



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.
Commissioner

March 29, 2019

Mr. Shawn Giordano, President
Lacey Township Board of Education
200 Western Blvd
Lanoka Harbor, NJ 08734

Dear Mr. Giordano:

Enclosed please find one copy of a review of the Lacey Township Board of Education's enrollment data used for the Application for State School Aid and District Report of Transported Resident Students as of October 14, 2016, OFAC Case # SAAU-14-18. Please distribute copies to all board members. There were audit adjustments noted on the ASSA and DRTRS, which impacted the Department of Education's FY 2017-2018 Formula calculations as noted in the body of this report. These adjustments did not impact FY 2018 Additional Aid. The FY 2016-2017 EXAID resulted in a state aid decrease to the district totaling \$46,149. No state aid recovery will be processed at this time, pending audit and corrective action plan responses as detailed below.

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 robert.ortley@doe.nj.gov or (609) 376-3612.

Thank you for your cooperation.

Sincerely,

Dr. Jamar E. Purnsley
Acting Director, Office of Fiscal Accountability and Compliance

JEP/rwo/lb/laceytpassa
Attachment

www.nj.gov/education

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**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-14-18

**LACEY TOWNSHIP BOARD OF EDUCATION
OCEAN COUNTY
200 WESTERN BLVD
LANOKA HARBOR, NJ 08734**

**LACEY TOWNSHIP BOARD OF EDUCATION
OCEAN COUNTY
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-FY 2016-2017
OFAC CASE # SAAU-14-18**

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 and Shared Time, Received Full Time, Sent to Regional Day Schools 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 14, 2016.

FINDINGS

On Roll Full Time

The district reported 3,969 students, while the department verified 3,966, based on the district's New Jersey School Registers. This is a decrease of three students. See Exhibit A.

On Roll Shared Time

The district reported 87 students, which the department verified in total. However, one student was reclassified from Special Education to Regular Education. See Exhibit A.

Sent Full Time

The district reported six students, which the department verified.

Received Full Time

The district reported two students, which the department verified.

Sent to Regional Day Schools

The district reported three students, which the department verified.

Sent to Private Schools for Students With Disabilities

The district reported 21 students, while the department verified 20. This is a decrease of one student, who was no longer placed as of October 14, 2016. See Exhibit A.

Summary of Resident Enrollment

As a result of the above, the OFAC determined that the district reported a total of 4,042.5 Resident Students, while the OFAC verified 4,038.5, for a decrease of four Resident Students.

Low Income Enrollment

The district reported 1,120 students. The district was unable to provide the lunch applications but did present a Master Eligibility List (MEL) of 1,034 students. This was not sorted by grade level or special education category and did not reconcile to the reported ASSA data. This list total was 86

**LACEY TOWNSHIP BOARD OF EDUCATION
OCEAN COUNTY
REVIEW OF THE APPLICATION FOR STATE SCHOOL AID
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REVIEW OF EXTRAORDINARY AID FOR SPECIAL EDUCATION-FY 2016-2017
OFAC CASE # SAAU-14-18**

students fewer than what was reported on the ASSA (1,120 minus 1,034). The OFAC examined a low income Direct Certification (DC) listing maintained by the district to identify 417 students. The remaining students who had been determined eligible by the district review of applications for free and reduced lunches were examined by the OFAC. A final total of 1,002.5 students DC list and the MEL were verified as On Roll as of October 14, 2016. The final audit difference was 117.5 students (1,120 minus 1002.5). See Exhibit A.

LEP Students

The district reported 30 LEP resident students; 29 Low Income LEP students, and one Not Low Income LEP students. The department verified 20 eligible students, all of which were deemed low income students. This difference of 10 students was caused by missing documentation as follows:

- Four reported students had no record of test scores for eligibility,
- Six reported students tested above minimum proficiency levels, with no multiple measures documentation to demonstrate program continuance.

Transported Students-Regular

The district reported 1,965.5 students, while the department verified 1,693, for a net decrease of 272.5 transported students. See Exhibit B.

Transported Students-Special Education

The district reported 226.5 students, while the department verified 271 students, for an increase of 44.5 students. Most increases resulted from the review of student Individualized Education Plans (IEPs) See Exhibit B.

Transportation Summary

The following summary shows the types of reclassifications made on the DRTRS. The district reported a combined total of 440 students, requiring audit adjustment, which affected Categories A-Regular, B-Special Education and C-Courtesy Transportation:

Students incorrectly reported as Special Education students	115
Students who did not require transportation in the IEP	158
Students who were classified by IEP but not reported as special education	10
Students who required a special transportation need	73
Students who did not require a special transportation need	37
Students who should have been counted as full time	16
Students who should have been counted as shared time	17
Students who were not identified in a NJ school register	7
Students who were not on roll as of October 14, 2016	7

The IEP review process was discussed with district administration. The administration was also provided with a detailed listing of all student adjustments for future corrective action plan purposes.

**LACEY TOWNSHIP BOARD OF EDUCATION
OCEAN COUNTY
REVIEW OF THE APPLICATION FOR STATE SCHOOL AID
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OFAC CASE # SAAU-14-18**

CONCLUSION

The differences in Resident Enrollment, Low Income Enrollment and Transported Students have resulted in a decrease adjustment to categorical formula aid calculations totaling \$785,354 as follows.

Equalization Aid	(\$715,991)
Special Education Aid	(5,512)
Security Aid	(67,793)
Transportation Aid	<u>3,942</u>
Net Impact	(\$785,354)

The total state aid decrease adjustment as applied to the SFRA formula was determined to be \$785,354. Had the formula been fully funded, the district's aid may been reduced by this amount. However, the total original formula amount was not paid to the district. The formula calculations were used to determine that the district did not qualify for Additional Aid Adjustment, Pursuant to the FY 2018 Appropriations Act. Therefore, no actual state aid overpayments are due. However, corrective actions are needed to ensure future aid calculations are fairly stated.

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 \$3,271,274 for 48 students. The itemized student costs exceeding \$40,000, or \$55,000 as applicable for the students were reported as \$1,111,274, which was the basis for the Extraordinary Aid calculation totaling \$515,204.

The OFAC audited costs totaling \$3,184,588, and verified eligible costs exceeding \$40,000 for Category 1 and 2 students or \$55,000 for Category 3 students, for 39 students, in the amount of \$1,007,111, which is the basis for revised EXAID totaling \$469,055. The review identified cost decreases for 14 students and the disqualification of nine students who did not meet the extraordinary aid qualifications (i.e. extended school year less than 210 days). This was offset by increases for 24 other students and the addition of one student who was not previously reported. The resulting changes caused a net decrease in costs exceeding \$40,000, or \$55,000 in the amount of \$104,163. The review has identified a total net decrease to state aid based on these findings to be \$46,149.

**LACEY TOWNSHIP BOARD OF EDUCATION
OCEAN COUNTY
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-FY 2016-2017
OFAC CASE # SAAU-14-18**

RECOMMENDATIONS

The Office of Fiscal Accountability and Compliance recommends that:

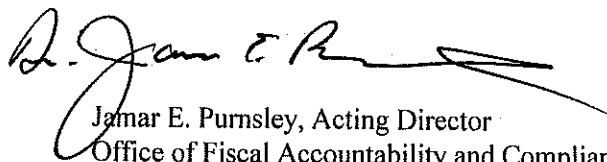
1. The district enhances procedures to cross reference reported ASSA enrollment to the October New Jersey School Registers and other supporting workpapers;
2. ASSA LEP enrollment workpapers which reconcile to every grade level, special education category and Low Income status reported on the ASSA are maintained;
3. The district report all students eligible for Speech Only services as required by the ASSA instructions;
4. The district report Transported Students based on actual special needs identified in each student IEP; and
5. 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.

Submitted by:



Robert W. Ortley, Manager
State Aid Audit Unit

Approved by:



Jamar E. Purnsley, Acting Director
Office of Fiscal Accountability and Compliance

Lacey Township Board of Education
 Application for State School Aid
 As of October 14, 2016

Grades	On Roll Full Time			On Roll Shared Time		
	Reported	Verified	Difference	Reported	Verified	Difference
Full Day Kindergarten	226.0	226.0	-	-	-	-
One	228.0	228.0	-	-	-	-
Two	238.0	238.0	-	-	-	-
Three	254.0	253.0	(1.0)	-	-	-
Four	233.0	233.0	-	-	-	-
Five	269.0	268.0	(1.0)	-	-	-
Six	272.0	272.0	-	-	-	-
Seven	281.0	280.0	(1.0)	-	-	-
Eight	269.0	268.0	(1.0)	-	-	-
Nine	220.0	220.0	-	-	-	-
Ten	241.0	239.0	(2.0)	-	-	-
Eleven	208.0	208.0	-	25.0	26.0	1.0
Twelve	217.0	217.0	-	28.0	28.0	-
Subtotal	3,156.0	3,150.0	(6.0)	53.0	54.0	1.0
Spec Educ Elementary	371.0	375.0	4.0	-	-	-
Spec Educ Middle	190.0	192.0	2.0	-	-	-
Spec Educ High	252.0	249.0	(3.0)	34.0	33.0	(1.0)
Subtotal	813.0	816.0	3.0	34.0	33.0	(1.0)
County Vocational	-	-	-	-	-	-
Totals	3,969.0	3,966.0	(3.0)	87.0	87.0	-

Grades	Sent Full Time			Sent Shared Time		
	Reported	Verified	Difference	Reported	Verified	Difference
Full Day Kindergarten	-	-	-	-	-	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Spec Educ Elementary	4.0	4.0	-	-	-	-
Spec Educ Middle	1.0	1.0	-	-	-	-
Spec Educ High	1.0	1.0	-	-	-	-
Subtotal	6.0	6.0	-	-	-	-
County Vocational	-	-	-	-	-	-
Totals	6.0	6.0	-	-	-	-

Lacey Township Board of Education
Application for State School Aid
As of October 14, 2016

Grades	Received Full Time			Received Shared Time		
	Reported	Verified	Difference	Reported	Verified	Difference
Full Day Kindergarten	-	-	-	-	-	-
One	1.0	1.0	-	-	-	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	1.0	1.0	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Subtotal	2.0	2.0	-	-	-	-
Spec Educ Elementary	-	-	-	-	-	-
Spec Educ Middle	-	-	-	-	-	-
Spec Educ High	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
County Vocational	-	-	-	-	-	-
Totals	2.0	2.0	-	-	-	-

Lacey Township Board of Education
 Application for State School Aid
 As of October 14, 2016

Grades	Sent to Regional Day Schools			Private Schools for Disabled		
	Reported	Verified	Difference	Reported	Verified	Difference
Full Day Kindergarten	-	-	-	-	-	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Spec Educ Elementary	-	-	-	6.0	6.0	-
Spec Educ Middle	2.0	2.0	-	3.0	2.0	(1.0)
Spec Educ High	1.0	1.0	-	12.0	12.0	-
Subtotal	3.0	3.0	-	21.0	20.0	(1.0)
County Vocational	-	-	-	-	-	-
Totals	3.0	3.0	-	21.0	20.0	(1.0)

Lacey Township Board of Education
 Application for State School Aid
 As of October 14, 2016

Grades	Charter Students			Resident Students		
	Reported	Verified	Difference	Reported	Verified	Difference
Full Day Kindergarten	-	-	-	226.0	226.0	-
One	-	-	-	227.0	227.0	-
Two	-	-	-	238.0	238.0	-
Three	-	-	-	254.0	253.0	(1.0)
Four	-	-	-	232.0	232.0	-
Five	-	-	-	269.0	268.0	(1.0)
Six	-	-	-	272.0	272.0	-
Seven	-	-	-	281.0	280.0	(1.0)
Eight	-	-	-	269.0	268.0	(1.0)
Nine	-	-	-	220.0	220.0	-
Ten	-	-	-	241.0	239.0	(2.0)
Eleven	-	-	-	220.5	221.0	0.5
Twelve	-	-	-	231.0	231.0	-
Subtotal	-	-	-	3,180.5	3,175.0	(5.5)
Spec Educ Elementary	-	-	-	381.0	385.0	4.0
Spec Educ Middle	-	-	-	196.0	197.0	1.0
Spec Educ High	-	-	-	283.0	279.5	(3.5)
Subtotal	-	-	-	860.0	861.5	1.5
Co Vocational	-	-	-	-	-	-
State Facilities	-	-	-	2.0	2.0	-
Totals	-	-	-	4,042.5	4,038.5	(4.0)

Grades	Resident Low Income		
	Reported	Verified	Difference
Full Day Kindergarten	46.0		SEE
One	58.0		
Two	70.0		
Three	75.0		
Four	55.0		REPORT
Five	71.0		
Six	69.0		
Seven	69.0		
Eight	75.0		
Nine	51.0		COMMENTS
Ten	57.0		
Eleven	35.0		
Twelve	36.0		
Subtotal	767.0	-	-
Spec Educ Elementary	165.0		
Spec Educ Middle	90.0		
Spec Educ High	96.0		
Subtotal	351.0	-	-
Co Vocational			
State Facilities	2.0		
Totals	1,120.0	1,002.5	(117.5)

Lacey Township Board of Education
 Application for State School Aid
 As of October 14, 2016

EXHIBIT A
 Pg.7 of 7

Grades	Resident LEP Low Income			Resident LEP Not Low Income		
	Reported	Verified	Difference	Reported	Verified	Difference
Full Day Kindergarten	4.0	4.0	-	-	-	-
One	5.0	6.0	1.0	1.0	-	(1.0)
Two	4.0	2.0	(2.0)	-	-	-
Three	3.0	2.0	(1.0)	-	-	-
Four	1.0	-	(1.0)	-	-	-
Five	2.0	-	(2.0)	-	-	-
Six	-	-	-	-	-	-
Seven	1.0	1.0	-	-	-	-
Eight	1.0	-	(1.0)	-	-	-
Nine	-	-	-	-	-	-
Ten	1.0	-	(1.0)	-	-	-
Eleven	1.0	-	(1.0)	-	-	-
Twelve	1.0	1.0	-	-	-	-
Subtotal	24.0	16.0	(8.0)	1.0	-	(1.0)
Spec Educ Elementary	5.0	4.0	(1.0)	-	-	-
Spec Educ Middle	-	-	-	-	-	-
Spec Educ High	-	-	-	-	-	-
Subtotal	5.0	4.0	(1.0)	-	-	-
Co Vocational	-	-	-	-	-	-
State Facilities	-	-	-	-	-	-
Totals	29.0	20.0	(9.0)	1.0	-	(1.0)

Lacey Township Board of Education
District Report of Transported Resident Students
As of October 14, 2016

EXHIBIT B
Pg. 1 of 1

TRANSPORTED REGULAR STUDENTS

	<u>Reported</u>	<u>Verified</u>	<u>Difference</u>
Students - Grade PK	0.0	0.0	-
Regular Public	1,013.5	1,054.0	40.5
Vocational School Students	93.5	101.0	7.5
Regular Charter	0.0	0.0	-
CSSP Charter	0.0	0.0	-
Transported Non-Public	122.0	122.0	-
Aid in Lieu of Transportation	9.0	9.0	-
Regular Special Education	727.5	407.0	(320.5)
Charter Special Education	0.0	0.0	-
Private School Disabled	0.0	0.0	-
Total Students	1,965.5	1,693.0	(272.5)
Total Mileage	8,129.6	7,185.4	(944.2)
Average Mileage	4.1	4.2	0.1

TRANSPORTED SPECIAL NEEDS STUDENTS

	<u>Reported</u>	<u>Verified</u>	<u>Difference</u>
Special Needs Public Schools	186.0	220.0	34.0
Special Needs Charter Schools	0.0	0.0	-
Special Needs Private Schools for the Disabled	16.0	15.0	(1.0)
Total Students Special Needs	202.0	235.0	33.0
Out of District No Sp. Needs	20.5	32.0	11.5
Out Of District Charter No Sp. Needs	0.0	0.0	-
Out Of Dist. Private Schools No Sp. Needs	4.0	4.0	-
Total Students No Sp. Needs	24.5	36.0	11.5
Total Special Education Students	226.5	271.0	44.5
Total All Special Ed Mileage	1,940.8	1,734.5	(206.3)
Average Mileage	8.6	6.4	(2.2)

State of New Jersey
Department of Education
Office of Fiscal Accountability and Compliance

PROCEDURES FOR LEA/AGENCY RESPONSE
CORRECTIVE ACTION PLAN AND APPEAL PROCESS

Board of Education Response:

Pursuant to N.J.A.C. 6A:23A-5.6, the following actions shall occur:

- (a) Any school district or county vocational school district that has been subject to an audit or investigation by the Department of Education, Office of Fiscal Accountability and Compliance (OFAC) shall discuss the findings of the audit or investigation at a public meeting of the district board of education no later than 30 days after receipt of the findings.
- (b) Within 30 days of the public meeting required in (a) above, the district board of education shall adopt a resolution certifying that the findings were discussed in a public board meeting and approving a corrective action plan to address the issues raised in the findings. The resolution shall be submitted to the OFAC within 10 days of adoption by the board of education.
- (c) The findings of the OFAC audit or investigation and the board of education's corrective action plan shall be posted on the district's web site, if one exists.

If the board of education disputes any of the findings of the audit or investigation, it may file a written appeal with the OFAC of any disputed finding(s) within 10 days of adoption of the resolution. Seeking an appeal of the findings does not preclude adherence to the provisions of (a), (b), and (c) listed above.

Corrective Action Plan:

The corrective action plan is to be used when the LEA/Agency is in agreement with any of the findings. To contest a finding, the appeal process must be used. After the appeal is settled, a corrective action plan must be filed for any finding upheld during the appeal process.

The corrective action plan must be prepared by completing the attached form. The LEA/Agency must submit the following information:

- Recommendation number
- Corrective action (approved by the board)
- Method of implementation
- Person responsible for implementation
- Completion date of implementation

If the corrective action plan is acceptable, a letter will be sent to the LEA/Agency indicating that it has been accepted.

If the corrective action plan is not acceptable, a letter will be sent to the LEA/Agency indicating whether further clarification is required or further action is necessary.

Appeal Process:

The appeal process is used to contest disputed findings.

Within 10 days of the board's adoption of the resolution approving an appeal of the findings of the audit or investigation, a written request by the LEA/Agency to review the disputed finding(s), recommendation(s), or questioned costs must be submitted to the OFAC Director. The Request for Appeal must indicate the finding(s) in question.

The Request for Appeal must be in writing and the LEA/Agency must present any supporting documentation for the appeal. Subsequent to the submission of the Request for Appeal, the OFAC Director will issue a written decision.

If the final determination made by the Director, is still unsatisfactory to the LEA/Agency, the LEA/Agency may file a Petition of Appeal pursuant to N.J.A.C. 6A:3-1.3.

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

NAME OF SCHOOL DISTRICT LACEY TOWNSHIP BOARD OF EDUCATION
COUNTY OCEAN

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

DATE OF BOARD MEETING _____

CONTACT PERSON _____

TELEPHONE NUMBER _____

RECOMMENDATION NUMBER	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
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CHIEF SCHOOL ADMINISTRATOR _____ DATE _____ BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR _____ DATE _____