

**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**

OFAC CASE # SAAU-5-18

**HAMILTON TOWNSHIP BOARD OF EDUCATION
ATLANTIC COUNTY
1876 DR. DENNIS FORMAN DRIVE
HAMILTON TOWNSHIP, NJ 08330**

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SCOPE

The review verified students on roll listed on the October 15, 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 Time, Sent Full Time, Received Full Time, and Sent to Private Schools for Students With Disabilities. Low Income Enrollment, LEP Students, County Special Services Students, and other appropriate categories as reported on the ASSA were verified.

The review also verified the data supporting transportation services provided to students as reported on the District Report of Transported Resident Students (DRTRS) as of October 15, 2016.

FINDINGS

On Roll Full Time

The district reported 3,035 students, while the department verified 3,055, an increase of 20 students. There were significant differences in the comparisons of reported and verified counts by itemized special education categories and grade levels. See Exhibit A.

Sent Full Time

The district reported 29 students, while the department verified 27 students for a difference of two students. The district identified 28 possible students for review. One of these students was not supported by tuition payments and proof of October 14, 2016 enrollment and attendance.

Received Full Time

The district reported 46 students, while the department verified 57 students for an understatement of 11 students who were state responsible non-resident students. These students should have been reported as received.

Sent to Private Schools for Students With Disabilities

The district reported five students, while the department verified six for an increase of one student.

On Roll-Charter Schools

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

Summary of Resident Enrollment

As a result of the above, the OFAC determined that the district reported a total of 2,928 Resident Students, while the OFAC verified 2,932, for a net increase of four Resident Students.

Low Income Enrollment

The district reported 1,431 students. The district presented a listing of Free and Reduced eligible students on a Master Eligibility Listing for the 2016-2017 school year. The total number of Resident Students with Free or Reduced Lunch Applications, or other qualifying status numbered 1,379, a shortage of 52 students. See Exhibit A.

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LEP Students

The district reported 57 LEP resident students; 40 Low Income LEP students, and 17 Not Low Income LEP students. The department verified 58 students; 41 low income students and 17 Not Low Income students, for a total increase of one student.

Speech Only Services

The district reported 54 students, however 53 students were verified. This data did not impact on state aid formula calculations.

Transported Students-Regular

The district reported 2,550 students, while the department verified 2,523, for a decrease of 27 transported students. The differences were due to 34 students not being enrolled as of October 15, 2016. There were four other students reclassified from the Special Education category below due to lack of special needs noted on the student Individual Education Programs (IEPs). There were also three net positive adjustments in the Nonpublic Transportation Category. See Exhibit B.

Transported Students-Special Education

The district reported 170 students, while the department verified 164 students based on changes noted in the IEPs for four students. There were two other students not transported as of October 14, 2016. See Exhibit B.

CONCLUSION

The differences in Resident Enrollment, Low Income Enrollment and Transported Students has resulted in an adjustment to categorical formula aid totaling \$272,679 as follows.

Equalization Aid	(\$223,299)
Special Education Aid	5,520
Security Aid	(22,535)
Transportation Aid	(32,365)
Net Impact	(\$272,679)

The total state aid decrease adjustment as applied to the SFRA formula was determined to be \$272,679. This amount most likely would have been offset by the maximum SFRA Stabilized Reduction, had the SFRA Formula been fully funded. However, the total original formula amount, net of Stabilized Reductions was not paid to the district. The formula calculations were used to calculate an Additional Aid Adjustment, Pursuant to the FY 18 Appropriations Act totaling \$229,764. By restating the formula calculations based on the OFAC audit adjustments, the district's Additional Aid Adjustment decreased to \$207,485. A total state aid decrease adjustment was identified in the amount of \$22,279.

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EXTRAORDINARY AID APPLICATIONS FY 2016-2017

The district filed a FY 2016-2017 Application for Special Education Extraordinary Aid based upon costs in the amount of \$1,237,449 for 18 students. The itemized student costs exceeding \$40,000, or \$55,000 as applicable for the students were reported as \$427,449, which was the basis for the Extraordinary Aid calculation totaling \$193,384. The OFAC examined substantiating cost documentation for all reported students and determined that reported costs were verified in excess of the aggregate costs reported.

The OFAC determined verified costs totaling \$1,248,840, with costs exceeding \$40,000 for Category 1 and 2 students or \$55,000 for Category 3 students for 17 students in the amount of \$447,460, which is the basis for revised EXAID totaling \$201,534. The review identified cost decreases for four students including one student who was not eligible to be reported on the EXAID application. This was offset by increases for eight other students. There were six students with no changes in costs. As a result, there was a net increase in costs exceeding \$40,000, or \$55,000 in the amount of \$20,011. The review has identified a total net potential increase to state aid based on these findings to be \$8,150. This amount will be offset against other state aid recoveries in the report noted above.

TECHNICAL ASSISTANCE

Due to the nature of the findings noted in this report, the exit conference process included two days devoted to the provision of technical assistance, by the OFAC, to the district administration for the purpose of improving future data reporting on state aid applications. The school business administrator expressed concerns that the business office should be more involved in data submissions for the upcoming submission of October 15, 2018 data to the department. Topics covered for future improvement covered the following:

- Comparison of submitted counts to a detailed New Jersey School Register for the month of October, to ensure that data is correct, and if necessary, revised accordingly.
- Cross-referencing sent and received counts to tuition records and attendance data for greater accuracy.
- Comparison of actual free and reduced lunch resident student counts to the data submitted by grade and special education levels on the ASSA.
- Examination of transportation counts and cross referencing to October New Jersey School Registers, as well as special education requirements and special needs as noted in student IEPs.

The technical assistance provided shall be the basis of following recommendations as noted in this report.

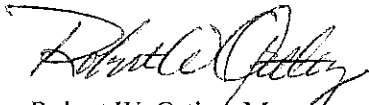
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RECOMMENDATIONS

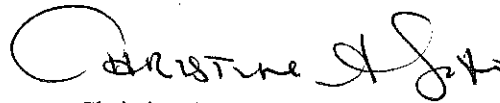
The Office of Fiscal Accountability and Compliance recommends that:

1. The district improves procedures to cross reference reported ASSA enrollment to the October New Jersey School Registers and other supporting workpapers, each school year, at the time of ASSA submission;
2. ASSA Sent Full Time, Received Full Time and Low Income enrollment workpapers which reconcile to every grade level and special education category reported on the ASSA are maintained and compared to Master Eligibility Lists and actual meal applications;
3. The district report Transported Students based on actual transportation status and special needs identified in each student IEP.

Submitted by:


Robert W. Ortley, Manager
State Aid Audit Unit

Approved by:


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