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Dr. Clarence G. Ellis, Superintendent  
Members of the Board of Education  
East Ramapo Central School District  
105 South Madison Avenue  
Spring Valley, NY 10977

Report Number: 2019M-107-F

Dear Superintendent Ellis and Members of the Board of Education:

One of the Office of the State Comptroller's primary objectives is to identify areas where school district officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage school district officials to reduce costs, improve service delivery and to account for and protect their school district's assets. In accordance with these objectives, we conducted an audit of the East Ramapo Central School District (District) to assess nonpublic school transportation. As a result of our audit, we issued a report in November 2019 identifying certain conditions and opportunities for the District management's review and consideration. In response to the audit, officials filed a Corrective Action Plan (CAP) with our office on December 10, 2019. The CAP identified the actions officials took or planned to take to implement the audit recommendations.

To further our policy of providing assistance to school districts, we revisited the District in May/June 2022 to review progress in implementing our recommendations. Our follow-up review was limited to interviews with District personnel and inspection of certain documents related to the issues identified in our report. Although the District's CAP indicated the District took corrective action on or before June 30, 2019 for seven of the eight audit recommendations, we found that six recommendations were not implemented and the status of two recommendations could not be determined.

### **Recommendation 1 – Compliance with New York State (NYS) Laws and District Policies**

Ensure that NYS Laws and the District's policies for student eligibility are followed.

Status of Corrective Action: Not Implemented

Observations/Findings: NYS Education Law and District policies require parents of nonpublic school students to file requests for transportation with the District by April 1<sup>st</sup> of the preceding school year for the following year or within 30 days of moving to the District. The District requires parents to provide proof of birth date and residency for first time applicants.

Although the District's CAP indicated that the District was following all pertinent NYS Laws and District policies as of June 30, 2019, we found that the District did not always follow NYS Education Law and the District's policies for student eligibility. Specifically, we selected 46 new students and 12 returning students and found 34 applications did not adhere to NYS Education Law and District policies. Therefore, District officials did not ensure that these nonpublic school students were eligible for transportation.

### **Recommendation 2 – Timeliness of Application Files**

Ensure that applications for transportation are filed with the Department of Transportation (Department) by April 1<sup>st</sup> along with documents to prove residency and date of birth.

Status of Corrective Action: Not Implemented

Observations/Findings: The District's CAP stated that as of April 1, 2019, non-public transportation forms along with all supporting documentation are turned into the Department by April 1. However, we requested and reviewed the documentation for 46 nonpublic school students to determine if applications were filed timely with the required documentation and found the applications for 34 of the students (74 percent) were insufficient, missing or filed late. Specifically, we found that:

- All documentation for 13 nonpublic school students was missing.
- 12 applications were missing birth certificates and proof of residency.
- Four applications were filed late.
- Three applications lacked appropriate proof of residency.
- Two applications had been inaccurately completed.

Our review included applications from the last three completed fiscal years and the upcoming 2022-23 fiscal year. We found the application process and supporting documentation improved for the upcoming 2022-23 fiscal year with eight of the 12 students (67 percent) having timely applications with sufficient documentation.

### **Recommendation 3 – Reapplication Files**

Require that students transported by Yeshiva Private Contractors (YPCs) reapply annually for transportation.

Status of Corrective Action: Could Not Be Determined

Observations/Findings: The District's CAP noted Section 58 of the NYS School Laws required the submission of the Non-Public Transportation Request Form on an annual basis and must be received by the April 1 deadline. While officials stated corrective action was completed as of April 1, 2019, the CAP does not detail any corrective actions the District planned to take.

We reviewed the documentation for 12 nonpublic school students for the 2020-21 through 2022-23 fiscal years to determine if they reapplied annually for transportation. Some of these students left the District during this period resulting in 29 reapplications that should have been on file for the selected students. Of the 29 reapplications required, we found 25 on file; however, four reapplications could not be found. Further, of the 25 reapplications on file, we found 22 that were not dated. Therefore, we could not determine if they were filed by the April 1<sup>st</sup> deadline.

**Recommendation 4 – Development of Procedures**

Develop procedures to ensure that policies regarding eligibility are followed.

Status of Corrective Action: Not Implemented

Observations/Findings: Although the District's CAP stated as of June 30, 2019 the District developed procedures that ensure strict adherence to all State Regulations and Board Policies, District officials did not develop written procedures to ensure that policies regarding eligibility are followed. While the Transportation Director (appointed January 2022) recently started to implement informal procedures to ensure the April 1 application deadline is followed and Department staff obtain the required eligibility documentation, the procedures have not been formalized or fully implemented. For example, the Department sent letters to nonpublic school student families that submitted incomplete or ineligible transportation applications for the 2022-23 fiscal year. These letters explained what documentation was missing or why the application was denied. The Transportation Director also created an internal document outlining what documents are acceptable to prove residency, the documents required for new applications and reapplications, and the application deadline for employees to reference while reviewing applications.

**Recommendation 5 – Record Keeping**

Ensure that records establishing student eligibility are complete, filed and retained.

Status of Corrective Action: Not Implemented

Observations/Findings: The District's CAP stated that as of April 1, 2019, supporting documentation was verified and filed in the Department's secure room. However, we found that District officials did not ensure all records establishing student eligibility were complete, filed and retained. As previously stated, we requested and reviewed eligibility records for 46 nonpublic school students. Although eligibility records were complete, filed and retained for some students,

we found that 34 students did not have any records or complete records establishing their eligibility.

### **Recommendation 6 – Use of Actual Numbers Instead of Estimates**

Use the actual number of students per Department records, instead of estimates, to make payments for YPCs to transport students on a per-student basis.

Status of Corrective Action: Not Implemented

Observations/Findings: Although the District’s CAP stated that each student was entered into the Department’s database, we found that the records maintained in this database were inaccurate and unreliable.

We reviewed 30 payments during the 2019-20 to 2021-22 fiscal years to five different YPCs totaling \$4,185,768 to determine whether they used the actual number of students per Department records instead of estimates to make payments. Because payments were made on a per-student basis, we compared the number of students billed by the YPC to the number of students per Department records that attended each nonpublic school.

Although the number of students billed for by each YPC did not exceed the number of students per Department records, we found the Department records were inaccurate and unreliable. For example, we could not determine if 13 of the 46 nonpublic students reviewed were eligible for transportation or attended a nonpublic school because the Department did not have any documentation on file.

District officials agreed that Department records were inaccurate and unreliable. Therefore, we could not determine the actual number of students transported by the YPCs or whether payments made to YPCs were accurate. Due to inaccurate Department records, District officials do not know the actual number of students attending nonpublic schools. As a result, District officials requested nonpublic schools to submit letters with a student roster acknowledging that the roster was accurate and up to date and would be used for billing the District for transportation. However, District officials only provided an acknowledgement letter submitted in December 2021 for one of the five YPCs reviewed.

District officials told us only some of the YPCs submitted acknowledgement letters and that they are currently working to rebuild Department records to determine an accurate count of students attending each nonpublic school for the 2022-23 fiscal year.

### **Recommendation 7 – Resolve Discrepancies**

Resolve any discrepancies between the number of students on payment claims and the Department's records before approving the payments.

Status of Corrective Action: Could Not Be Determined

Observations/Findings: The District's CAP indicated that as of June 30, 2019, corrective action was implemented, and all payment claims were reviewed for accuracy as to the number of approved students in the database. However, we found that the database was inaccurate and unreliable.

Although we found that the Department resolved some discrepancies before approving payments, the Department's unreliable records prevented us from determining if additional claim discrepancies existed.

### **Recommendation 8 – Consult with District Counsel**

Consult with District counsel to determine if there were any overpayments as a result of using estimated, rather than actual, number of students. If there were overpayments, seek reimbursement.

Status of Corrective Action: Not Implemented

Observations/Findings: While the District's CAP stated officials needed their attorney's perspective, we inquired with District officials about whether District counsel was consulted to determine if there were any overpayments. According to the former Assistant Superintendent of Business, former District officials did not discuss the overpayments with their counsel, and they did not pursue reimbursements.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage District officials to continue their efforts to fully implement our recommended improvements.

Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Dara Disko-McCagg, Chief Examiner of our Newburgh Regional Office at (845) 567-0858.

Sincerely,

Randy L. Partridge  
Assistant Comptroller