certification in Pennsylvania,” July 1, 2004.

²² Title 22 Pennsylvania Code, Chapter 8, “Criminal History Background Checks” (Act 34 of 1985 amended by Act 114 of 2006) Section 1-111, and Public Welfare Code (Act 151 of 1994) Section 6354-6358.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

Finding 6 – All instructors and administrators were properly certified for the courses taught or the positions held.

An examination of the certificates on file for each of the instructors and administrators revealed that the professional staff was properly certified for teaching their assigned courses and for holding their designated positions. Scranton School management monitored the compliance and progress of those teachers and administrative staff who have been granted emergency certification permits. Additionally, administrators at the Scranton School assessed the progress of staff aiming to convert their probationary Level I certificates to permanent Level II certificates as part of the evaluations they conduct twice a year.

Finding 7 – All contracted staff had the required background checks.

A review of the files of contracted staff at Scranton School disclosed that all required background checks were completed in accordance with Act 34 of 1985, as amended by Act 114 of 2006, and Act 151 of 1994, as well as with Scranton School policy. Pennsylvania State Criminal History Records and Child Abuse Reports were readily available for every contracted employee. In addition, a Federal Criminal History Report was on file for every contracted employee that began work on or after April 1, 2007.

Outside Revenue – Finding 8

Expenses at the Scranton School are subsidized by State and Federal monies, which are determined by student population. Additionally, the school receives revenue from other sources, such as endowments, grants, adult education classes, and fundraisers. The cost of providing education increases as the student population increases.

The Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act, The Americans with Disabilities Act, and the No Child Left Behind Act of 2001²³ ensure a decent public education for all children with disabilities. In accordance with these acts, the student's home school district is required to provide any services necessary so that all

²³ Comparison of The Individuals with Disabilities Education Act (IDEA), Section 504 of the Rehabilitation Act, The Americans with Disabilities Act, and No Child Left Behind Act of 2001. Developed by the Postsecondary Education Consortium at the University of Tennessee.

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

disabled students are afforded an education. The Individuals with Disabilities Education Act states that:

*All children with disabilities have available to them a free/appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment and independent living.*²⁴

Additionally, Section 504 of the Rehabilitation Act requires:

*Any agency, school or institution receiving federal financial assistance to provide persons with disabilities to the greatest extent possible, an opportunity to be fully integrated into the mainstream*²⁵

The Americans with Disabilities Act guarantees that the service provided:

*... eliminates barriers that would prevent a student from full participation in programs/services offered to the general school population.*²⁶

No Child Left Behind states:

*Placement must be in the least restrictive environment (LRE). This may be special classrooms, resource, or regular classrooms.*²⁷

Due to these statutes as well as advancements in technology, Scranton School faces many new challenges.

²⁴ Comparison of The Individuals with Disabilities Education Act (IDEA), Section 504 of the Rehabilitation Act, The Americans with Disabilities Act, and No Child Left Behind Act of 2001. Developed by the Postsecondary Education Consortium at the University of Tennessee.

²⁵ *Ibid.*

²⁶ *Ibid.*

²⁷ *Ibid.*

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

Finding 8 – Scranton School should increase efforts to pursue additional revenue sources.

Scranton School has traditionally relied on an annual state appropriation to fund operations. Tuition, which is based on a formula, is deducted from the students' school districts' state subsidy that accounts for approximately 20 percent of the operating budget. As enrollment has declined, Scranton School has relied more on its state appropriation to fund operations. As part of this audit, we assessed additional sources of revenue that could be explored by the school.

Address social isolation. Enrollment has been adversely impacted by medical advancements in artificial hearing improvements²⁸ and laws,²⁹ which require public school districts to offer services to deaf students. However, Scranton School still maintains a major role in the education of the deaf and hard of hearing student.

Students at Scranton School are offered accessible communication 24 hours a day. Research has shown that 53 percent of deaf or hard of hearing students in public schools are the only deaf student in their respective school.³⁰ Therefore, social isolation results and the students become frustrated. The Idaho School for the Deaf has experienced an increase in enrollment recently due to the effects of the social isolation experienced by the students in the public schools.³¹ At Scranton School, students are afforded the opportunity to socialize with peers while receiving an education.

Expand marketing of Scranton School services. The Scranton School provides multiple services to the deaf community in addition to day student services. Currently, the school provides the following services: Parent Infant Program, Auditory Access Program, Early Childhood Programs, High School Programs, Residential Services, and Support Services. These services, however, are not marketed effectively to Commonwealth school districts and Intermediate Units.

²⁸Cochlear Implants and Sign Language: Putting it all Together (Identifying Effective Practices for Educational Settings) April 11-12 2002 Conference Proceedings edited by Debra Nussbaum, Rita LaPorta, and Jennifer Hinger <http://www.clercenter.gallaudet.edu>, accessed June 12, 2008.

²⁹US Department of Education Office of Special Education and Rehabilitative Services Legislation and Policy <http://www.ed.gov/about/offices/list/osers/policy.html>, accessed June 12, 2008.

³⁰ Newspaper article entitled "ISD Sees Enrollment Boom" by Darrin Burnett November 22, 2007 <http://www.myjournalcourier.com>, accessed July 3, 2008.

³¹*Ibid.*

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Audit Results

Scranton School is a resource center in matters concerning deafness. As a resource center, the School provides state-wide support to agencies and individuals who require professional level information and/or technical assistance on a wide range of topics and issues related to the deaf and hard of hearing. Scranton School recognized the advancement of the cochlear implant³² (an implanted artificial hearing device) and has added programs designed for those students. A new curriculum collaborating American Sign Language and spoken language skills is being planned. This curriculum will enable students with implants to learn alongside students using sign language.

Act on strategic plans. Scranton School is also focusing on a strategic plan for 2008 and beyond, establishing their major goals to increase enrollment and outside revenue. To achieve those goals Scranton School should consider establishing a position dedicated to the full-time task of increasing enrollment and promoting the benefits of the school. Faced with similar enrollment and revenue challenges, the Maryland School for the Deaf hired an outreach coordinator in conjunction with the finished construction of a new elementary school. To increase enrollment and revenues, the outreach coordinator will visit school systems in the state and educate residents about the Maryland School for the Deaf.³³

Recommendation:

Scranton School should develop an outreach program to increase the public's awareness of the programs and benefits of the school. If this is not possible due to budget constraints then Scranton School personnel, both hearing and non-hearing, should be enlisted to visit surrounding school districts to explain the unique services, programs and benefits of attending the Scranton School. Additionally, these visits should be followed up with mailers reemphasizing the special services offered. Also, Scranton School's website should be used to emphasize the social inclusion the students share at the school by posting pictures, testimonies, and achievements of students as well as graduates of the school.

Comments of Scrantom School Management:

Management concurred with the recommendations.

³² For more information regarding cochlear implants, see: <http://www.fda.gov.cdrh/cochlear>.

³³ www.alldeaf.com, accessed July 3, 2008.

Status of Prior Audit Findings and Recommendations

Status of Prior Audit Findings and Recommendations

The following is a summary of the findings and recommendations presented in our audit report for July 1, 2003, to February 24, 2006, along with a description of the Scranton School disposition of the recommendations.

Prior Finding 2 – Two employees were assigned conflicting roles in SAP/R3.

Our prior audit noted that two Scranton School employees were assigned conflicting roles, which allowed them to create requisitions, purchase orders, and also receive items. We recommended that Scranton School management either redistribute procurement roles to comply with SAP/R3 role mapping guidelines, or follow Management Directive 205.37, and obtain the necessary agency approval for a role conflict exception.

Status:

On March 1, 2007, Scranton School requested a role conflict exception for the purchasing agent. A PAR request was submitted on May 7, 2008, to remove the purchasing functions from the Information Technologist. Both requests were granted. As a result, Scranton School complied with our recommendation to eliminate incompatible purchasing functions.

Prior Finding 3 – The Scranton School should reduce the number of purchasing cards.

Our prior audit found that for the fiscal year ended June 30, 2005, Scranton School had 32 purchasing cards assigned to staff, of which fifteen averaged less than one transaction per month for that fiscal year. In addition, each purchasing card had a credit limit of \$50,000, while total monthly purchasing card usage was less than \$16,000. Therefore the number of purchasing cards and the credit limit available for these cards far exceeded the school's needs. We recommended that Scranton School management request the Department of Education to reconsider its position not to reduce the number of purchasing cards.

Status:

Scranton School implemented the portion of our recommendation which was under their control. A list of credit card numbers provided by Scranton School staff

November 2009
Pennsylvania Department of the Auditor General
Performance Audit of the Scranton State School for the Deaf
Audit Period: July 1, 2005, to July 18, 2008

Status of Prior Audit Findings and Recommendations

revealed that the number of credit cards was reduced from 32 to 21 cards. Scranton School was unable to reduce the credit limits on the cards because they needed to rely on the Department of Education to request changes to the SAP software.

Prior Finding 8 – The Scranton School has dormant subsidiary accounts in the Central Treasury Fund.

Our prior audit revealed that Scranton School did not recently evaluate subsidiary accounts. As a result, 20 accounts had been inactive for five or more years with a cumulative balance of approximately \$6,000. We recommended that Scranton School review the Central Treasury Account and determine which accounts were inactive. We also recommended that those inactive accounts should be utilized for their intended purpose. If the purpose is no longer feasible, Scranton School should contact the donor to obtain a waiver from the original bequest. Those funds should then be transferred into a miscellaneous account or student activity fund and be administered as part of the Central Treasury Account.

Status:

Our follow up revealed that all dormant accounts were reviewed and outstanding balances transferred into either the Lions Club Account or the Dorm Fund account both of which are used for student activities. Therefore, Scranton School implemented our recommendation to reduce the number of inactive subsidiary accounts.

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**Scranton School for Deaf &
Hard-of-Hearing Children**
Donald E. Rhoten
Superintendent

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