

PERFORMANCE AUDIT

Chartiers Valley School District Allegheny County, Pennsylvania

February 2019



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

Dr. Johannah Vanatta, Superintendent
Chartiers Valley School District
2030 Swallow Hill Road
Pittsburgh, Pennsylvania 15220

Mr. Mark Kuczinski, Board President
Chartiers Valley School District
2030 Swallow Hill Road
Pittsburgh, Pennsylvania 15220

Dear Dr. Vanatta and Mr. Kuczinski:

We have conducted a performance audit of the Chartiers Valley School District (District) for the period July 1, 2013 through June 30, 2017, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in the appendix of this report:

- Transportation Operations
- Nonresident Student Data
- Administrator Separations
- Bus Driver Requirements

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.

The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 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 bulleted areas listed above, except as noted in the following finding:

- The District Incorrectly Reported the Number of Nonpublic Students Transported Resulting in an Overpayment of \$92,015

Dr. Johannah Vanatta
Mr. Mark Kuczinski
Page 2

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

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

February 22, 2019

cc: **CHARTIERS VALLEY SCHOOL DISTRICT** Board of School Directors

Table of Contents

	Page
Background Information	1
Finding	9
Finding – The District Incorrectly Reported the Number of Nonpublic Students Transported Resulting in an Overpayment of \$92,015	9
Status of Prior Audit Findings and Observations	13
Appendix: Audit Scope, Objectives, and Methodology	14
Distribution List	18

Background Information

School Characteristics 2017-18 School Year ^A	
County	Allegheny
Total Square Miles	18
Number of School Buildings	4
Total Teachers	259
Total Full or Part-Time Support Staff	224
Total Administrators	18
Total Enrollment for Most Recent School Year	3,306
Intermediate Unit Number	3
District Vo-Tech School	Parkway West CTC

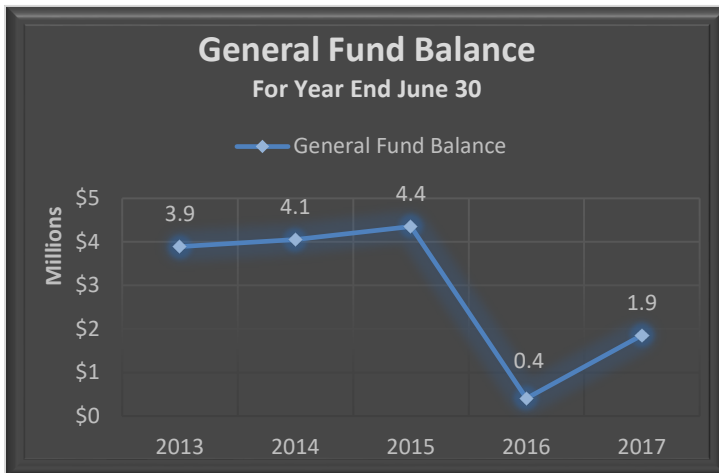
A - Source: Information provided by the District administration and is unaudited.

Mission Statement^A

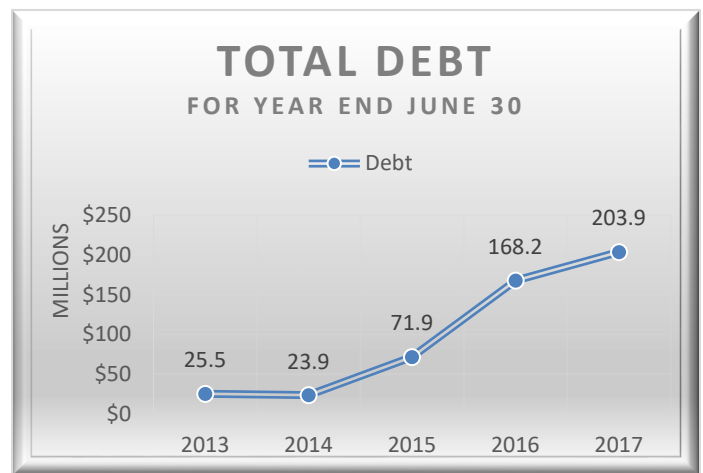
“The mission of the Chartiers Valley School District, a community dedicated to shared leadership, is to graduate students who achieve personal success by providing an exceptional academic foundation in a safe, nurturing environment that inspires creativity and innovation while embracing diversity.”

Financial Information

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

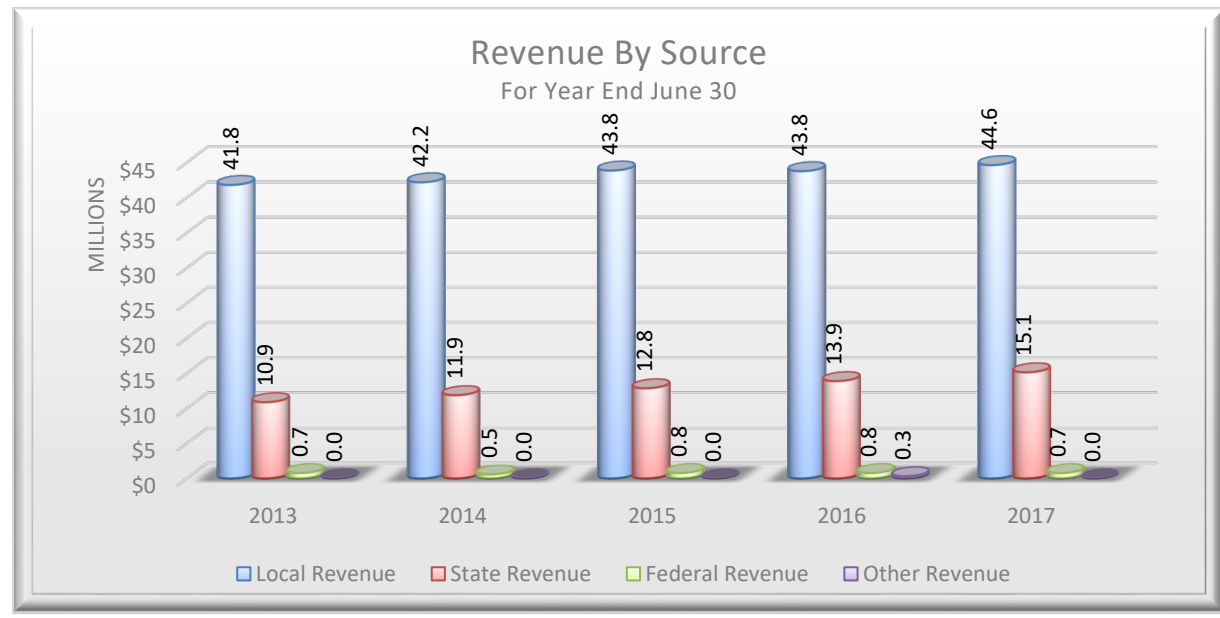
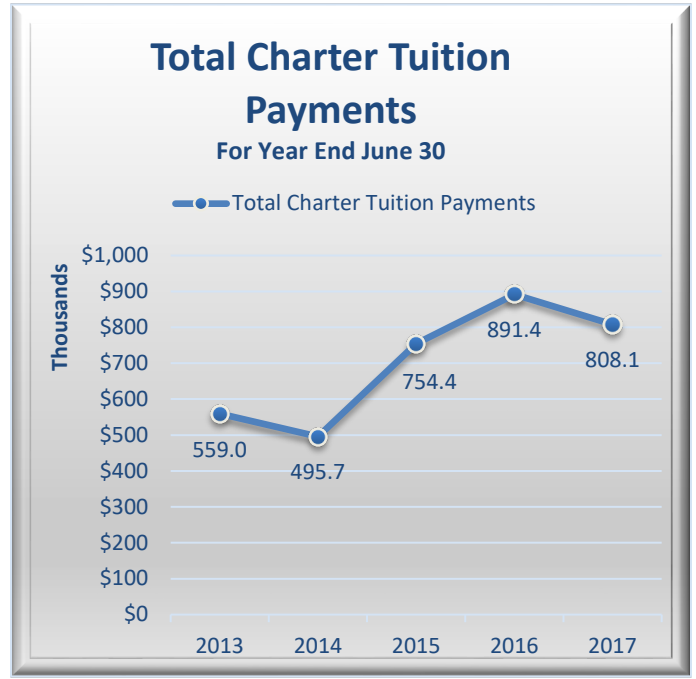
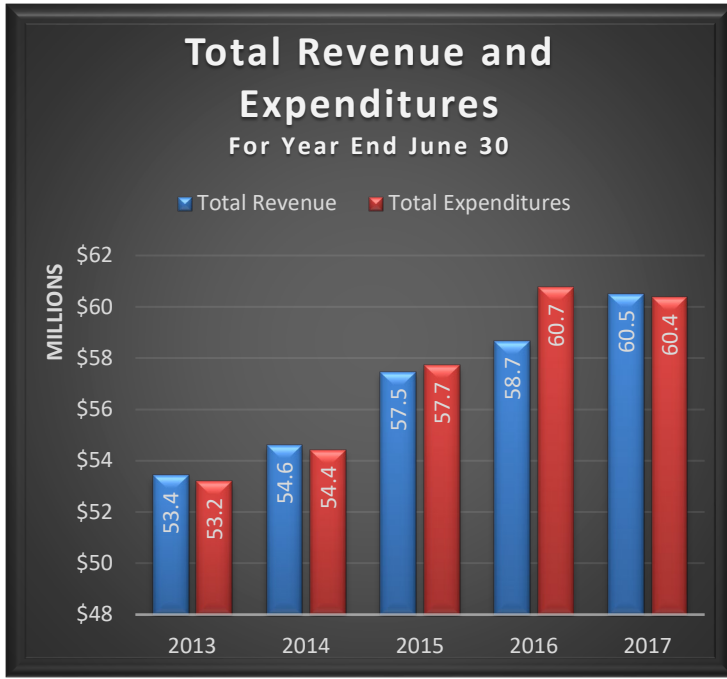


Note: General Fund Balance is comprised of the District’s Committed, Assigned and Unassigned Fund Balances.



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

Financial Information Continued



Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from the PDE's data files for the 2014-15, 2015-16, and 2016-17 school years.¹ These scores are provided in the District's audit report for **informational purposes only**, and they were not audited by our Department. Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.² Finally, benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.³

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. The PDE issues a SPP score using a 0-100 scale for all school buildings in the Commonwealth annually, which is calculated based on standardized testing (i.e., PSSA and Keystone exam scores), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.

The PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, the PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle schools were put on hold due to changes with PSSA testing.⁴ The PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.⁵ In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

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

² The PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to the PDE's website for general information regarding the issuance of academic scores.

³ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

⁴ According to the PDE, SPP scores for elementary and middle schools were put on hold for the 2014-15 school year due to the state's major overhaul of the PSSA exams to align with PA Core standards and an unprecedented drop in public schools' PSSA scores that year. Since PSSA scores are an important factor in the SPP calculation, the state decided not to use PSSA scores to calculate a SPP score for elementary and middle schools for the 2014-15 school year. Only high schools using the Keystone Exam as the standardized testing component received a SPP score.

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

What is the PSSA?

The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English and Math. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, and policymakers with important information about the state's students and schools.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.⁶ The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.

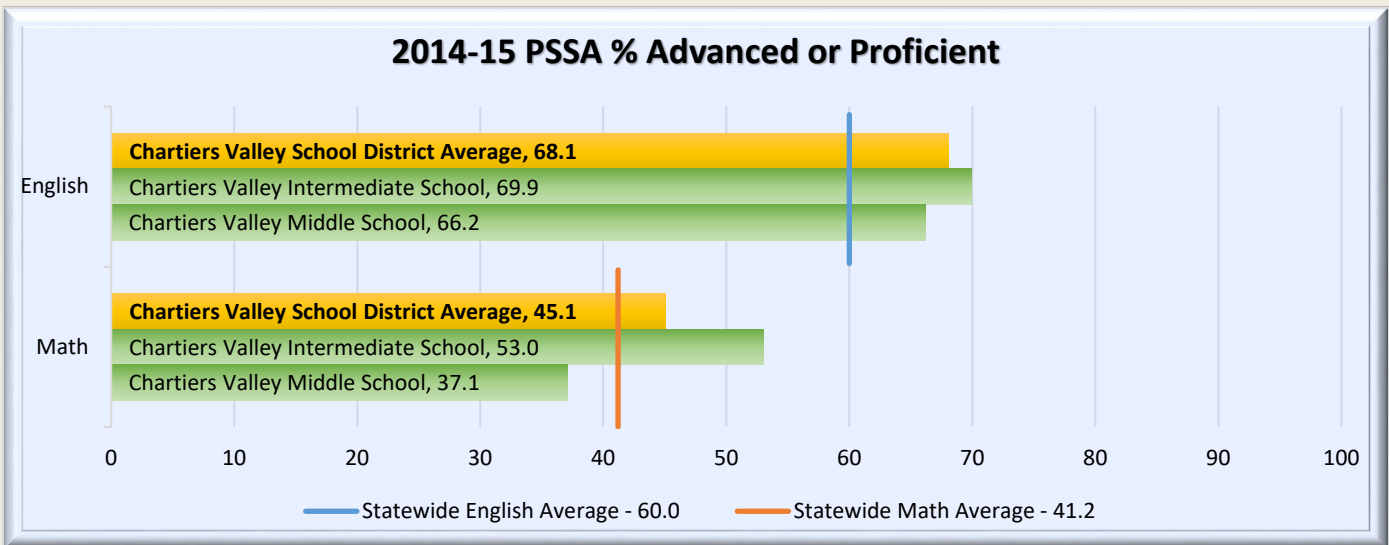
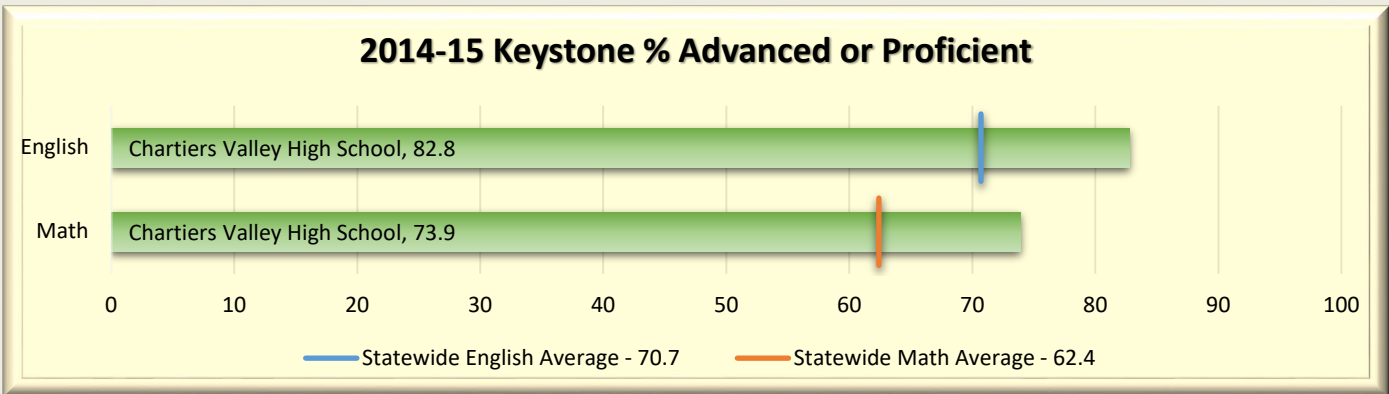
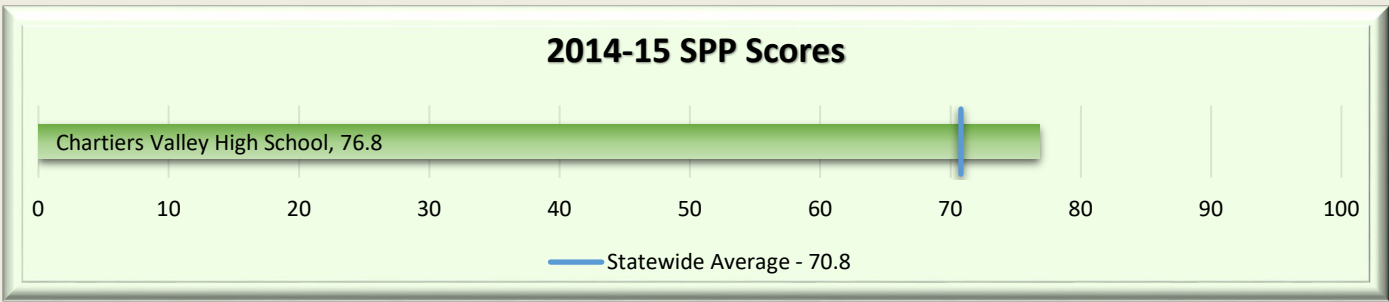
What is a 4-Year Cohort Graduation Rate?

The PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph.⁷

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

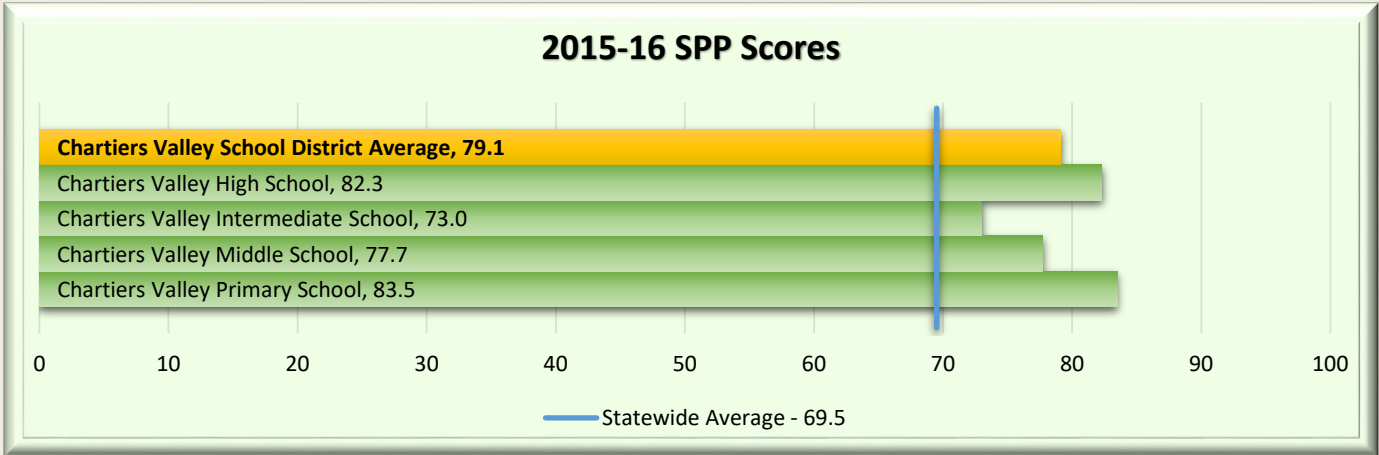
⁷ The PDE also calculates 5-year and 6-year cohort graduation rates. Please visit the PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

2014-15 Academic Data
School Scores Compared to Statewide Averages

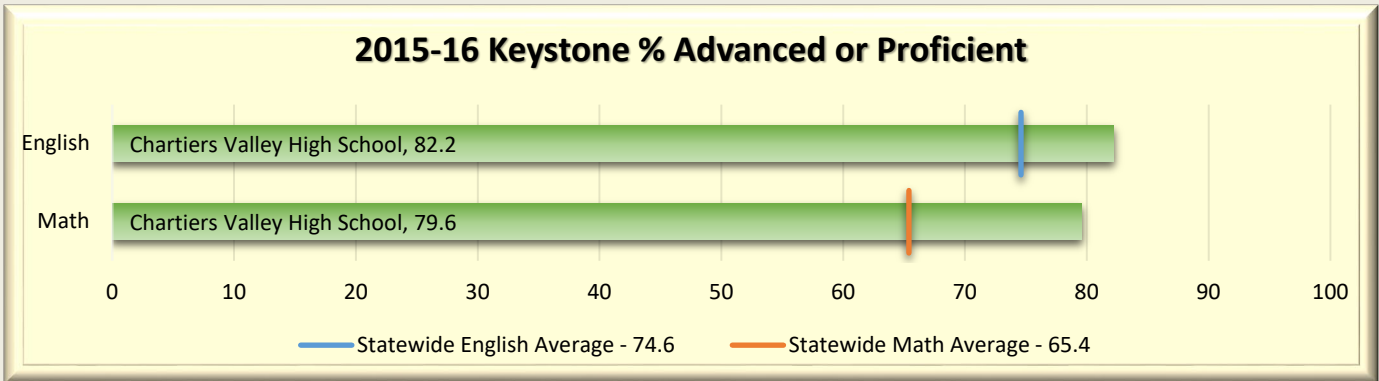


2015-16 Academic Data
School Scores Compared to Statewide Averages

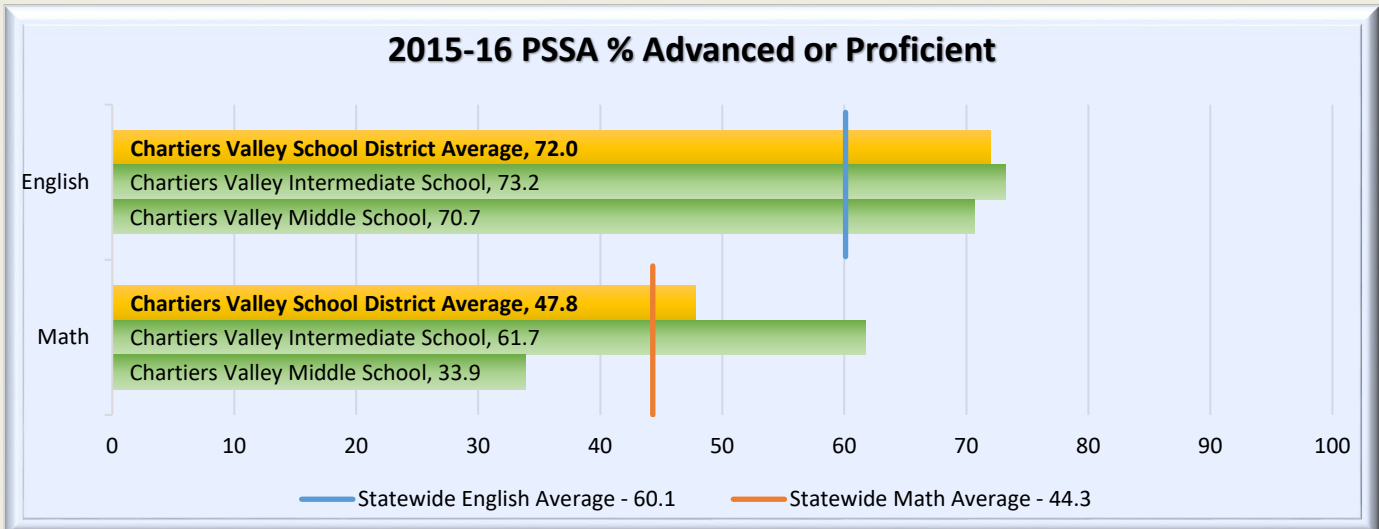
2015-16 SPP Scores



2015-16 Keystone % Advanced or Proficient

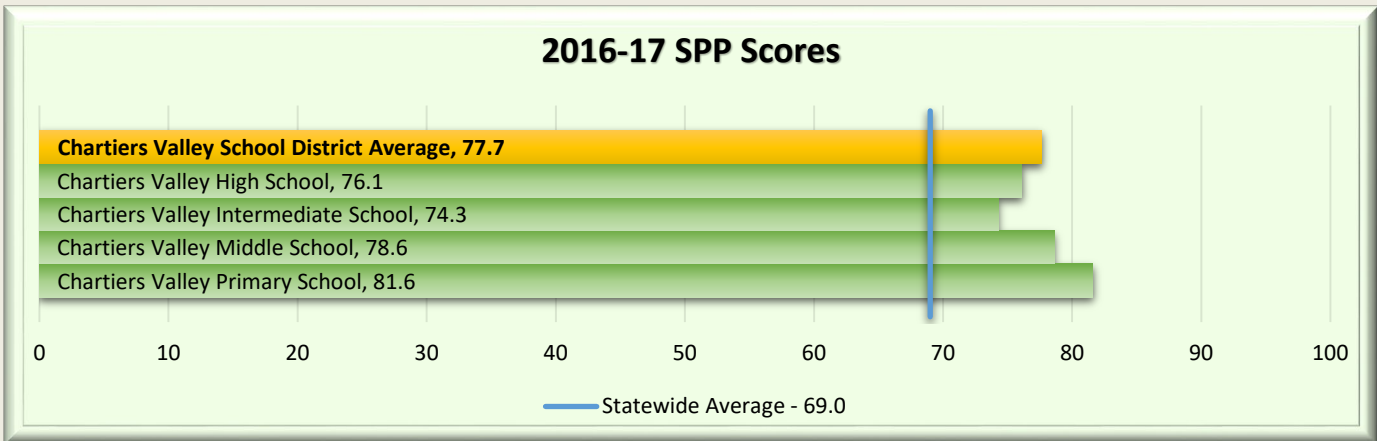


2015-16 PSSA % Advanced or Proficient

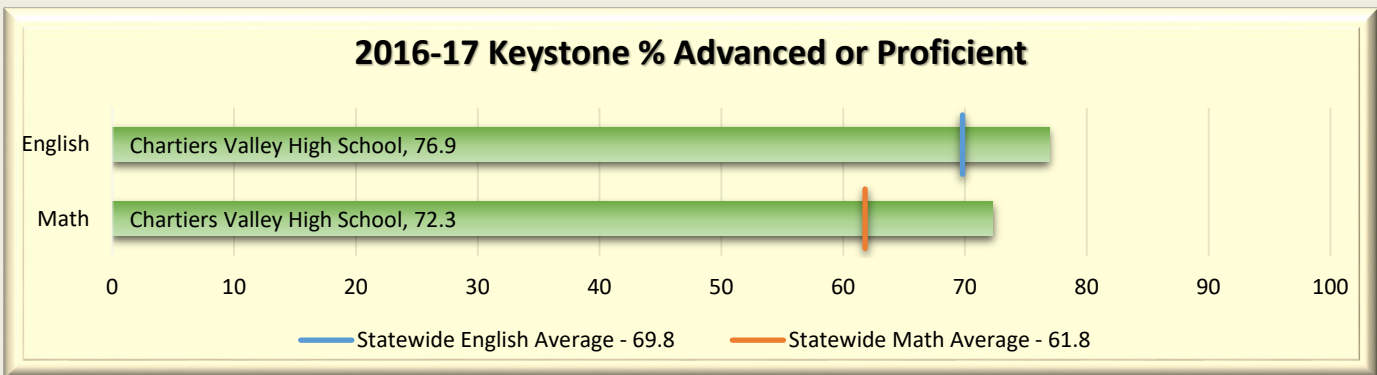


2016-17 Academic Data
School Scores Compared to Statewide Averages

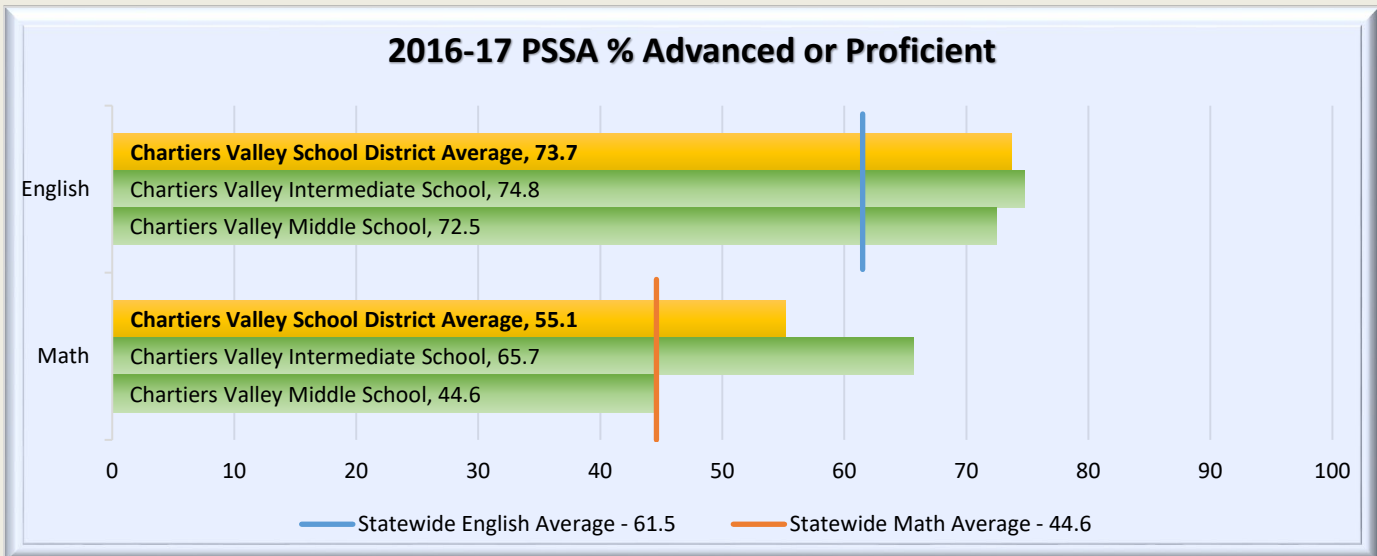
2016-17 SPP Scores



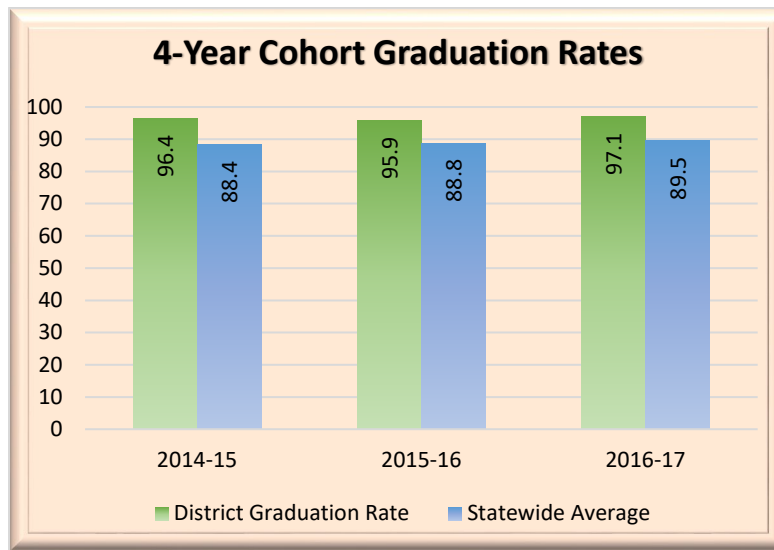
2016-17 Keystone % Advanced or Proficient



2016-17 PSSA % Advanced or Proficient



Graduation Data
District Graduation Rates Compared to Statewide Averages



Finding

Finding

The District Incorrectly Reported the Number of Nonpublic Students Transported Resulting in an Overpayment of \$92,015

Criteria relevant to the finding:

Supplemental Transportation Subsidy for Nonpublic Students

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

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

Sworn Statement and Annual Filing Requirement

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

The Chartiers Valley School District (District) was overpaid \$92,015 in transportation reimbursement from the Pennsylvania Department of Education (PDE). This overpayment was due to the District incorrectly reporting the number of nonpublic school students transported by the District during the 2013-14, 2014-15, 2015-16, and 2016-17 school years.

According to the Public School Code (PSC), a nonpublic school is defined, in pertinent part, as a nonprofit school other than a public school within the Commonwealth of Pennsylvania, wherein a resident of the Commonwealth may legally fulfill the compulsory school attendance requirements.⁸ If school districts provide transportation services to students who reside in the district, the PSC requires school districts to provide transportation services to students who reside in its district and who attend nonpublic schools. The PSC also provides for a reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district. It is also important to note that the PSC requires all school districts to annually file a sworn statement of student transportation data for the prior and current school years with the PDE in order to be eligible for transportation subsidies.

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

Criteria relevant to the finding (continued):

Section 2543 of the PSC, which is entitled, “Sworn statement of the amount expended for reimbursable transportation payment withholding” states, in part: “Annually, each school district entitled to reimbursement on account of pupil transportation shall provide in a format prescribed by the Secretary of Education, data pertaining to pupil transportation for the prior and current school year. . . . The Department of Education may, for cause specified by it, withhold such reimbursement, in any given case, permanently, or until the school district has complied **with the law or regulations** of the State Board of Education.” (Emphasis added.)

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

Number of Nonpublic School Pupils Transported

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

The following chart summarizes the District’s nonpublic school student reporting errors and the resulting overpayment.

Chartiers Valley School District Nonpublic School Student Errors		
School Year	Number of Students Incorrectly Reported	Overpayment ⁹
2013-14	29	\$11,165
2014-15	17	\$6,545
2015-16	46	\$17,710
2016-17	147	\$56,595
Total	239	\$92,015

We found that the number of nonpublic students reported to the PDE was inaccurate for each school year reviewed. Specifically, in the first three years reviewed, the District included students who were transported to public special education programs with the nonpublic students count. Special education programs are not nonpublic schools and reporting these public special education students as such resulted in the District being overpaid transportation subsidies.

The most significant reporting error occurred for the 2016-17 school year. In addition to inaccurately reporting special education students as nonpublic students, the majority of the over reporting was due to public school students attending a vocational education school being incorrectly included in the total reported for nonpublic school students. During our review of this transportation data and discussion with District officials, it became evident to us that the District officials responsible for reporting transportation data did not have a clear understanding of nonpublic students eligible to be reported to the PDE for reimbursement.

It is essential that the District accurately report transportation data to the PDE and that the District has a proper reconciliation process in place. Further, the sworn statement of student transportation data should not be filed with the PDE unless the data has been reviewed for

⁹ Calculated by the number of nonpublic students incorrectly reported multiplied by \$385 per student.

accuracy by personnel trained on the PDE's reporting requirements.

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

Recommendations

The *Chartiers Valley School District* should:

1. Perform yearly reconciliations of bus rosters to student requests for transportation to ensure nonpublic students, special education, and vocational students are separately and accurately to the PDE.
2. Develop written administrative procedures for transportation reporting. These procedures should include a review of the transportation data by an individual other than the person who prepared the data to provide additional assurance of the accuracy of the information before it is submitted to the PDE.
3. Prepare a trend analysis of the number of nonpublic school students annually reported to the PDE to help identify extreme variances in this data.
4. Ensure personnel in charge of calculating and reporting the number of nonpublic school students transported by the District are trained with regard to the PDE's transportation reporting requirements.

The *Pennsylvania Department of Education* should:

5. Adjust the District's future transportation subsidies to resolve the \$92,015 overpayment to the District.

Management Response

District management provided the following response:

“Management agrees with the findings and conclusion. The district accurately maintains separate bus rosters for nonpublic, special education and vocational students. The

incorrect reporting resulted from a misunderstanding of the definition of a nonpublic student by the previous individual responsible for preparing and filing the PDE 2089. All responsible parties involved with preparing and filing the PDE 2089 during the years referenced in the report, are no longer at the district. The individuals currently responsible with preparing and reviewing the PDE 2089 are aware of the definition of a nonpublic student, have had training preparing the transportation data for reporting and will continue their education as training opportunities arise.

The District will do a multi-year trend analysis comparing student transportation data and state transportation subsidies received and investigate material changes to ensure the numbers reported to PDE are accurate.

The District will develop written procedures regarding preparation and review of the transportation data used in preparation of PDE reporting.”

Auditor Conclusion

We are pleased that the District has taken corrective actions to address these transportation reporting weaknesses. We will evaluate the effectiveness of these actions, as well as the implementation of our other recommendations, during our next audit.

Status of Prior Audit Findings and Observations

Our prior audit of the Chartiers Valley School District resulted in no findings or observations.

Appendix: Audit Scope, Objectives, and Methodology

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 Sections 402 and 403 of The Fiscal Code,¹⁰ is not a substitute for the local annual financial audit required by the Public School Code 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 July 1, 2013 through June 30, 2017. In addition, the scope of each individual audit objective is detailed on the next page.

The Chartiers Valley School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).¹¹ In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, which 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.

¹⁰ 72 P.S. §§ 402 and 403.

¹¹ 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, 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, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2013 through June 30, 2017. 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 following objective areas:

- Transportation Operations
- Nonresident Student Data
- Administrator Separations
- Bus Driver Requirements
- School Safety

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

- ✓ Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?¹²
 - To address this objective, we reviewed transportation data reported to the PDE for the 2013-14, 2014-15, 2015-16, and 2016-17 school years to determine the accuracy of the number of nonpublic school students the District transported and reported to the PDE. We randomly selected 60 of the 375 nonpublic students reported to the PDE as being transported during the 2015-16 school year. Upon discovering errors among this initial test group, our testing was expanded to include all nonpublic students reported for the four years of our audit period.¹³ We reviewed bus rosters, requests for transportation, and other supporting documentation to determine if all nonpublic school students transported by the District were accurately reported to the PDE and that the District had received the correct subsidy for these students. The results of the review can be found in the Finding on page 9 in this report.

¹² See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

¹³ Nonpublic students as reported by the District were as follows: for the 2013-14 school year, 375; for the 2014-15 school year, 375; for the 2015-16 school year, 365; and for the 2016-17 school year, 429.

- ✓ Did the District accurately report nonresident students to the PDE? Did the District receive the correct reimbursement for these nonresident students?¹⁴
 - To address this objective, we reviewed all eight nonresident students reported to the PDE during the 2014-15 school year. We obtained documentation to verify that the custodial parents or guardian was not a resident of the District and the foster parent received a stipend for caring for the student. The student listings were compared to the total days reported on the Instructional Time and Membership Report and the Summary of Child Accounting Report to ensure that the District received the correct reimbursement for these nonresident students. Our review of this objective did not disclose any reportable issues.

- ✓ Did the District pursue a contract buyout with an administrator and if so, what was the total cost of the buyout, what were the reasons for the termination/settlement, and did the employment contract(s) comply with the Public School Code¹⁵ and Public School Employees' Retirement System (PSERS) guidelines?
 - To address this objective, we reviewed the contracts, settlement agreement, and board meeting minutes, board policies, and payroll records for the one administrator who separated employment from the District during the audit period. We verified the reason for this separation and whether the total cost of this separation was made public in a board meeting. We reviewed the contracts to ensure that they complied with the provisions on the Public School Code regarding termination, buy-out and severance provisions, and to ensure that payments were made in accordance with those agreements. Finally, we reviewed payroll records to ensure these payments were correctly reported to the PSERS. Our review of this objective did not result in any reportable issues.

- ✓ 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?¹⁶ Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
 - To address this objective, we selected 15 of the 89 bus drivers transporting District students as of July 10, 2018. We identified five drivers that we believed to have a higher risk of noncompliance due to being contracted drivers not previously approved by the Board of School Directors. The other ten drivers were randomly selected.¹⁷ We reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had

¹⁴ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

¹⁵ 24 P.S. § 10-1073(e)(2)(v).

¹⁶ 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.

¹⁷ The transactions selected were selected either because we considered them to have a higher risk of non-compliance or as a result of random sampling. Audit-sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

written policies and procedures governing the hiring of bus drivers and if those procedures, when followed, ensure compliance with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.

- ✓ Did the District take actions to ensure it provided a safe school environment?¹⁸
 - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, fire drill documentation, and after action reports. In addition, we conducted on-site reviews at three of the District's four school buildings (one from each education level)¹⁹ to assess whether the District had implemented basic safety practices.²⁰ Due to the sensitive nature of our school safety, the full results of our review of this objective are not described in our audit report. The results of our review of school safety are shared with the District officials, the PDE, and other appropriate agencies.

¹⁸ 24 P.S. § 13-1301-A *et seq.*

¹⁹ While representative selection is a required factor of audit sampling methodologies, audit-sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

²⁰ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

Distribution List

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
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 report is a matter of public record and is available online at 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.