

LIMITED PROCEDURES ENGAGEMENT

Greater Johnstown Career and Technology Center Cambria County, Pennsylvania

September 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. John S. Augustine II
Administrative Director
Greater Johnstown Career and Technology
Center
445 Schoolhouse Road
Johnstown, Pennsylvania 15904

Mr. Alan Tresnicky
Chairperson
Greater Johnstown Career and Technology
Center
445 Schoolhouse Road
Johnstown, Pennsylvania 15904

Dear Mr. Augustine and Mr. Tresnicky:

We conducted a Limited Procedures Engagement (LPE) of the Greater Johnstown Career and Technology Center (Center) 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 Center have documented board policies and administrative procedures related to the following?
 - Internal controls
 - Budgeting practices
 - The Right-to-Know Law
 - The Sunshine Act
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- Did the Center comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?
- Did the Center take appropriate corrective action to address the two findings in the prior audit report?

Mr. John S. Augustine II

Mr. Alan Tresnicky

Page 2

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

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

We appreciate the Center's cooperation during the conduct of the engagement.

Sincerely,



Eugene A. DePasquale
Auditor General

September 5, 2018

cc: **GREATER JOHNSTOWN CAREER AND TECHNOLOGY CENTER**
Joint Operating Committee

Table of Contents

| | Page |
|--|------|
| Background Information | 1 |
| Finding | 5 |
| Finding – The Center Failed to Conduct Monthly Fire Drills as Required by the Public School Code and Inaccurately Reported Fire Drill Data to the Pennsylvania Department of Education | 5 |
| Status of Prior Audit Findings and Observations | 8 |
| Distribution List | 11 |

Background Information

| School Characteristics 2015-16 School Year ^A | |
|--|--------------------------|
| County | Cambria |
| Full-Time or Part-Time School | Part-Time |
| Secondary Pupils Enrolled | 286 |
| Post-Secondary Pupils Enrolled | 152 |
| Total Teachers | 12-Secondary 27-Adult |
| Total Full or Part-Time Support Staff | 12 |
| Total Administrators | 5 |
| Intermediate Unit Number | 8 |

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

Mission Statement^A

Mission: Ensure student success. Vision: Our graduates will be leaders with employability skills for a changing workforce.

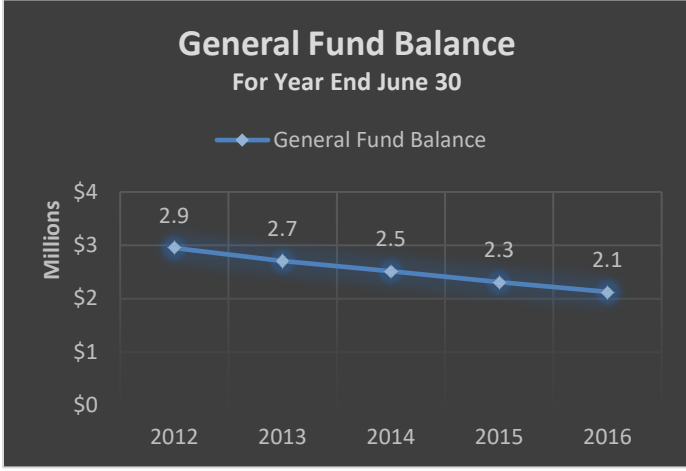
The operation, administration, and management of the Greater Johnstown Career and Technology Center (Center) are directed by a joint operating committee (JOC), which is comprised of 15 members from the following school districts:

| | |
|-------------------------|-------------------|
| Conemaugh Township Area | Ferndale Area |
| Forest Hills | Greater Johnstown |
| Richland | Westmont Hilltop |
| Windber Area | |

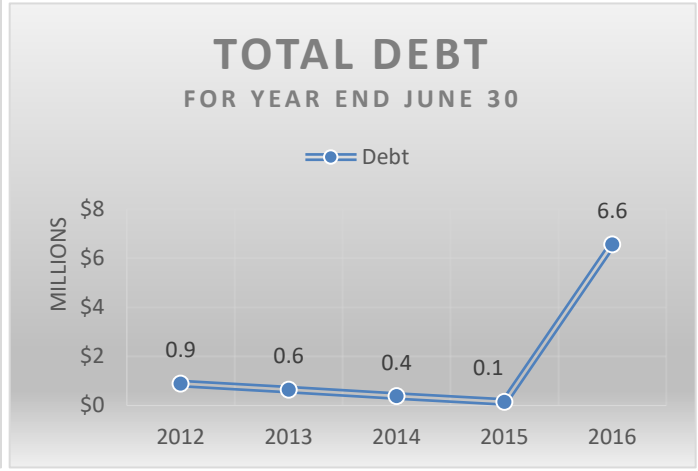
The JOC members are appointed by the individual school boards at the December meeting, each to serve a three-year term.

Financial Information

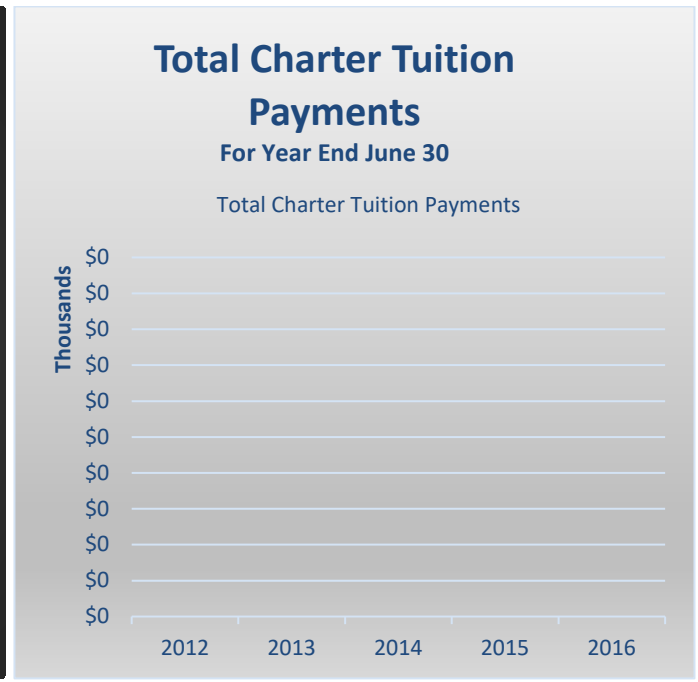
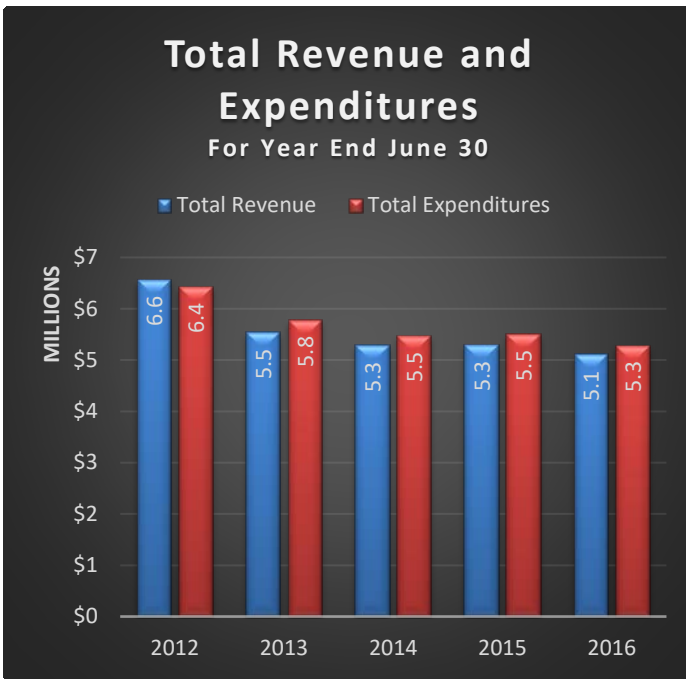
The following pages contain financial information about the Center obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on the PDE’s public website. This information was not audited and is presented for **informational purposes only**.



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

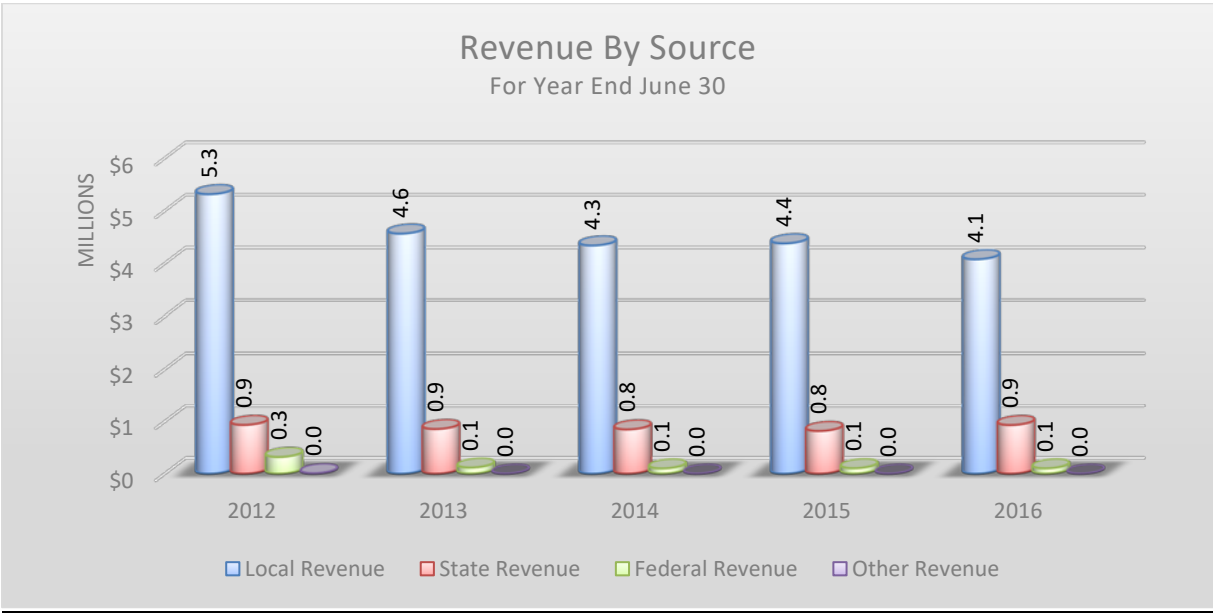


Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.



Note: Career and technical centers do not make payments to charter schools for tuition. These payments are made by the home district of each student.

Financial Information Continued



Local revenues were primarily obtained from direct payments by the member districts based on the approved budget. Each district’s proportionate share of the operating expenditures was determined by a formula involving average daily membership as specified in the Articles of Agreement.

Academic Information

SPP benchmarks represent the statewide average of all district school buildings in the Commonwealth.¹ PSSA benchmarks and goals are determined by the PDE each school year and apply to all public school entities.²

Part-time career and technical centers, such as the Greater Johnstown Career and Technology Center, do not receive academic scores. Academic instruction in the core content areas occurs in the students' home district and are therefore reported within the scores of the students' home district.³ Full-time comprehensive career and technical centers providing core content receive academic scores.

4-Year Cohort Graduation Rates

Part-time career and technical centers do not report a graduation rate. Each students' graduation rate is reported through the home district for that student. Full-time comprehensive career and technical centers report graduation rates to the PDE.

¹ Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

² PSSA benchmarks apply to all district school buildings, charters, and cyber charters. 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 and 2013-14 school years, the state benchmarks reflect the statewide goals based on annual measurable objectives established by the PDE.

³ <http://paschoolperformance.org/FAQ>.

Finding

Finding

The Center Failed to Conduct Monthly Fire Drills as Required by the Public School Code and Inaccurately Reported Fire Drill Data to the Pennsylvania Department of Education⁴

Criteria relevant to the finding:

The following Public School Code (PSC) provisions, as implemented by the Pennsylvania Department of Education (PDE) in its guidance for the 2016-17 school year, are relevant to the finding:

Section 1517(a) of the PSC requires:

“In all public schools where fire-escapes, appliances for the extinguishment of fires, or proper and sufficient exits in case of fire or panic, either or all, are required by law to be maintained, fire drills shall be periodically conducted, not less than one a month, by the teacher or teachers in charge, under rules and regulations to be promulgated by the district superintendent under whose supervision such schools are. In such fire drills the pupils and teachers shall be instructed in, and made thoroughly familiar with, the use of the fire-escapes, appliances and exits. **The drill shall include the actual use thereof, and the complete removal of the pupils and teachers,** in an expeditious and orderly manner, by means of fire-escapes and exits, from the building to a place of safety on the ground outside.” See 24 P.S. § 15-1517(a). (Emphases added.)

Our review of the Greater Johnstown Career and Technology Center’s (Center) fire drill reports for the 2016-17 school year disclosed that the Center failed to conduct fire drills each month as required by Section 1517(a) of the Public School Code (PSC).⁵ We also found that the Center incorrectly reported its fire drill data to the Pennsylvania Department of Education (PDE) and, consequently, the Center’s Administrative Director inappropriately attested to the accuracy of the fire drill data.

As part of our review, we obtained the Center’s 2016-17 Fire Drill Accuracy Certification Statement (ACS) report filed with the PDE. We also reviewed supporting documentation to verify the accuracy of the ACS report and to determine if fire drills were conducted each month from September through May. We found that the Center reported to the PDE that fire drills were completed every month, when in fact, no fire drills were conducted for four of the nine months reviewed.

During our audit period, the PSC required that fire drills be conducted in every public school at least once a month while school is in session. Practicing monthly fire drills help to ensure that staff and students are properly trained to respond in a quick and safe manner to an emergency evacuation situation. The Center’s fire drill documentation noted that fire drills were not performed for those four months due to cold weather. While it is understandable that unforeseen circumstances may arise that may affect the Center’s ability to conduct a fire drill for a particular month, the Center must accurately report whether or not a

⁴ As further explained in the Criteria box, Section 1517 (relating to Fire and emergency evacuation drills) of the Public School Code was further amended by Act 55 of 2017 (effective November 6, 2017) and Act 39 of 2018 (effective July 1, 2018) but neither of these acts applies to our audit period of the 2016-2017 school year. See 24 P.S. § 15-1517, as amended.

⁵ 24 P.S. § 15-1517(a).

*Criteria relevant to the finding
(continued):*

Further, Section 1517(b) and (c) of the PSC also requires:

“(b) District superintendents are hereby required to see that the provisions of this section are faithfully carried out in the schools over which they have charge.” *See* 24 P.S. § 15-1517(b) (except minor wording changes, the language is currently effective).

According to PDE guidance emailed to all public schools on October 7, 2016, and its Basic Education Circular entitled, *Fire Drills and School Bus Evacuations*, annual certification of the completion of fire drills must be provided to the PDE. Beginning with the 2016-17 school year, annual reporting was required through the Pennsylvania Information Management System (PIMS) and fire drill certifications require each school entity to report the date on which each monthly fire drill was held. Fire Drill Accuracy Certification Statements must be electronically submitted to the PDE by July 31 following the end of a school year. Within two weeks of the electronic PIMS submission, a printed, signed original must be sent to the PDE’s Office for Safe Schools.

fire drill actually occurred on its annual ACS report filed with the PDE.

Under Section 1517(b) of the PSC, effective for the 2016-17 school year, district superintendents are required to ensure that all the requirements of Section 1517 are “faithfully carried out in the schools over which they have charge.”⁶ This requirement falls upon the chief school administrator in non-district schools, as clarified by Act 39’s amendments to Section 1517 of the PSC (*see* criteria box). Consequently, we believe that the Center’s Administrative Director had a duty to affirm that all of the information in the 2016-17 Fire Drill Accuracy Certification Statement report filed with the PDE was valid and accurate.

In conclusion, as previously stated, the Center incorrectly reported that it conducted a fire drill each month from September 2016 through May 2017 on its ACS report. While it is beneficial for the Center’s students and staff to participate in emergency drills throughout the school year, monthly fire drills are still mandated to be conducted as required by the PSC and are critical to student safety. In fact, as further explained in the criteria box, recent amendments to the PSC reinforce the importance of conducting both monthly fire drills and school security drills.

Additionally, while it is understandable that unforeseen circumstances may arise that impact scheduled fire drills, the Center must accurately report whether or not a fire drill occurred for each month on its annual ACS report filed with the PDE. As previously stated, the Center incorrectly reported that it conducted a fire drill each month from September 2016 through May 2017 on its ACS report resulting in the Center’s Administrative Director falsely certifying fire drill data. Any extenuating circumstances, such as missed fire drills due to weather conditions that occurred throughout the school year should be accurately documented on the ACS report.

⁶ 24 P.S. § 15-1517(b). Note that subsections (b) of Section 1517 was reworded by Act 55 of 2017 as follows: “(b) **Chief school administrators** are hereby required to see that the provisions of this section are faithfully carried out in the **school entities** over which they have charge.”

Criteria relevant to the finding (continued):

Important Note: The following summary is provided as a courtesy for informational purposes only to highlight recent amendments to the PSC, but does not apply to the audit period (i.e., 2016-17 school year) for this finding.

In **2017**, the General Assembly amended Section 1517 of the PSC through Act 55 permitting each school entity to conduct one school security drill (DRILL) per school year in each school building in place of a fire drill within 90 days of the commencement of the school year after the subsection's effective date (November 6, 2017) and in each school year thereafter. The following was also added, among others: the DRILL may be conducted while the school entity is in session and students are present under policies adopted by the chief school administrator. Act 55 also amended subsection (b) of Section 1517 to change the language as follows: "(b) **Chief school administrators** are hereby required to see that the provisions of this section are faithfully carried out in the **school entities** over which they have charge."

Then in **2018**, the General Assembly again amended Section 1517 of the PSC through Act 39 which mandates that each school entity conduct one DRILL per school year in each school building in place of a required fire drill within 90 days of the commencement of the school year after the subsection's effective date (July 1, 2018) and in each school year thereafter and that the DRILL must be conducted while the school entity is in session and students are present. Further, Act 37 provides that each school entity may conduct two DRILLS per school year in each school building in place of two fire drills after 90 days from the commencement of each school year. See 24 P.S. § 15-1517 (as most recently amended by Act 39 of 2018).

Recommendations

The *Greater Johnstown Career and Technology Center* should:

1. Conduct monthly fire drills with staff and students while school is in session, as now required by the PSC.
2. Plan alternate days for fire drills, so if unforeseen issues arise such as inclement weather, the Center will be prepared to conduct the required monthly fire drill.
3. Ensure that it is reporting factually correct data to the PDE in its annual fire drill reports that can be evidenced by supporting documentation.

Management Response

Management stated the following:

"The Greater Johnstown Career and Technology Center will adhere to the recommendation. Clerical entry of the ACS form followed the schedule, however, the actual fire drill dates were different. In the future, the ACS form will be reviewed by the high school principal and central administration prior to the ACS submission."

Auditor Conclusion

Management agreed with the finding. We are encouraged that the Center plans to conduct the required monthly fire drills moving forward and to accurately report its fire drills to the PDE. We will review the Center's corrective actions during our next scheduled audit.

Status of Prior Audit Findings and Observations

Our prior audit of the Greater Johnstown Career and Technology Center (Center) released on October 23, 2014, resulted in two findings, as shown below. As part of our current engagement, we determined the status of corrective action taken by the Center to implement our prior audit recommendations. We reviewed the Center's written response provided to the Pennsylvania Department of Education (PDE), interviewed Center personnel, and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on October 23, 2014

Prior Finding No. 1: Employment Agreement in Violation of Public School Employees' Retirement Regulations Resulting in Questionable Payments Totaling \$147,719

Prior Finding Summary: Our prior audit of the Center found that the Center paid its former Business Manager \$147,719 through an employment agreement that appeared to violate the Public School Employees' Retirement System's (PSERS) regulations.

During the time the former Business Manager was working for the Center under this Agreement, she continued to receive her retirement annuity. Consequently, her return to service, which began in February 2009, violated the PSERS Code (Retirement Code), which provides that retirees may return to service while receiving their retirement annuities only if the Center makes the determination that an employment emergency or personnel shortage exists and that only a retiree is available to fill the position. The Retirement Code further provides that the PSERS has the right to review the employment of any retiree for compliance with the intent of the Retirement Code.

Prior Recommendations: We recommended that the Center should:

1. Hire retired Center personnel only under the conditions allowable by the Retirement Code.
2. Submit the required documentation to the PSERS to ensure that the agreement is appropriate and to determine the effect on the former Business Manager's annuity.
3. Contact the Pennsylvania Association of School Business Officials to determine whether they have any training available on the Retirement Code.

The *Public School Employees' Retirement System* should:

4. Make the necessary corrections to the former Business Manager's pension benefits, if applicable.

Current Status:

The Center implemented the first recommendation by agreeing in its corrective action plan of April 9, 2015, to refrain from hiring retired Center employees when at all possible. The Center further agreed that if retired Center employees are hired then it should be done only under the conditions allowable by the Retirement Code. The Center agreed to self-disclose if a retired Center employee has been hired at the start of all future performance audits.

In addition, the employees of the Center attended a PSERS Employee Workshop given by the PSERS on May 12, 2015. This workshop addressed the rules and regulations of the Retirement Code.

The Center submitted the required documentation requested by the PSERS. As of November 12, 2014, the PSERS made the necessary adjustments to the former Business Manager's pension account.

Prior Finding No. 2: *Renovation Project Failed to Comply with Bidding Requirements and Federal Americans with Disabilities Act*

Prior Finding Summary: Our prior audit of the Center found that renovations to the Center's bathrooms did not comply with the Public School Code's (PSC) bidding requirements or the Federal Americans with Disabilities Act (ADA) design standards. This noncompliance was the result of the Center's decision to use teachers and students to conduct the work, so that students could gain hands-on construction and plumbing experience.

Section 7-751(a.2) of the PSC states that any construction project exceeding a total of \$18,500, including labor and materials, must be performed under a contract with the lowest bidder. The Center's bathroom renovation cost a total of \$95,947, which exceeded the PSC's limit by \$77,447. Therefore, the Center violated the PSC when it chose not to solicit bids from professional contractors for the project and had students and teachers perform the work. The Center could have applied to the PDE for a mandate waiver before the project began. Mandate waivers release schools from certain provisions of the PSC.

The Center is categorized as a State and Local Government Facility. Therefore, it is required to follow the ADA's accessibility design

standards. Compliance with ADA standards would have resulted in ADA-compliant stalls in four bathrooms (one men's and one women's ADA stall on each floor). No documentation, such as drawings or notes, supported that the Center addressed compliance with ADA specifications in the renovation plan. Moreover, the auditors examined the two women's ADA stalls and found they did not comply with ADA standards.

Prior Recommendations: We recommended that the Center should:

1. Develop policies and procedures to ensure that it adheres to the PSC's bidding requirements and any other applicable laws and regulations regarding renovation of school buildings in all future projects.
2. Seek mandate waivers from the PDE for future projects, if applicable.
3. Seek mechanisms for making the renovated bathrooms ADA compliant.

Current Status:

The Center implemented the first recommendation on February 25, 2014, by twice updating its current policies 610 and 611 for public bidding to be in compliance with the PSC requirements.

The Center also agreed to seek mandated waivers from the PDE for future projects, if applicable. No waivers have been needed since our prior audit.

The Center renovated its bathrooms to be in compliance with ADA requirements.

Distribution List

This letter was initially distributed to the Administrative Director of the Center, the Joint Operating Committee, and the following stakeholders:

The Honorable Tom W. Wolf

Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Pedro A. Rivera

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

The Honorable Joe Torsella

State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mrs. Danielle Mariano

Director
Bureau of Budget and Fiscal Management
Pennsylvania Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter

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

Mr. Nathan Mains

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

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.