



Campbell-Savona Central School District

Student State Aid

2024M-79 | August 2024

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Report Highlights

Campbell-Savona Central School District

Audit Objective

Determine whether Campbell-Savona Central School District (District) officials properly claimed New York State (State) aid for special education and homeless students.

Key Findings

District officials did not properly claim a total of \$65,953 in potential State aid for special education and homeless students, including \$29,939 of potential aid the District will not receive because officials did not file claims within the filing timeframes. Specifically:

- \$57,176 in estimated State aid was not properly claimed by the District for four special education students.
- \$8,777 in potential State aid was not properly claimed for five students classified as homeless.

During our audit, we notified District officials that \$40,940 of the \$65,953 in potential State aid could still be claimed, including:

- \$30,826 if submitted prior to June 30, 2024. Although District officials told us they intended to submit reimbursement claims for the full amount before the deadline, only \$25,900 was submitted; the remaining \$4,926 is no longer eligible.
- \$10,114 if submitted prior to June 30, 2025.

Because District officials did not provide proper oversight or establish procedures for claiming special education public placement and homeless students, or submit for all aid identified by this audit, the District did not receive all aid it was entitled to.

Key Recommendations

The audit report includes eight recommendations to help District officials improve their practices over State aid for special education and homeless students.

District officials agreed with our recommendations and indicated they will take corrective action.

Audit Period

July 1, 2020 – March 31, 2024

Background

The District serves the Towns of Addison, Bath, Bradford, Cameron, Campbell, Erwin and Thurston in Steuben County.

The District is governed by a seven-member Board of Education (Board) responsible for managing and controlling the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the chief executive officer and is responsible, along with the Director of Management and other administrative staff, for the District's day-to-day management under the Board's direction.

The Director for Special Education (Director) is responsible for preparing and submitting State aid claims for reimbursement for special education students.

The Homeless Liaison (Liaison) is responsible for identifying homeless or transient status students as they move in and out of the District, tracking when they are placed into temporary and permanent housing, and submitting State aid claims for reimbursement for homeless students.

Quick Facts 2022-23

Total District Enrollment	816
Special Education Enrollment	127
Homeless Status Students	33

Special Education and Homeless Student State Aid

A school district (district) is eligible to receive State aid (i.e., Public High Cost Excess Cost Aid) for a school-age special education student:

- For whom district officials have developed an individualized education program (IEP) and who receives services during the regular school year in a 10-month public placement (i.e., in-district, other district or Board of Cooperative Educational Services [BOCES] program), and
- When the annualized eligible special education costs for the student exceed the district's threshold amount, as established by the New York State Education Department (SED) based on financial and enrollment data filed by a district with SED.

State aid reimbursement is based on the eligible costs¹ as determined by the services provided according to the student's IEP and the student's full-time equivalent (FTE) attendance² for the school year.³

A district is also eligible to receive State aid for the direct costs of educating non-resident school age students that are designated homeless. A student is considered homeless if they lack a fixed, regular, and adequate nighttime residence. This would include students whose nighttime residence is:

- A multi-family home,
- Hotel or motel,
- Cars,
- Parks, and/or
- Other public places not meant to be used as sleeping accommodation.

Only homeless students who attend school in a district that is different from their school district of origin and who were last permanently housed in the State of New York are eligible. The amount of State aid received is dependent upon the FTE that the student was homeless and the non-resident tuition rate (NRT) that would be applicable for the student, depending on their grade level or special education requirements.

1 For example, for a special education student who only received services from employees at the district, officials will need to calculate the student's eligible costs based on the proportionate share of the employees' salaries and fringe benefits (e.g., health insurance) for services provided to the student. For a special education student that only received services at BOCES, officials can obtain the student's eligible costs directly from the year-end final cost report issued by the BOCES.

2 FTE is the decimal expression of a student's enrollment duration compared to the length of the annual school year. For example, a student who is enrolled for a full school year has an FTE of 1, while a student who is enrolled for half the year has an FTE of 0.5.

3 Refer to Appendix A for examples on the calculation of State Aid.

How Should Officials Ensure State Aid for Special Education and Homeless Students Is Properly Claimed?

District officials should provide proper oversight of the District's State Aid claiming processes to ensure that their district receives all the State aid it is entitled to for students who receive special education services in 10-month public placements, and for all qualifying homeless students. Officials should also develop a well-designed system for claiming State aid that assigns responsibilities for specific activities to ensure each participant understands the overall objectives and their role in the process. In addition, periodic monitoring of the process by officials helps ensure a district will receive all the State aid revenue to which it is entitled in a timely manner.

10-Month Public Placements – To receive State aid for special education students who receive services in 10-month public placements, District officials must submit cost and enrollment data to SED through the System for Tracking and Accounting for Children (STAC) online system for reimbursement approval. District officials then must verify the accuracy and completeness of the data submitted through the STAC online system to claim State aid. Because State aid is available when a student's annualized cost exceeds a district's threshold, officials should establish adequate procedures to ensure all eligible students are identified and their corresponding annualized costs are accurately calculated.

A district has up to one year after the end of the school year of a student's attendance (e.g., June 30, 2024, for a student's attendance during the 2022-23 school year) to submit claims to receive current year aid and an additional year (e.g., June 30, 2025, for a student's attendance during the 2022-23 school year) to submit claims under prior-year aid. However, aid may not be received, or received in a less-than-timely manner for claims that are submitted under prior-year aid. This is because the claims are put into a queue and paid out in the order that prior-year claims have been approved by SED within the limit of the designated appropriation for this purpose. As a result, district officials should submit claims as soon as possible during the subsequent school year of a student's attendance to prevent any loss or delays of State aid.

Homeless Students – To receive State aid for nonresident homeless students, district officials must complete and maintain designation forms for all eligible nonresident homeless students and submit those forms to SED for students identified as eligible to generate additional State aid. Officials are then responsible for monitoring the homeless eligibility list posted by SED in STAC. At the end of each school year, officials need to verify the information in STAC to receive an approved payment report and an electronic transfer of funds. District officials must verify information and submit claims by June 30 of the school year following a student's attendance (e.g., June 30, 2024, for a student's attendance during the 2022-23 school year) to receive State aid for nonresident homeless students.

Officials Did Not Properly Claim State Aid for Special Education and Homeless Students

Officials did not establish adequate procedures or provide oversight to ensure State aid for special education and homeless students was properly claimed. As a result, the District did not receive all State aid it was entitled to.

10-Month Public Placement – The Director only reported students educated at the BOCES and did not report any students educated in-district. The Director told us that this was because she was taught that the in-district students' costs would not exceed the District's threshold to qualify for aid. However, the Director did not evaluate any of the costs for in-district students to determine if they would have qualified for aid.

We identified a population of seven in-district students that were likely to have exceeded the District's aid threshold during the 2020-21 through 2022-23 school years (One in 2020-21, two in 2021-22, and four in 2022-23). We further examined five of these students and determined that four did exceed the District's threshold, resulting in \$57,176 in estimated aid that was not properly claimed by the District.

Although \$21,162 could no longer be claimed because of reporting deadlines, a total of \$36,014 was still eligible to be claimed; \$25,900 if submitted prior to a June 30, 2024 deadline, and \$10,114 if submitted prior to a June 30, 2025 deadline. We shared this information with the Director, Superintendent and Director of Management during our fieldwork. District officials submitted claims for the \$25,900 prior to the June 30, 2024 deadline.

Homeless Students – The Liaison did not report any homeless students in STAC and, therefore, did not apply for any State aid. The Liaison told us that he was unaware of the requirement to report homeless students through STAC and thought that maintaining the designation forms internally was enough. The Superintendent and the Director of Management told us that the expectation was that the Liaison would handle the reporting and verification of homeless students; however, the Liaison was never given access to STAC or training on how to use it and no one was reviewing his work as the Liaison. According to District policy,⁴ the Superintendent is responsible for ensuring that the Liaison is aware of his responsibilities and receives appropriate professional development to carry out his duties. However, the Superintendent told us she was unaware of these oversight responsibilities according to the policy and did not provide the Liaison with access to STAC. Without this access, the Liaison could not complete his expected duties.

⁴ Policy 4020 - Homeless Students

We identified a total population of 77 students during the 2021-22 through 2023-24 school years (29 in 2021-22, 33 in 2022-23, and 15 in 2023-24) that were homeless. We determined that five students would have been eligible for aid. Three students in 2022-23 and two in 2021-22 would have qualified for \$8,777 in potential State aid had the District reported the students through STAC.

Although \$3,852 of this amount was no longer eligible as the claiming window has passed, three of the five students could still have been reported through STAC for \$4,926 in potential State aid if submitted prior to a June 30, 2024 deadline. However, even though we reported this information to the Liaison, Director of Management and the Superintendent during fieldwork, no action was taken by the June 30, 2024, deadline and the District is no longer eligible to claim the \$4,926.

Because District officials did not establish procedures and provide proper oversight for reporting 10-month special education public placement and homeless students through STAC, the District did not properly claim a total of \$65,953 in potential State aid to which it was entitled. Furthermore, even though we informed District officials during our audit period that \$40,940 of \$65,953 could still be claimed, District officials only submitted claims for \$25,900 of this amount, with \$10,114 in potential aid still unclaimed as of July 7, 2024 and \$4,926 lost due to inaction on the part of District officials.

What Do We Recommend?

The Director should:

1. Establish reporting procedures and provide oversight for identifying all 10-month public placement special education students that would qualify for aid.
2. Review all 10-month public placement special education students that were identified in this report as potentially unclaimed State aid and submit any eligible claims for reimbursement through STAC.
3. Going forward, report all eligible in-district and BOCES students through STAC prior to SED deadlines to ensure State aid is received in a timely manner.

The Liaison should:

4. Receive training on how to report homeless students through STAC.
5. Review all homeless students that were identified in this report and submit any eligible claims for reimbursement through STAC.

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6. Establish procedures to identify homeless students that are eligible for State aid and report them through STAC prior to SED deadlines.

The Superintendent should:

7. Review the policy for homeless students and ensure that the Liaison has the necessary training and is performing all their duties.
8. Ensure officials responsible for STAC reporting have appropriate access to fulfill their duties.

Appendix A: Calculation of State Aid Examples

Figure 1: In-District Student “10-Month Annualized Cost” Example

John was enrolled in a 6:1:1 10-month special education class. There were only five students enrolled in that class and John was enrolled for 30 out of the 40 weeks. The special education teacher and classroom aide had combined salaries and fringes for the 30 weeks of \$150,000 and \$50,000. John also received \$4,500 in related services, and his IEP required an assistive-technology device costing \$2,500. The sample 10-month annualized cost calculation for John would be:

Salary	(1/5th of \$150,000)	\$30,000
Fringe Benefits	(1/5th of \$50,000)	10,000
Related Services		4,500
Total Actual Cost Before Assistive Technology		\$44,500
FTE Enrollment	(30 weeks/40 weeks)	÷ 0.750
Total Annualized Cost Before Assistive Technology		\$59,333
Assistive Technology Device		2,500
Total 10-Month Annualized Cost		\$61,833

Figure 2: In-District Student “10-Month Estimated High-Cost” Aid Calculation



Total 10-Month Annualized Cost
- District Threshold
Annualized Excess Cost
× FTE
Aidable Excess Cost
× Public Excess Cost Ratio
= Estimated Cost Available

Appendix B: Response From District Officials



CAMPBELL-SAVONA CENTRAL SCHOOL DISTRICT
CREATING SUCCESSFUL CCITIZENS STRIVING TO MAKE A DIFFERENCE

August 19, 2024

Dina M. L. Thompson, Chief of Municipal Audits
State Office Building
44 Hawley Street, Suite 1702
Binghamton, New York 13901-4417

Dear Ms. Thompson:

On behalf of the Campbell-Savona Central School District, we appreciate the opportunity to respond to the Student State Aid Report of Examination, 2024M-79, for our district for the time period of July 1, 2020 to March 31, 2024 that was conducted by your office. The purpose of this letter is to address the findings and recommendations contained in the report.

The District appreciates the professionalism, detail, and communication of the comptroller's audit team. The District agrees with the audit's findings and suggested recommendations. District officials have already begun to implement corrective actions for the two areas identified. This district submitted the appropriate data in the STAC system for the eligible years for the 10-month placements identified in the audit and will continue to do so in the future. Due to a staff resignation, the District was not able to STAC the identified homeless students by the June 30, 2024 deadline. However, a new staff member has been assigned this task and will ensure the eligible claims are filed in the future.

A comprehensive corrective action plan will be submitted to your office and the New York State Education Department within 90 days of the final report being released.

Sincerely,

Ann Meccariello
Superintendent of Schools

Appendix C: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and reviewed various records and reports to gain an understanding of the District's procedures for claiming State aid for 10-month special education and homeless students.
- We reviewed documentation for all special education students educated in-district at the District with 1:1 or shared aides for 20-21, 21-22, and 22-23 school years based on our experience that those students' cost would have had the highest chance of exceeding the District's threshold to be eligible for State aid. We identified a total population of seven students that fit the criteria and selected a sample of five students for testing so that we could verify required aide services on their IEP, as only services on a student's IEP can be counted for aid. We calculated the potential aid according to SED guidance.
- We identified a total population of 77 students in homeless status during the 2021-22, 2022-23, 2023-24 school years using the Student Residency Questionnaire forms, STAC 202 designation forms, and SchoolTool Homeless Student reports. We then traced all students identified as homeless to their student files to confirm their homeless status, that they transferred from another district in NYS, and had an NRT rate that would generate State aid. We then calculated the potential aid according to SED guidance.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a (3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted on the District's website for public review.

Appendix D: Resources and Services

Regional Office Directory

www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.ny.gov/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.ny.gov/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.ny.gov/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.ny.gov/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.ny.gov/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.ny.gov/local-government/publications

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.ny.gov/local-government/academy

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

<https://www.osc.ny.gov/local-government>

Local Government and School Accountability Help Line: (866) 321-8503

STATEWIDE AUDITS – Dina M.L. Thompson, Chief of Municipal Audits

State Office Building, Suite 1702 • 44 Hawley Street • Binghamton, New York 13901-4417

Tel (607) 721-8306 • Fax (607) 721-8313 • Email: Muni-Statewide@osc.ny.gov

[osc.ny.gov](https://www.osc.ny.gov)

