



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

PHILIP D. MURPHY  
*Governor*

SHEILA Y. OLIVER  
*Lt. Governor*

LAMONT O. REPOLLET, ED.D.  
*Acting Commissioner*

May 3, 2018

Mr. Frank Neglia, Board President  
Parsippany-Troy Hills Township Board of Education  
292 Parsippany Road  
Parsippany, New Jersey 07054

Dear Mr. Neglia:

Enclosed please find one copy of a review of the Parsippany-Troy Hills Township Board of Education's (board) enrollment data used for the Application for State School Aid (ASSA) and District Report of Transported Resident Students (DRTRS) as of October 15, 2015, OFAC Case #SAAU-6-17. Please distribute copies to all board members. There were FY 2015-2016 state aid formula audit adjustments noted on the ASSA and DRTRS, which impacted the Department of Education's Formula calculations as noted in the body of this report. The FY 2015-2016 Chapter 192/193 review identified a minor overpayment in state aid. The FY 2015-2016 EXAID review resulted in a state aid underpayment to the district. In summary, there are no adjustments to future state aid payments based on combined findings of the ASSA/DRTRS, EXAID and Chapter 192/193 audits.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the board is required, pursuant to N.J.A.C. 6A:23A-5.6, to publicly review and discuss the findings in this report at a public board meeting no later than 30 days after receipt of the report. Within 30 days of the public meeting, the board must adopt a resolution certifying that the findings were discussed in a public meeting, and approving a corrective action plan which addresses the issues raised in the undisputed findings and/or an appeal of any findings in dispute. A copy of the resolution and the approved corrective action plan and/or appeal must be sent to this office within 10 days of adoption by the board. Please direct your response to my attention.

Also, pursuant to N.J.A.C. 6A:23A-5.6(c), you must post the findings of the report and the board's corrective action plan on your district's website. Should you have any questions, please contact Mr. Robert Ortley, State Aid Audit Unit, at (609) 984-4940.

Thank you for your cooperation.

Sincerely,

Robert J. Cicchino  
Office of Fiscal Accountability and Compliance

RJC/rwo/jc parsippany-troy hillsassa  
Attachment

**Distribution List**

Robert Bumpus

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Morris County Educational Services Commission

**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 15, 2015  
EXTRAORDINARY SPECIAL EDUCATION AID  
CHAPTER 192/193 SERVICES  
FY 2015-2016  
OFAC CASE # SAAU-6-17**

**PARSIPPANY-TROY HILLS TOWNSHIP BOARD OF EDUCATION  
MORRIS COUNTY  
292 PARSIPPANY ROAD  
PARSIPPANY, NEW JERSEY 07054**

**PARSIPPANY-TROY HILLS TOWNSHIP BOARD OF EDUCATION  
MORRIS COUNTY  
REVIEW OF THE APPLICATION FOR STATE SCHOOL AID  
REVIEW OF THE DISTRICT REPORT OF TRANSPORTED RESIDENT STUDENTS  
AS OF OCTOBER 15, 2015  
OFAC CASE # SAAU-6-17**

**SCOPE**

The review verified students on roll listed on the October 15, 2015 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 Time, On Roll Shared Time, Sent Full Time, Sent Shared Time, Received Full Time, Sent to Regional Day Schools, Sent to Approved Private Schools for Students With Disabilities and Sent to Charter Schools. Low Income Enrollment, LEP Students, County Special Services 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 15, 2015.

**FINDINGS**

**On Roll Full Time**

The district reported 6,991 students, while the department verified 6,993, for an increase of two students. See Exhibit A

**On Roll Shared Time**

The district reported 31 students, which the department verified. See Exhibit A

**Sent Full Time**

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

**Sent Shared Time**

The district reported no students, while the department verified one, for an increase of one student. See Exhibit A

**Received Full Time**

The district reported 113 students, which the department verified. See Exhibit A

**Sent to Regional Day Schools**

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

**Sent to Approved Private Schools for Students With Disabilities**

The district reported 90.5 students, while the department verified 89.5, for a decrease of one student. See Exhibit A

**Sent to Charter Schools**

The district reported 23 students, while the department verified 22, for a decrease of one student. See Exhibit A

**PARSIPPANY-TROY HILLS TOWNSHIP BOARD OF EDUCATION  
MORRIS COUNTY  
REVIEW OF THE APPLICATION FOR STATE SCHOOL AID  
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AS OF OCTOBER 15, 2015  
OFAC CASE # SAAU-6-17**

**Summary of Resident Enrollment**

As a result of the above, the OFAC determined that the district reported a total of 7,020 Resident Students, while the OFAC verified 7,021.5, for an increase of one and one-half equivalent Resident Students. See Exhibit A

**Low Income Enrollment**

The district reported 960 students, while the department verified 956, for a decrease of four students. See Exhibit A

**LEP Enrollment**

The district reported 446 LEP students on roll, 133 Low Income LEP students, and 313 Not Low Income LEP, while the department verified 421, 126 Low Income LEP students, and 295 Not Low Income LEP for a decrease of seven students in the Low Income category and a decrease of 18 students in the Not Low Income category. The exceptions totaling 25 students was caused by a lack of submitted student record information for proper verification of the ASSA submission. See Exhibit A

**Transported Students-Regular**

The district reported 2,023 students, while the department verified 2,020, for a decrease of three students transported as of October 15, 2015. The decrease of three students is detailed as follows:

- A decrease of 65 students was the result of reported students on the DRTRS who were not identified in a New Jersey School Register as of October 15, 2015.
- A decrease of one Charter School Aid In Lieu student with no payment verification.
- A decrease of 13 students was the result of reported students in nonpublic schools who were not on certified nonpublic school attendance records (DOE Form B8T).
- An increase of 16 students was the result of a decrease of 38 students reported in nonpublic schools who were not on certified nonpublic school attendance records (DOE Form B8T) who were offset by an increase of 54 transported students who were not reported on the DRTRS.

An increase of 60 students was the result of students reclassified to Regular Transportation (section A) from Special Needs Transportation (section B) based on the review of Individual Education Plans (IEPs). This was offset by four other students reclassified to Special Needs Transportation (section B) from Regular Special Education Transportation (section A) based on IEP reviews.

**Transported Students-Special Education**

The district reported 286 students, while the department verified 197, for a decrease of 89 students transported as of October 15, 2015. The decrease of 89 students is detailed as follows:

**PARSIPPANY-TROY HILLS TOWNSHIP BOARD OF EDUCATION  
MORRIS COUNTY  
REVIEW OF THE APPLICATION FOR STATE SCHOOL AID  
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AS OF OCTOBER 15, 2015  
OFAC CASE # SAAU-6-17**

- A decrease of 92 students was the result of students on the DRTRS who were reallocated by the audit from Special Needs Transportation (section B) based on the review of IEPs.
- There were three students added to Special Needs Transportation (section B) based on review of IEPs.

See Exhibit B for all DRTRS changes.

**DRTRS Corrective Actions Taken**

At the exit conference for this audit, district administrators explained that they discovered similar DRTRS differences for October 15, 2016 and 2017. As a result, corrective actions will be taken to ensure that when the October 2018 DRTRS is filed, the data will be more accurate and in conformance with department instructions.

**CONCLUSION**

The difference in Low Income Resident Enrollment and Transported Students has resulted in a decrease adjustment to categorical formula aid totaling \$278,838 as follows.

Security Aid	(\$ 1,633)
Transportation Aid	<u>( 277,205)</u>
Net Impact	(\$ 278,838)

The total state aid adjustment as applied to the SFRA formula was determined to be \$278,838. Most likely, this amount would have been offset by a corresponding Adjustment Aid increase. In accordance with the language contained in the New Jersey State annual budget for FY 2016-2017, the full amount of formula aid was not included in state aid payments to the district. The formula calculations were used to calculate Additional Formula Aid totaling \$21,052. By restating the formula calculations based on the OFAC audit adjustments, the district's Additional Formula Aid decreased to \$11,293. A total state aid decrease was identified totaling \$9,759.

**EXTRAORDINARY AID (EXAID) APPLICATION FY 2015-2016**

The district filed the FY 2015-2016 Application for Special Education EXAID based upon submitted costs in the amount of \$7,915,711 for 116 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 \$2,435,711, which was the basis for EXAID totaling \$1,054,238.

**PARSIPPANY-TROY HILLS TOWNSHIP BOARD OF EDUCATION  
MORRIS COUNTY  
REVIEW OF THE APPLICATION FOR STATE SCHOOL AID  
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AS OF OCTOBER 15, 2015  
OFAC CASE # SAAU-6-17**

The OFAC examined supporting cost documentation for all submitted students. It was determined that total verified costs were identified totaling \$7,905,259, for 115 eligible students. The OFAC identified one student who was not eligible for EXAID based on the total of payments verified for the placement.

There were 40 students with increases in actual costs. There were 30 other students that had decreases in costs. There were 44 students reported on the application with no changes in costs. The verified amount above the appropriate thresholds actually increased to \$2,438,427. Revised aid was calculated in the amount of \$1,065,461 for a potential increase to EXAID calculations. This amount was sufficient to offset the state aid decrease from the ASSA/DRTRS and Chapter 192/193 audits. Therefore, no state aid recovery is due to the department.

**CHAPTER 192/193-FY 2015-2016**

The enrollment review, based solely on Morris County Educational Services Commission (MCESC) records presented, verified Chapter 192/193 education services provided between July 1, 2015 and June 30, 2016. The review objective was to compare verified final services provided to the services reported on the Board's final Project Completion Report (PCR) for Chapter 192/193 Services for FY 2015-2016.

**Chapter 192**

The board submitted an application for 48 Chapter 192 student services. On the Chapter 192 Auxiliary Services PCR for FY 2015-2016 the district and MCESC reported 48 services provided. The audit verified 47 student services as being eligible based upon review of actual 407-1 applications and testing information on file. A state aid overpayment was noted in the amount of \$783.

**Chapter 193**

The board submitted an application for 91 Chapter 193 student services. On the Chapter 193 Auxiliary Services PCR for FY 2015-2016 the district and MCESC reported 73 services provided. The audit verified 72 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 \$20,414 representing 18 projected but unrealized services, as well as refunds for services that were for a part of the year. A state aid recovery is due in the amount of \$1,192.

PARSIPPANY-TROY HILLS TOWNSHIP BOARD OF EDUCATION  
MORRIS COUNTY  
REVIEW OF THE APPLICATION FOR STATE SCHOOL AID  
REVIEW OF THE DISTRICT REPORT OF TRANSPORTED RESIDENT STUDENTS  
AS OF OCTOBER 15, 2015  
OFAC CASE # SAAU-6-17

Summary of Differences-Submitted and Verified Students

Exception:

Difference:

Chapter 192 compensatory education services for student who did not attend classes. (1)

Chapter 193 Evaluation not completed by Child Study team as per parent request. (1)

Total Net Differences (2)

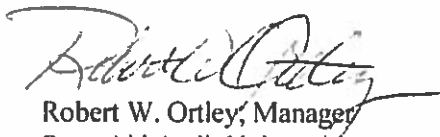
The combination of state aid underpayments and overpayments from each of the audits has resulted in no state aid adjustments to the district's state aid payments.

RECOMMENDATIONS

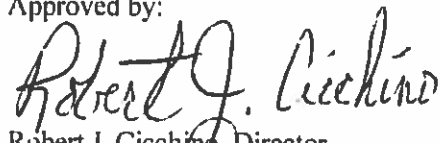
The Office of Fiscal Accountability and Compliance recommends that:

1. copies of student eligibility records be maintained for all free and reduced meal students;
2. copies of LEP student's records should be retained by the ESL administrator for audit purposes;
3. on-roll status of transported students be reviewed as of October 15 each year;
4. special needs transportation of students be verified against individual IEPs; and
5. 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:

  
Robert J. Cicchino, Director  
Office of Fiscal Accountability and Compliance



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

COUNTY: MORRIS

NAME OF SCHOOL DISTRICT: PARSIPPANY-TROY HILLS BOARD OF EDUCATION

AUDIT REVIEWS OF 10/15/15 APPLICATION FOR STATE SCHOOL AID-DISTRICT REPORT OF TRANSPORTED RESIDENT STUDENTS AND FY2015-2016 EXAID AND CHAPTER 192/193 SERVICES

DATE OF BOARD MEETING: MAY 22, 2018

CONTACT PERSON: ROBIN C. TEDESCO BUSINESS ADMINISTRATOR/BOARD SECRETARY PHONE #: 973-263-7200

RECOMMENDATION NUMBER	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
1	Copies of student eligibility records be maintained for all free and reduced meal students.	The Business Administrator/Business Office Staff will verify applications on file with the Master Eligibility List on a regular basis.	Business Administrator and Business Office Staff	May 2018
2	Copies of LEP student's records should be retained by the ESL administrator for audit purposes.	The Supervisor of ESL will ensure copies of student records are retained in the District when students move out of District.	Supervisor of ESL	May 2018
3	On-roll status of transported students be reviewed as of October 15 each year.	The Business Administrator will require the DRTRS be submitted to the Business Office 2/3 weeks before it is due to review all data for accuracy and compliance with the reporting requirements.	Business Administrator and Business Office Staff	May 2018

Barbara Saugier 5/15/18 Robin C Tedesco 5/15/18  
 Chief School Administrator Date Board Secretary/Business Administrator Date

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

RECOMMENDATION NUMBER	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
4	Special needs transportation of students be verified against individual IEP's.	When the DRTRS is being prepared, the Supervisor of Transportation will confer with the Executive Director of Pupil Personnel Services to verify that students being reported as having special transportation needs have them documented in their IEP.	Supervisor of Transportation	May 2018
5	Chapter 192/193 services reported on the Project Completion Report be coordinated between the district and the service provider.	The Executive Director of Pupil Personnel Services will review services reported on the Ch. 192/193 Completion Report for accuracy with the service provider.	Executive Director of Pupil Personnel Services	May 2018

*Barbara Sargent*

Chief School Administrator

*5/15/18*

Date

*Roux C Jedes LD*

Board Secretary/Business Administrator

*5/15/18*

Date