

**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
P.O. BOX 500
TRENTON, NEW JERSEY 08625-0500**

**REVIEW OF THE APPLICATION FOR STATE SCHOOL AID
REVIEW OF THE DISTRICT REPORT OF TRANSPORTED
RESIDENT STUDENTS-AS OF OCTOBER 14, 2016**

**REVIEW OF EXTRAORDINARY
AID FOR SPECIAL EDUCATION COSTS-FY 2016-2017
CHAPTER 192/193 PROJECT COMPLETION REPORT-FY 2016-2017
OFAC CASE # SAAU-4-18**

**METUCHEN BOARD OF EDUCATION
MIDDLESEX COUNTY
16 SIMPSON PLACE
METUCHEN, NEW JERSEY 08840**

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MIDDLESEX COUNTY
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SCOPE

The review verified students on roll listed on the October 14, 2016 Application for State School Aid (ASSA) with the district's New Jersey School Registers. The review verified the district's enrollment counts for regular and special education students. Total enrollment counts were verified for On Roll Full and Shared Time, Sent Full Time, Received Full Time, Sent to Approved Private Schools for Students With Disabilities and Sent to Charter Schools. Low Income Enrollment, LEP Students, and other appropriate categories as reported on the ASSA were also verified.

The review also verified the data supporting transportation services provided to students as reported on the District Report of Transported Resident Students as of October 14, 2016.

FINDINGS

On Roll Full Time

The district reported 2,232 students, while the department verified 2,229, for a decrease of three students. See Exhibit A

On Roll Shared Time

The district reported three students, which the department verified. See Exhibit A

Sent Full Time

The district reported seven students, while the department verified six, for a decrease of one student. See Exhibit A

Received Full Time

The district reported 19 students, while the department verified 21, for an increase of two students. Nine students were moved from Non-Disabled Preschool to Half Day Kindergarten, which served to decrease Resident Enrollment. See Exhibit A

Received Shared Time

The district reported no students in this category. The department verified two students. See Exhibit A

Approved Private Schools for Students With Disabilities

The district reported 22 students, while the department verified 22.5, for an increase of one-half student. See Exhibit A

Sent to Charter Schools

The district reported three students, while the department verified two, for a decrease of one student. See Exhibit A

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Summary of Resident Enrollment

As a result of the above, the OFAC determined that the district reported a total of 2,246.5 Resident Students, while the OFAC verified 2,230, for a decrease of 16.5 Resident Students. See Exhibit A

Low Income Enrollment

The district reported 195.5 students, which the department verified. See Exhibit A

LEP Enrollment

The district reported 15 LEP students on roll; three Low Income LEP students, and 12 Not Low Income LEP, which the department verified. See Exhibit A

Transported Students-Regular

The district reported 125 students, while the department verified 100, for a decrease of 25 students transported as of October 14, 2016. The decrease of 25 students is detailed as follows:

- A decrease of four students was the result of reported students on the DRTRS who were not identified in a New Jersey School Register as of October 14, 2016.
- A decrease of two students who did not qualify for special education transportation.
- An increase of one student was the result of a reported student on the DRTRS who was not identified as an Aide In Lieu of Transportation (AIL) student as of October 14, 2016.
- A decrease of 20 students was the result of students reclassified to Special Needs Transportation (section B) from Regular Transportation (section A) based on the review of Individual Education Plans (IEPs). This was a net amount which included one other student reclassified to Regular Special Education Transportation (section A) from Special Needs Transportation (section B) based on IEP reviews.

Transported Students-Special Education

The district reported 52 students, while the department verified 66, for an increase of 14 students transported as of October 14, 2016. The increase of 14 students is detailed as follows:

- A decrease of one student was the result of a reported student on the DRTRS who was not identified as attending an Out-of-District School as of October 14, 2016.
- A decrease of four students not requiring transportation.
- A decrease of one student where the parents declined extended school year.
- An increase of 20 students was the result of students on the DRTRS who were reallocated by the audit to Special Needs Transportation (section B) based on the review of IEPs.

See Exhibit B for all DRTRS changes.

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CONCLUSION

The differences in Resident Enrollment Low Income, LEP Students and Transported Students has resulted in an increase adjustment to categorical formula aid totaling \$19,691 as follows.

Special Education Aid	(\$ 11,442)
Security Aid	(680)
Transportation Aid	<u>31,813</u>
Net Impact	\$ 19,691

The total state aid increase adjustment as applied to the SFRA formula was determined to be \$19,691. The SFRA formula was not fully funded. However, the formula calculations were used to calculate a special category, Additional Aid Adjustment, totaling \$76,955. By restating the SFRA formula calculations based on the OFAC audit adjustments, the district's Additional Aid Adjustment increased to \$78,762. Therefore, a total state aid payment increase has been identified in the amount of \$1,807.

EXTRAORDINARY AID (EXAID) APPLICATION FY 2016-2017

The district filed the FY 2016-2017 Application for Special Education EXAID based upon submitted costs in the amount of \$1,102,194 for 11 students. The total itemized student costs exceeding \$40,000 for all public student placements and \$55,000 for all private schools for students with disabilities placements was reported as \$542,194, which was the basis for EXAID totaling \$234,437.

The OFAC examined supporting cost documentation for all submitted students. It was determined that total verified costs were identified totaling \$1,137,983, for 11 eligible students. Therefore, the district met the cost requirements to qualify for EXAID in the amount of \$234,437.

CHAPTER 192/193-FY 2016-2017

The enrollment review, based solely on Educational Services Commission of NJ (ESCNJ) records presented, verified Chapter 192/193 education services provided between July 1, 2016 and June 30, 2017. The review objective was to compare verified final services provided to the services reported on the district's final Project Completion Report (PCR) for Chapter 192/193 Services for FY 2016-2017.

Chapter 192

The district submitted an application for 51 Chapter 192 student services. On the Chapter 192 Auxiliary Services PCR for FY 2016-2017 the district and MCECSC reported 33 services provided. The audit verified 32 student services as being eligible based upon review of actual 407-1 applications and testing information on file. On the PCR a refund was identified in the amount of \$16,319 representing 18 projected but unrealized services, as well as refunds for services that were for a part of

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the year. No state aid over payments were identified, based on combined differences with the Chapter 193 audit.

Chapter 193

The district submitted an application for 125 Chapter 193 student services. On the Chapter 193 Auxiliary Services PCR for FY 2016-2017 the district and ESCNJ reported 103 services provided. The audit verified 104 student services as being eligible based upon review of actual 407-1 applications and testing information on file. On the PCR a refund was identified in the amount of \$20,673 representing 22 projected but unrealized services, as well as refunds for services that were for a part of the year.

Summary of Differences-Submitted and Verified Students

<u>Exception:</u>	<u>Difference:</u>
Chapter 192 compensatory education services for a student who did not attend classes	(1)
Chapter 193 Corrective Speech Service not included in PCR	<u>1</u>
Total Net Differences	<u>0</u>

The combination of state aid underpayments and overpayments from each of the audits has resulted in no state aid adjustments to the district's state aid payments.

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RECOMMENDATIONS

The Office of Fiscal Accountability and Compliance recommends that:

1. Received students' grade levels should be verified to the On Roll status of the student for reporting consistency, and Resident Enrollment accuracy;
2. On-roll status of transported students be reviewed as of October 14 each year;
3. Special needs transportation of students be verified against individual IEPs; and
4. Chapter 192/193 services reported on the Project Completion Report be coordinated between the district and service provider.

Submitted by:

Robert W. Ortley, Manager
State Aid Audit Unit

Approved by:

Christine A. Soto
Executive Legal Affairs Officer
And Acting OFAC Director

NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN

NAME OF SCHOOL DISTRICT METUCHEN BOARD OF EDUCATION
COUNTY MIDDLESEX

AUDIT REVIEWS OF 10/14/16 APPLICATION FOR STATE SCHOOL AID- DISTRICT REPORT OF TRANSPORTED RESIDENT STUDENTS, FY 2016-2017 EXAID AND CHAPTER 192/193

DATE OF BOARD MEETING September 25, 2018

CONTACT PERSON Michael Harvier

TELEPHONE NUMBER 732-321-8700 ext. 1017

<u>RECOMMENDATION NUMBER</u>	<u>CORRECTIVE ACTION APPROVED BY THE BOARD</u>	<u>METHOD OF IMPLEMENTATION</u>	<u>PERSON RESPONSIBLE FOR IMPLEMENTATION</u>	<u>COMPLETION DATE OF IMPLEMENTATION</u>
1.	Grade levels of received students will be verified.	Contracts of received students will be checked against student information system.	Business Administrator	on going
2.	On roll status of transported students will be reviewed on October 14 th of each year.	List of transported students will be reviewed for proper classification.	Business Administrator/ Coordinator of Transportation	on going
3.	Special needs transportation of students will be verified against IEP.	Transportation coordinator will provide a list of special needs students transported on October 14 th of each year. Special Services	Business Administrator/ Coordinator of Transportation/ Director of Special Services	on going

will verify against IEP.

4. Chapter 192/193 Services reported on Project Completion Report will be coordinated between district and service provider. Business Administrator will work with service provider to insure proper completion of report. Business Administrator on going



CHIEF SCHOOL ADMINISTRATOR

9/21/18

DATE



BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

9/21/18

DATE