

# PERFORMANCE AUDIT

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## Bristol Township School District Bucks County, Pennsylvania

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February 2016



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Melanie Gehrens, Superintendent  
Bristol Township School District  
6401 Mill Creek Road  
Levittown, Pennsylvania 19057

Ms. Angela M. Nober, Board President  
Bristol Township School District  
6401 Mill Creek Road  
Levittown, Pennsylvania 19057

Dear Dr. Gehrens and Ms. Nober:

We have conducted a performance audit of the Bristol Township School District (District) for the period April 23, 2012 through October 20, 2015. We evaluated the District's performance in the following areas:

- Academics
- Governance
- Financial Stability
- Bus Driver Requirements

This audit was conducted pursuant to Section 403 of The Fiscal Code, 72 P.S. § 403, and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

- The District's General Fund Balance Decreased by Over \$9.6 Million from June 30, 2010 through June 30, 2014

We appreciated the District's cooperation during the course of the audit.

Sincerely,

Eugene A. DePasquale  
Auditor General

February 4, 2016

cc: **BRISTOL TOWNSHIP SCHOOL DISTRICT** Board of School Directors

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## Background Information<sup>i</sup>

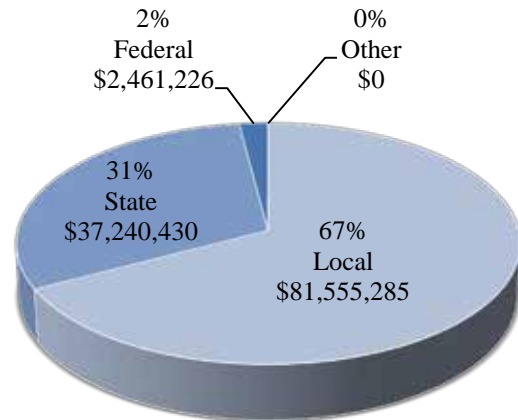
School Characteristics 2013-14 School Year <sup>ii</sup>	
County	Bucks
Total Square Miles	17.2
Resident Population <sup>iii</sup>	54,582
Number of School Buildings	12
Total Teachers	468
Total Full or Part-Time Support Staff	328
Total Administrators	35
Total Enrollment for Most Recent School Year	6,163
Intermediate Unit Number	22
District Vo-Tech School	Bucks County Technical High School

### Mission Statement

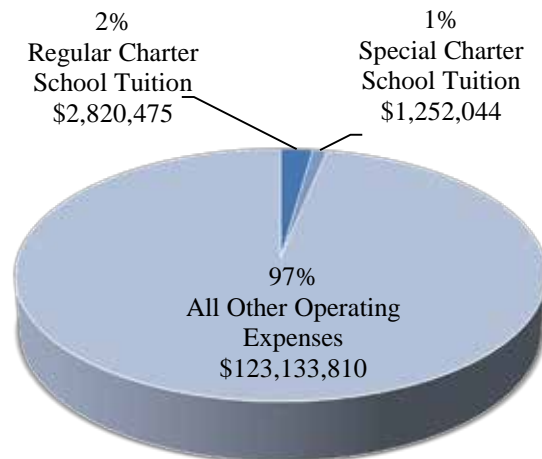
“Bristol Township School District will prepare and empower our students to be productive, competitive members in an ever-changing global society.”

## Financial Information

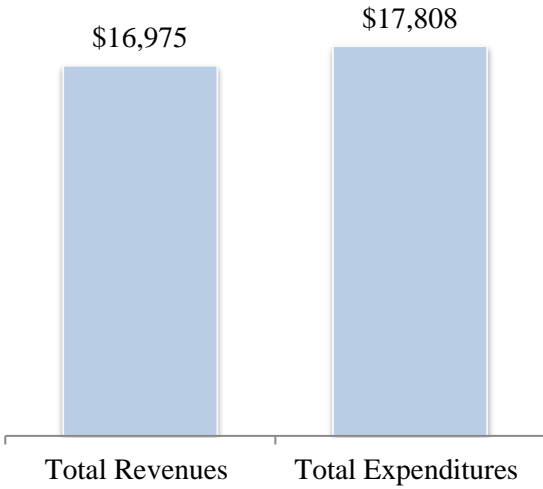
### Revenue by Source for 2013-14 School Year



### Select Expenditures for 2013-14 School Year

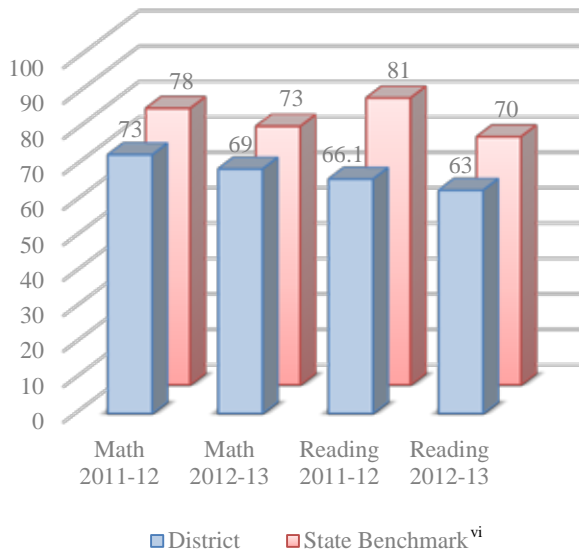


**Dollars Per Student  
2013-14 School Year**



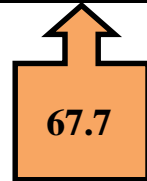
**Academic Information**

**Percentage of District Students Who Scored "Proficient" or "Advanced" on 2011-12 and 2012-13 PSSA<sup>iv v</sup>**



**District's 2012-13 SPP Score<sup>vii</sup>**

A	B	C	D	F
90-100	80-89.9	70-79.9	60-69.9	<60
▲	▲	■	▼	▼



**Individual Building SPP and PSSA Scores<sup>viii</sup>  
2012-13 School Year**

<b>School Building</b>	<b>SPP Score</b>	<b>PSSA % School Proficient and Advanced in Math</b>	<b>PSSA % Statewide Benchmark of 73% Above or Below</b>	<b>PSSA % School Proficient and Advanced in Reading</b>	<b>PSSA % Statewide Benchmark of 70% Above or Below</b>	<b>Federal Title I Designation (Reward, Priority, Focus, No Designation)<sup>ix</sup></b>
Armstrong Middle School	71	69	4	70	--	No Designation
Barton Elementary	59.8	64	9	56	14	No Designation
Buchanan Elementary	65.4	69	4	59	11	No Designation
Devine Elementary	84.9	87	14	72	2	No Designation
Emerson Elementary	67.4	75	2	59	11	No Designation
Fitch Elementary	60.1	69	4	57	13	No Designation
Lafayette Elementary	63.1	59	14	49	21	No Designation
Lincoln Elementary	68.7	69	4	58	12	No Designation
Maple Shade Elementary	84.9	79	6	73	3	Reward
Roosevelt Middle School	64.4	72	1	68	2	No Designation
Truman Senior High School	61.2	60	13	72	2	No Designation
Washington Elementary	78.7	70	3	64	6	No Designation

## Findings and Observations

### Finding

### The District's General Fund Balance Decreased by Over \$9.6 Million from June 30, 2010 through June 30, 2014

*Criteria relevant to the finding:*

The Pennsylvania School Boards Association (PASBO) in its Annual Overview of Fiscal Health for the 2009-10 school year provided the following information relevant to the following fiscal benchmarks:

- Operating position is the difference between actual revenue and actual expenditures. Financial industry guidelines recommend that the district operating position always be positive (greater than zero).

Best business practices and/or general financial statement analysis tools require the following:

- A school district should maintain a trend of stable or increasing fund balances.
- Financial industry guidelines recommend that a fund balance should range between 5 and 10 percent of annual expenditures.

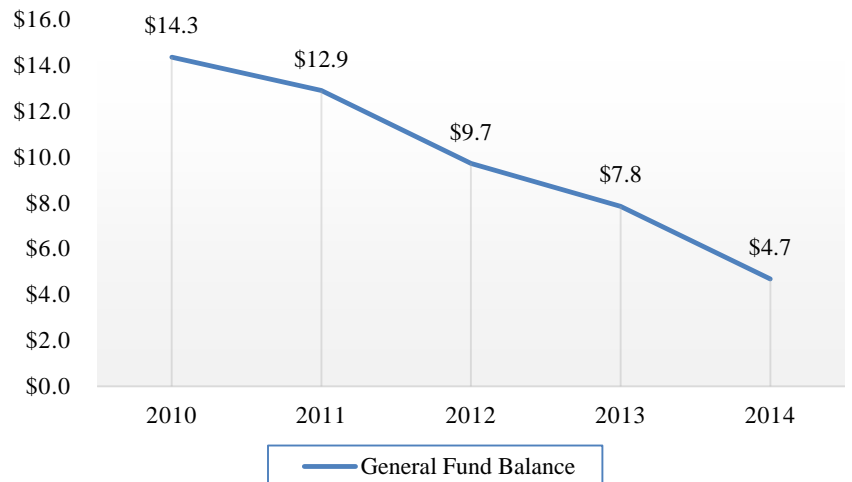
The benchmarks used as criteria for this objective were based also based on best business practices established by several entities/agencies, including PASBO, the Colorado State Auditor, and the National Forum on Education Statistics.

In order to assess the District's financial stability, we reviewed several financial benchmarks to evaluate changes in its financial position over a period of five years from fiscal year ending June 30, 2010 through June 30, 2014. Those benchmarks are discussed below and include the following:

- General Fund Balance.
- General Fund Operations.
- Budgetary Expenditures and Revenues.<sup>1</sup>
- Total Debt and Debt Service Payments.

**Decreasing Fund Balance:** The General Fund balance decreased from \$14.3 million on June 30, 2010, to \$4.7 million on June 30, 2014. The following graph shows the District's decreasing fund balance for fiscal years ending June 30, 2010 through 2014:

Bristol Township SD General Fund Balance in Millions



<sup>1</sup> Fiscal year ending June 30, 2015 and 2016 budgets were completed during our review period, so they were reviewed and included in the finding.

*Criteria relevant to the finding (continued):*

The annual General Fund budget is addressed under Section 687 of the Public School Code (PSC), 24 P.S. § 6-687, and specifically subsection (b), which provides, in part:

“The Board of School Directors, after making such revisions and changes therein as appear advisable, shall adopt the budget and the necessary appropriation measures required to put it into effect. The total amount of such budget shall not exceed the amount of funds, including the proposed annual tax levy and State appropriation, available for school purposes in that district.”

Section 609 of the PSC, 24 P.S. § 6-609, provides, in part:

“No work shall be hired to be done, no materials purchased and no contracts made by any board or school directors which will cause the sums appropriated to specific purposes in the budget to be exceeded.”

**The Government Finance Officers Association (GFOA)** has developed Budgeting Best Practices for School Districts. Among the best practices are:

**General Fund Reserve.** School districts should establish a formal process on the level of unrestricted fund balance that should be maintained in the general fund as a reserve to hedge against risk. The GFAO recommends, at a minimum, that school districts maintain an unrestricted fund balance in their general fund of no less than 10% of regular general fund operating revenues or regular general operating expenditures and operating transfers out.

During this time period, the General Fund lost over \$9.6 million, which was a 67 percent decline. The General Fund balance of \$4,676,046, as of June 30, 2014, was 3.7 percent of the District’s expenditures, significantly less than the 10 percent recommended by the GFAO. A fund balance is a necessary component of a fiscally healthy district. Just as individuals should have funds available to deal with emergencies or other unforeseen events, districts should also have funds in reserve to pay for emergency repairs or interruptions to revenues.

A decreasing fund balance also reduces the District’s ability to generate investment income. The decreasing General Fund balance was the result of operating deficits for every year reviewed. An operating deficit occurs when expenditures are greater than revenue. Without the generation of additional revenues or the reduction of expenditures, the fund balance will continue to decrease and further weaken the District’s financial position.

**General Fund Operations:** For the period of the fiscal year ending June 30 2010 through the fiscal year ending June 30, 2014, total expenditures exceeded total revenues (operational deficit) for all five years reviewed.

The following chart shows a comparison of the District’s operating position:

<b>Bristol Township SD: Comparison of Operating Position</b>			
<b>Fiscal Year Ending June 30</b>	<b>Total Revenues and Other Financing Sources</b>	<b>Total Expenditures and Other Financing Uses</b>	<b>Surplus/ (Deficit)</b>
<b>2010</b>	\$115,215,882	\$115,619,177	(\$403,295)
<b>2011</b>	\$117,947,572	\$121,268,647	(\$3,321,075)
<b>2012</b>	\$115,568,750	\$118,743,730	(\$3,174,980)
<b>2013</b>	\$117,792,220	\$119,660,276	(\$1,868,056)
<b>2014</b>	\$124,041,558	\$127,206,329	(\$3,164,771)
<b>Total</b>	<b>\$590,565,982</b>	<b>\$602,498,159</b>	<b>(\$11,932,177)</b>



*Criteria relevant to the finding  
(continued):*

The Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems notes the importance of the operating budget cycle. This process includes budget preparation, budget analysis, board approval, adoption, budget control, and budget to actual reports.

The manual addresses each part of budgeting cycle in detail; however, we would like to emphasize the following:

- The accurate estimation of revenue has a critical impact on the budget.
- Analysis of historical trends is a reliable method for the projection of revenue and expenditures for budget preparation and analysis.
- During budget control, revenue collections and expenditures should be monitored on a monthly basis.

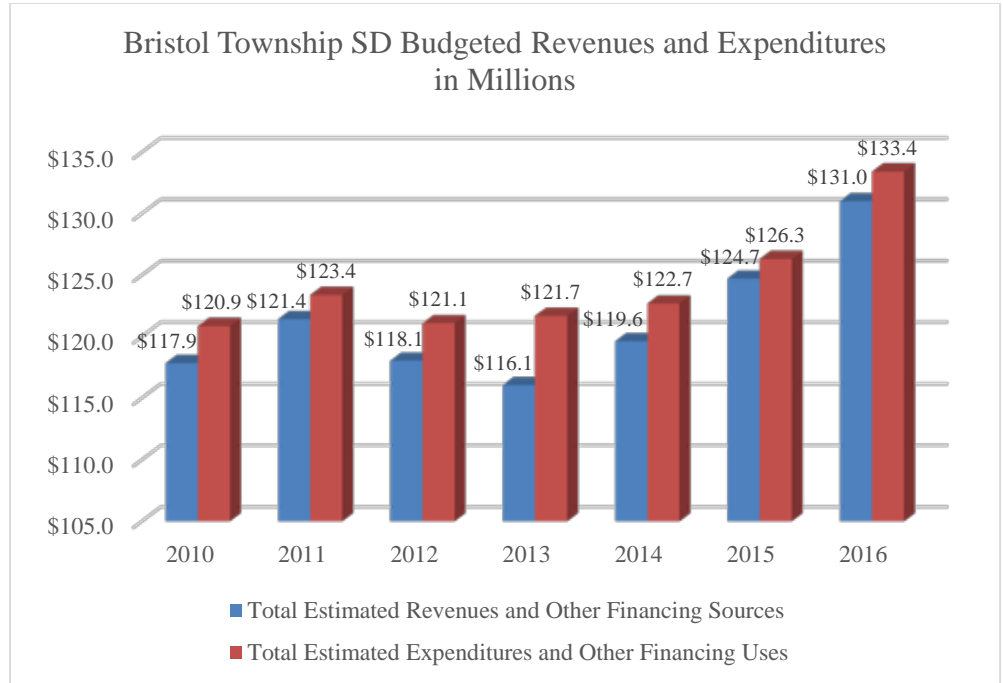
The \$2.3 million difference between the District's operating deficit (\$11.9 million) and decrease in General Fund balance (\$9.6 million) is due to prior period adjustments that re-stated the General Fund balance. A nearly \$2 million restatement occurred for the fiscal year ending June 30, 2011, due to another District fund being required to reimburse the General Fund for insurance premiums paid for retirees by the General Fund.

**Budgetary vs. Actual Expenditures:** After four years of spending less than the budgeted amount, the District's actual expenditures exceeded budgeted expenditures by \$771,302 for the 2013-14 school year, which was a violation of Section 609 of the PSC.

The two primary areas responsible for actual expenditures exceeding budgeted amounts were special education and transportation. Special education expenditures exceeded budgeted amounts due to the placement cost the District incurred for sending District students to facilities outside of the District exceeding budgeted amounts. Transportation expenditures exceeded budgeted amounts due to the District not realizing the anticipated cost savings of a major restructuring of the District's transportation operations.

The District's transportation expenditures decreased by over \$2.1 million for the 2011-12 school year due to this restructuring of the transportation operations. District officials project cost savings of \$3 million for the current 2015-16 school year.

**Budgetary Expenditures and Revenues:** The District has approved an unbalanced budget for the last seven consecutive fiscal years up to and including the fiscal year ending June 30, 2016 (see graph below).



The practice of the Board of School Directors (Board) repeatedly approving budgets with expenditures greater than revenues is an unsustainable business model. Not only will this practice deplete the General Fund, but if continued, it will lead to the District being forced to borrow to fund daily operations.

**Debt and Debt Service Payments:** In 2013, the District issued General Obligation Bonds (GOB) Series 2013 in the amount of \$119,665,000. The bonds were for the construction of new elementary schools, existing school projects, and other capital projects. Due to the additional borrowing in 2013, the minimum annual debt service payments increased by over \$2 million between 2013 and 2014 and will increase another \$2 million between 2014 and 2015. Debt service payments that were under \$4.1 million as recently as fiscal year ending June 30, 2013, will now exceed \$7.7 million over the next five years.

The following chart compares the District’s historical debt service payments with future debt service requirements as of June 30, 2014.

Bristol Township SD Historical Debt Service Payments	
Fiscal Year	Debt Service Payments
2010	\$ 5,291,700
2011	\$ 5,211,182
2012	\$ 4,875,584
2013	\$ 4,069,418
2014	\$ 6,690,110
<b>Total 2010-2014</b>	<b>\$26,137,994</b>

Bristol Township SD Future Debt Service Requirements <sup>2</sup>	
Fiscal Year	Debt Service Payments
2015	\$ 8,679,262
2016	\$ 7,819,307
2017	\$ 7,719,307
2018	\$ 7,720,588
2019	\$ 7,724,950
<b>Total 2015-2019</b>	<b>\$39,663,414</b>

The increase in future debt service payments will require the District to plan and budget accurately to meet these requirements.

District officials stated the mandated increases for the Public School Employees’ Retirement System (PSERS), special education services, and charter school expenses along with contractual salary increases are the primary drivers of the increased District expenditures. District officials stressed that these increases have outpaced the District’s ability to generate local revenue from a declining tax base.

The Board has eliminated approximately 200 positions or approximately a quarter of the workforce in the District. The District is also actively working to consolidate school buildings, continue the reduction of transportation expenses, and reduce health care expenses through a District started health care consortium.

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<sup>2</sup> Information obtained from fiscal year ending June 30, 2014 Independent Auditors Report.

We acknowledge the District's efforts to reduce expenses, but encourage the District to develop a business model where expenditures are less than revenues and a balanced budget can be implemented moving forward. The trend in the District's General Fund balance has shown that the balance is not large enough to continue to absorb persistent unbalanced budgets and operating deficits.

### **Recommendations**

The *Bristol Township School District* should:

1. Continue the process of monitoring and evaluating expenditures on a monthly basis and ensure that actual expenditures are kept within budgetary limits, as well as, not exceed total revenue at year-end.
2. Implement a multi-year plan (recommended 3-5) that is evaluated annually and adjusted accordingly to the most current actual revenue and expenditure data to reverse the historical trend of expenditures exceeding revenues.
3. Implement written balanced budgeting procedures to better address and plan for projected future costs. These procedures should address, but not be limited to, increased PSERS rate contributions, unfunded special education mandated costs, and reduction of charter school funding.
4. Continue to use historical data when preparing annual budgets, as well as reviewing and adjusting its multi-year financial plan to help reduce the financial impact of large unanticipated expenditure increases or revenue shortfalls.

### **Management Response**

Management agrees with the finding in so far as the unsustainability of continually drawing down on Fund Balance as a means to balance the General Fund Budget. The Board and administration have worked tirelessly to reduce expenditures over the past seven years. The Board also recognized and recognizes the dangers of depleting its Fund Balance. They have weighed this against their legal responsibility to provide a free and appropriate education to all students of Bristol Township. As the report states, over

200 positions have been cut, per pupil spending has been reduced to levels that make supporting an appropriate educational program extremely difficult. The report cites specific information detailing the yearly reductions in fund balance since the 2009-10 school year. Here are a few other facts to consider in regard to how and why the fund balance has gone down each school year.

	2009-10	2013-14
PSERS (net increase)	\$1,122,775	\$4,621,514
Special education	\$19,571,732	\$26,651,545
Charter School Tuition (net)	<u>\$2,382,440</u>	<u>\$4,072,518</u>
Total	\$23,076,947	\$35,345,577

Despite an increase of \$12,268,630 in state mandated expenses that the District had no choice in, the state cut the funding to the Bristol Township School District by over several million dollars annually. The District has done all that it can to provide an appropriate education to its students despite dramatic funding cuts and state imposed expenditure increases. For the 2014-15 school year, for the first time in 7 consecutive years, the district did reverse the trend of declining fund balances and added to its fund balance by \$1,029,430. Ending fund balance for 2014-15 was over \$5.7 million or just under 5% (4.6%) of total expenditures for the year.

In summary, we appreciate the Pa Auditor General's review and report. It contains much useful information and advice that the district can and will utilize in the future. We are aware of the distinct and separate responsibilities within each Pa State Department and the roles each play. We feel that much if not all of the issues related to the district's declining financial position is due to the state's imposition of unfunded mandates while at the same time drastically reducing state aid to the district. The recommendation to simply approve budgets where revenues equal expenditures is not realistic when given the realities of state funding and state imposed mandates over the past 5 years along with the Board's legal responsibility to provide all of its students with an appropriate education.

## **Auditor Conclusion**

While we acknowledge that increasing mandated expenditures have weakened the District's financial position, we encourage the District to develop a business model where these costs are budgeted accurately and the District can achieve an operational surplus. Operational surpluses will allow the District to increase its General Fund.

We were unable to determine the effectiveness of the District's most recent actions to address revenue shortfalls since the annual financial and independent auditor's reports, for the fiscal year ended June 30, 2015, were unavailable at the time of our audit. Therefore, we will evaluate all of the District's corrective actions during our next audit.

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

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

## **Appendix: Audit Scope, Objectives, and Methodology**

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

Our audit, conducted under authority of Section 403 of The Fiscal Code,<sup>1</sup> is not a substitute for the local annual financial audit required by the PSC of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

### **Scope**

Overall, our audit covered the period April 23, 2012 through October 20, 2015. In addition, the scope of each individual audit objective is detailed on the next page.

The District's management is responsible for establishing and maintaining effective internal controls<sup>2</sup> to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, that we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

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<sup>1</sup> 72 P.S. § 403.

<sup>2</sup> Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.



## Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, academic performance data, financial reports, annual budgets, and new or amended policies and procedures. We also determined if the District had key personnel or software vendor changes since the prior audit.

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

- Academics
- Governance
- Financial Stability
- Bus Driver Requirements

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

- ü Did the LEA's Board and administration maintain best practices in governing academics and student achievement by developing and executing a plan to improve student academic performance at its underperforming school buildings?
  - o To address this objective, we considered a variety of District and school level academic results for the 2007-08 through 2012-13 school years to determine if the District had schools not meeting statewide academic standards established by PDE.<sup>3</sup> Since underperforming schools were identified, we selected two of eight underperforming schools for further review. This review consisted of conducting interviews with the Superintendent and any other designated employees and reviewing required School Improvement Plans to determine if the selected underperforming schools have established goals for improving academic performance, are implementing goals, and are appropriately monitoring the implementation of these goals.

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<sup>3</sup> Academic data for the District and its school buildings included a five year trend analysis of Adequate Yearly Progress (AYP) results from the 2007-08 through 2011-12 school years, Pennsylvania System of School Assessment results in Math and Reading for the "all students" group for the 2011-12 and 2012-13 school years, School Performance Profile scores for the 2012-13 school year; and federal accountability designations (i.e. Priority, Focus, Reward, and No Designation) for Title I schools for the 2012-13 school year. All of the academic data standards and results we examined originated with PDE.

Ü Did the LEA's Board and administration maintain best practices in overall organizational governance?

- To address this objective, we surveyed the District's current Board, conducted in-depth interviews with the current Superintendent and his or her staff, reviewed board meeting books, policies and procedures, and reports used to inform the Board about student performance, progress in meeting student achievement goals, budgeting and financial position, and school violence data to determine if the Board was provided sufficient information for making informed decisions.

Ü Based on an assessment of fiscal benchmarks, was the District in a declining financial position, and did it comply with all statutes prohibiting deficit fund balances and the over expending of the District's budget?

- To address this objective, we reviewed the District's annual financial reports, budget, independent auditor's reports, and general ledger for fiscal years June 30, 2010 through June 30, 2014. The financial and statistical data was used to calculate ratios and trends for 22 benchmarks, which were deemed appropriate for assessing the District's financial stability. The benchmarks are based on best business practices established by several agencies, including PASBO, the Colorado Office of the State Auditor, and the National Forum on Education Statistics.

Ü Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances as outlined in applicable laws?<sup>4</sup> Also, did the District have adequate written policies and procedures governing the hiring of new bus drivers?

- To address this objective, we selected 12 of the 78 bus drivers hired by both the District and District bus contractor, during the school years July 1, 2010 through June 30, 2012, and reviewed documentation to ensure the District complied with bus driver's requirements. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures were sufficient to ensure compliance with bus driver hiring requirements.

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<sup>4</sup> 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 *Pa. Code Chapter 8.*

## **Distribution List**

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

**The Honorable Tom W. Wolf**

Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

**The Honorable Pedro A. Rivera**

Secretary of Education  
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Harrisburg, PA 17126

**The Honorable Timothy Reese**

State Treasurer  
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This report is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).

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<sup>i</sup> Source: School district, PDE, and U.S. Census data.

<sup>ii</sup> Source: Information provided by the District administration.

<sup>iii</sup> Source: United States Census <http://www.census.gov/2010census>

<sup>iv</sup> PSSA stands for the Pennsylvania System of School Assessment (PSSA), which is composed of statewide, standardized tests administered by PDE to all public schools and the reporting associated with the results of those assessments. PSSA scores in the tables in this report reflect Reading and Math results for the “All Students” group for the 2011-12 and 2012-13 school years.

<sup>v</sup> PSSA scores, which are Pennsylvania’s mandatory, statewide academic test scores, are issued by PDE. However, the PSSA scores issued by PDE are collected by an outside vendor, Data Recognition Corporation (DRC). The Pennsylvania Department of the Auditor General and KPMG issued a significant weakness in internal controls over PDE’s compilation of this academic data in the Single Audit of the Commonwealth of Pennsylvania for the fiscal year ended June 30, 2014, citing insufficient review procedures at PDE to ensure the accuracy of test score data received from DRC.

<sup>vi</sup> In the 2011-12 school year, the state benchmarks reflect the Adequate Yearly Progress targets established under No Child Left Behind. In the 2012-13 school year, the state benchmarks reflect the statewide goals based on annual measurable objectives established by PDE.

<sup>vii</sup> SPP stands for School Performance Profile, which is Pennsylvania’s new method for reporting academic performance scores for all public schools based on a scale from 0% to 100% implemented in the 2012-13 school year by PDE.

<sup>viii</sup> *Id.* Additionally, federal Title I designations of Priority, Focus, Reward, and No Designation are new federal accountability designations issued by PDE to Title I schools only beginning in the 2012-13 school year. Priority schools are the lowest 5%, focus schools are the lowest 10%, and reward schools are the highest 5% of Title I schools. All Title I schools not falling into one of the aforementioned percentage groups are considered “No Designation” schools. The criteria used to calculate the percentage rates is determined on an annual basis by PDE.

<sup>ix</sup> Title I Federal accountability designations for Title I schools originate from PDE and are determined based on the number of students at the school who receive free and/or reduced price lunches. School lunch data is accumulated in PDE’s CN-PEARS system, which is customized software developed jointly with an outside vendor, Colyar, Inc. The Pennsylvania Department of the Auditor General and KPMG issued a significant deficiency in internal controls over the CN-PEARS system in the Single Audit of the Commonwealth of Pennsylvania for the fiscal year ended June 30, 2014.