

**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
SPECIAL EDUCATION EXTRAORDINARY AID 2015-2016
OFAC CASE # SAAU-5B-17**

**MT OLIVE BOARD OF EDUCATION
MORRIS COUNTY
227 US HIGHWAY 206, SUITE 10
FLANDERS NJ 07836**

**MOUNT OLIVE BOARD OF EDUCATION
MORRIS COUNTY
REVIEW OF THE APPLICATION FOR
SPECIAL EDUCATION EXTRAORDINARY AID FY 2015-2016
OFAC CASE # SAAU-5B-17**

SCOPE

The Office of Fiscal Accountability and Compliance (OFAC) reviewed the educational and special services costs for resident students reported on the FY 2015-2016 Application for Special Education Extraordinary Aid (EXAID). This review verified the actual educational and special services costs for resident students in comparison to students and costs listed on the EXAID Applications in excess of \$40,000, or \$55,000, as prescribed by N.J.S.A. 18A:7F-55. The review verified the total enrollment and costs for all categories, as applicable to the district, for all special education placements in the district, as well as all out-of-district placements. Costs were verified to the district's accounting records and supporting documentation to ensure that all costs were incurred. Student individualized education programs (IEP's) were also verified to ensure that all costs were for required services and that all services met the DOE criteria for intensive services.

FINDINGS

EXTRAORDINARY AID (EXAID) APPLICATION FY 2015-2016

The district filed the FY2015-2016 Application for EXAID based upon submitted costs in the amount of \$5,786,298 for 81 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 \$2,336,298, which was the basis for EXAID totaling \$1,133,203.

The OFAC examined supporting cost documentation for all submitted students. One student was disqualified from the EXAID threshold, pursuant to N.J.S.A.18A:7F-55, because eligible costs did not exceed \$40,000. Nine other students' costs were decreased by the audit for the following reasons:

There were several students reported with a one to one aide. The OFAC found that common aides were assigned to two students. The entire annual cost of each aide was charged to each student, therefore costs were reported twice. Adjustments were made accordingly by the OFAC to restate the allowable costs. At the exit conference for this audit, the district provided additional supporting documents to demonstrate actual costs of other aids who worked with the students for a portion of each school day. These adjustments were also factored into the OFAC recalculations. There were other decrease adjustments made to other reported students for extended school year and intensive therapy costs, or out of county fees. There were 71 students reported with no changes to eligible costs.

Thus, the total allowable costs identified for the 80 eligible students was determined to be \$5,710,129, a reduction of \$76,169 to the total costs submitted on the EXAID application.

The total allowable excess costs to be used for EXAID calculations was determined to be \$2,262,550 for 80 eligible students. This resulted in a revised EXAID award of \$1,096,747, for a decrease in the EXAID award totaling \$36,456.

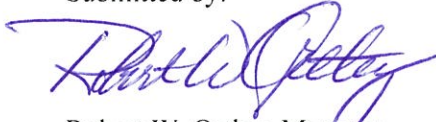
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RECOMMENDATIONS

The OFAC recommends that:

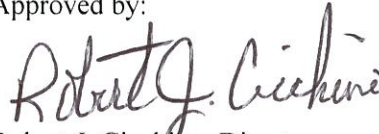
1. The district makes certain enhancements to the EXAID application supporting work papers in the area of in-district costs to better clarify cost calculations for future audit purposes, particularly in the area of one to one aides and extended school year attendance;
2. the supporting audit documentation system be enhanced by coordination between the school district business office and the special services office at the time of submission of the EXAID application; and
3. the district ensures that students reported on the EXAID application are required to receive and are in fact receiving a qualified Intensive Related Service and that the salaries and benefits of the in-district EXAID students' teachers are verified with the payroll department.

Submitted by:



Robert W. Ortley, Manager
State Aid Audit Unit

Approved by:

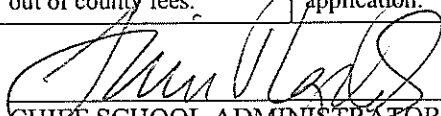


Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

CORRECTIVE ACTION PLAN

SCHOOL DISTRICT MOUNT OLIVE
 COUNTY MORRIS
 CONTACT PERSON DAVID CORSO, BUSINESS ADMINISTRATOR
 TYPE OF AUDIT EXAID OFAC CASE #SAAU-5B-17
 TELEPHONE NUMBER (973) 691-4008 EXT. 8205
 DATE OF BOARD MEETING DECEMBER 11, 2017

FINDING	RECOMMENDATION	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	DATE OF IMPLEMENTATION
One student was disqualified from the EXAID threshold, pursuant to NJSA 18A:7F-55, because eligible costs did not exceed \$40,000.	The district makes certain enhancements to the EXAID application supporting work papers in the area of in-district costs to better clarify cost calculations for future audit purposes, particularly in the area of one-to-one aids and extended school year attendance.	The Special Services Office will maintain documentation binders for aide assignments and require aides to document the actual time spent with each specific child and will create a spreadsheet for teachers to document student attendance.	Sharon Staszak/Lisa Schleer	May, 2018
Common aids were assigned to two students. However, the entire annual cost of each aid was charged to each student, therefore costs were reported twice.	The district ensures that students reported on the EXAID application are required to receive and are, in fact, receiving a qualified Intensive Related Service and that the salaries and benefits of the in-district EXAID students' teachers are verified with the payroll department.	Training sessions will be held during monthly District CST meetings to ensure that the students are receiving qualified services. The Office of Special Services will meet annually with the Payroll Office to verify salaries and benefits included on the in-district EXAID application.	Sharon Staszak/Lisa Schleer	May, 2018
There were other decrease adjustments made to other reported students for extended school year and intensive therapy costs, or out of county fees.	The supporting audit documentation system be enhanced by coordination between the school district business office and the special services office at the time of submission of the EXAID application.	The Special Services Office will conduct a meeting with the Business Office to review cost calculations prior to submitting the EXAID application.	Sharon Staszak/Lisa Schleer	May, 2018


 CHIEF SCHOOL ADMINISTRATOR


 SCHOOL BUSINESS ADMINISTRATOR

12/7/17
 DATE

12/7/17
 DATE