



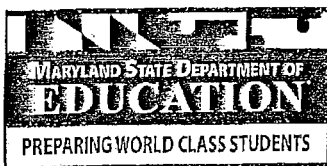
Motor Carrier Attachment 18:

MSDE Audit of BCPS

Baltimore, MD; 11/1/2016

HWY17MH007

(37 pages)



Jack R. Smith, Ph.D.
Interim State Superintendent of Schools

200 West Baltimore Street • Baltimore, MD 21201 • 410-767-0100 • 410-333-6442 TTY/TDD • msde.maryland.gov

March 14, 2016

Dr. Gregory Thornton
Chief Executive Officer
Baltimore City Public Schools
200 East North Avenue
Baltimore, MD 21202

Dear Dr. Thornton:

Enclosed is a copy of the draft audit report on State Aid Programs for fiscal years 2014 and 2013; student enrollment as of September 30, 2014 and 2013 for calculating the Foundation Program for fiscal years 2016 and 2015; the number of disabled students transported as of the last Friday in October 2014 and 2013; Limited English Proficient students as of October 31, 2014 and 2013, Compensatory and Special Education eligibility counts as of October 31, 2014 and 2013; NCLB Title I Part A, Comparability of Services as of December 1, 2014; and Race To The Top (RTTT) FY 2014.

Please review this report and provide us with a written response addressing each finding and recommendation separately by April 14, 2016. If you disagree with any of the audit findings, please state so and provide whatever documentation and additional information you deem appropriate to support your position. Upon receipt of your response, an exit conference can be scheduled to clarify any unresolved findings.

Should you have questions, please do not hesitate to contact me at: [REDACTED] or Mr. Derwin Lilly by phone at: [REDACTED] or email: [REDACTED] or fax: 410-333-6012.

Thank you for your cooperation in this matter.

Sincerely,

[REDACTED]
Richard McElroy, CPA, CIA, CICA
Interim Director of Audit

Enclosures

c: Donald R. Kennedy, Sr, Chief Finance Officer
Baltimore City Public Schools

Ms. Maryanne Cox, Controller
Baltimore City Public Schools

Mr. Derwin Lilly, Section Chief
Maryland State Department of Education

DRAFT FOR DISCUSSION PURPOSES

**BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF STATE AID PROGRAMS
FOR THE PERIODS ENDED
JUNE 30, 2014 AND 2013
STUDENTS ENROLLED
AS OF SEPTEMBER 30, 2014 AND 2013
AND DISABLED STUDENTS
TRANSPORTED
AS OF OCTOBER, 2014 AND 2013
BRIDGE TO EXCELLENCE PROGRAMS AS OF
OCTOBER 31, 2014 AND 2013**

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AUDITORS' REPORT

Jack R. Smith, Ph.D.
Interim State Superintendent of Schools

We have audited the financial and statistical reports of the Baltimore City Public Schools (LEA) that relate to State Aid to Education Programs presented in Exhibit A as of June 30, 2014 and 2013 and for the years then ended as listed in the table of contents; Bridge to Excellence Programs as of October 31, 2014, and 2013, which are the bases for funding for fiscal years (FY) ending June 30, 2016, and 2015; student enrollment as of September 30, 2014 and 2013, which are the bases for calculating the Foundation Program for fiscal years ending June 30, 2016 and 2015; and sections of the Bridge to Excellence Master Plan and Updates consistent with the Federal American Recovery and Reinvestment Act (ARRA) of 2009. These reports are the responsibility of the LEA's management. Our responsibility is to determine whether the reports are fairly presented; whether the LEA, in carrying out the programs, complied with the laws and regulations applicable to the programs; and whether the LEA met the reporting requirements established by the Maryland State Department of Education (MSDE).

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial related audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the reports are free of material misstatements, whether the LEA complied with the laws and regulations applicable to the programs audited, and whether the LEA met MSDE's reporting requirements. An audit includes examining, on a test basis, evidence supporting the amounts in the reports. An audit also includes evaluating the internal control systems used by the LEA to administer State Aid to Education Programs. Our report on internal control follows this report. We believe that our audit provides a reasonable basis for the findings and recommendations of this report.

As a result of our tests, we recommend that the Chief Operating Officer, MSDE, should do the following:

1. Should reduce \$1,208,441 for fiscal year 2016 from the state share of the Foundation Grant and collect \$ 5,175 for fiscal year 2015 from the Foundation Grant.
2. Collect \$12,000 for fiscal year 2015 from the Transportation Grant.
3. Collect \$7,850 from the Special Education Grant for fiscal year 2015.

DRAFT FOR DISCUSSION PURPOSES

4. Collect \$5,824 from the Nonpublic Placement Grant for fiscal year 2014 and collect \$922 for fiscal year 2013 from the Nonpublic Placement Grant.

Except for the items noted in the findings and recommendations of this report that have no monetary affect, the LEA complied, in all material respects, with the financial and other requirements that are applicable to each of its State Aid to Education Programs audited.

This report is intended for the information of the Baltimore City Public Schools and the Maryland State Department of Education. However, when final this report is a public record and its distribution is not limited.

Richard C. McElroy, CPA, CIA, CICA
Interim Director of Audit

March 14, 2016

REPORT ON INTERNAL CONTROL

Jack R. Smith, Ph.D.
Interim State Superintendent of Schools

We have audited the financial and statistical reports of the Baltimore City Public Schools (LEA) that relate to State Aid to Education Programs presented in Exhibit A-1 and A-2 as of June 30, 2014 and 2013 and for the years then ended as listed in the table of contents; Bridge to Excellence Programs as of October 31, 2014 and 2013, which are the bases for funding for fiscal years (FY) ending June 30, 2016 and 2015; student enrollment as of September 30, 2014 and 2013, which are the bases for calculating the Foundation Program for fiscal years ending June 30, 2016 and 2015; and sections of the Bridge to Excellence Master Plan and Updates consistent with the Federal American Recovery and Reinvestment Act (ARRA) of 2009. These reports are the responsibility of the LEA's management. Our responsibility is to determine whether the reports are fairly presented; whether the LEA, in carrying out the programs, complied with the laws and regulations applicable to the programs; and whether the LEA met the reporting requirements established by the Maryland State Department of Education (MSDE).

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial related audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the reports are free of material misstatement, whether the LEA complied with the laws and regulations applicable to the programs audited, and whether the LEA met MSDE's reporting requirements.

The management of the LEA is responsible for establishing and maintaining effective internal control over administration of State Aid to Education Programs. In planning and performing our audit, we considered the LEA's internal control over compliance with program and financial requirements that could have a direct and material effect on a State aid program in order to determine our auditing procedures for the purpose of expressing our opinion on the LEA's compliance with laws and regulations and to test and report on the internal control.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a deficiency, or combination of deficiencies, in internal control; such that there is a reasonable possibility that noncompliance with a program and financial requirement will not be prevented, or detected and corrected on a timely basis. We noted no matters involving the internal control and its operation that we considered being material weaknesses.

DRAFT FOR DISCUSSION PURPOSES

This report is intended for the information of the Baltimore City Public Schools and the Maryland State Department of Education. However, when final this report is a public record and its distribution is not limited.

Richard C. McElroy, CPA, CIA, CICA
Interim Director of Audit

March 14, 2016

FINDINGS AND RECOMMENDATIONS

Finding 1: Student Enrollment as of September 30, 2013 and 2014

Background and Purpose

Under the authority granted by the provision of the Annotated Code of Maryland and Bylaws governing public education, MSDE calculated the State share for the Foundation Program based on the funding formula, which relied on the reported September 30, enrollment data. Since the school year 1998-1999, Local Education Agencies (LEAs) have been required to electronically report student level data records to MSDE in accordance with the required format and specification. MSDE compiled the total number of records submitted, the number of students eligible for state aid, the number ineligible, and provided the summary report to the LEA for review for completeness and accuracy. The LEA must submit a verification form, signed by the local superintendent of schools, which certifies agreement with the summary report.

The objective of our audit of the Baltimore City Public Schools enrollment was to determine the number and percentage of errors in the enrollment count for September 30 counts. Errors were defined as reporting students who did not have qualifying September 30 attendance, complete immunizations or documented Maryland residency. To bring about a broader view of the audit results, MSDE used the statistical analysis approach based on a valid sampling plan that permits the extrapolation of findings from the sample of 191 students from the September 30, 2013 counts and 192 students from the September 30, 2014 counts. The following criteria were applied: 95% confidence level; 99% precision or margin of error; and 1% planned error rate. Our policy is to extrapolate errors that exceed one percent of the sample population excluding residency. The sample frame contained 158,855 eligible students in kindergarten through 12th grade for the combined years.

Our statistician used a stratified random method to select 383 students out of the population of 158,855 students. The sample was stratified because MSDE is using different rules for new or re-entered students as of school year 1997-98, from the rules used for those students who were continued from the prior years.

During the fieldwork we performed the following activities:

- Reviewed student records (SR1 Cards) and manual attendance records supporting enrollment and required immunization records (DHMH Form 896) of the 383 students.
- Reviewed copies of students' documented proof of residency required to be part of the cumulative file for each student in the sample for the years audited.
- Reviewed the LEA's policy on residency to determine whether it contained MSDE's minimum requirements.

Finding 1: Student Enrollment – Continued

Documents reviewed during fieldwork were adequate to support the reported enrollment except as follows:

The LEA Overstated the Enrollment count for September 30, 2014 and September 30, 2013

The LEA overstated the Enrollment Count for the school year 2014-2015 by 240 students. Our audit of students' records disclosed that three (3) students did not have up to date attendance documentation and that one (1) student did not have documentation of residency for the school year 2014-2015. As a result, we disallowed 4.00 FTE students for school year 2014-2015. Refer to Exhibit B1 Schedule 1.

Furthermore, the LEA overstated the Enrollment count in 2014-2015 by 236 students. As a result, 240 students were disallowed in 2014-2015. This disallowance of 240 students will impact the funding of the additional student grant appropriated for fiscal year 2016. Refer to Transportation Finding and Exhibit B-1.

The LEA overstated the Enrollment Count for the school year 2013-2014 by one (1) student. Our audit of students' records disclosed that one (1) student did not have up to date attendance documentation for the school year 2013-2014. As a result, we disallowed 1.00 FTE student for school year 2013-2014. Refer to Exhibit B2 Schedule 1.

This disallowance of one (1) student will impact the funding of the additional student grant appropriated for fiscal year 2013. Refer to Transportation Finding and Exhibit B-2.

Recommendations:

1. The LEA should adequately monitor student enrollment, attendance and record keeping procedures based on Maryland Student Record System Manual.
2. The Chief Operating Officer of MSDE should reduce \$1,208,441 (\$5,035.17 x 240) as rounded for fiscal year 2016 from the state share of the Foundation Grant for fiscal year 2016 appropriated for Baltimore City Public Schools and should collect \$5,175 from Baltimore City Public Schools for the 2015 fiscal year.

Finding 2: Student Transportation

Background and Purpose

The State provides grants to local education agencies for the purpose of assisting in the cost of transporting students to and from schools.

Our audit was performed to ascertain that the Baltimore City Public Schools complied with COMAR 13A.06.07 and MSDE's reporting requirements.

To determine the LEA's compliance with COMAR 13A.06.07, we selected at random 30 school vehicle drivers from their roster of school vehicle drivers, and 15 school vehicle attendants from their roster of school vehicle attendants. Additionally, we selected, at random, 30 school vehicles from their roster of school vehicles. Drivers, attendants, instructors and vehicles were randomly selected for FY 2014 and 2013, respectively.

A. Documentation verifying compliance with COMAR training and safety requirements has not been properly maintained.

Regulation .06A(7) states that the school vehicle driver shall receive a negative controlled substances test result on the tests required under Regulation .10 of this chapter. However, one (1) of the school vehicle drivers in our FY 2013 sample was not documented as having a pre-employment drug test performed.

Regulation .06C(1) states that the school vehicle driver shall be evaluated at least once every two (2) years by the school vehicle driver instructor, the local assistant supervisor of transportation, or the local supervisor of transportation. However, five (5) of the school vehicle drivers in our 2013 sample were not documented as having been evaluated within a two (2) year period and biannual evaluation were not performed for five (5) school vehicle drivers in a timely manner for 2013.

Regulation .07A(4) requires that school vehicle attendants have no evidence of a criminal record which, in the opinion of the local supervisor of transportation, makes the individual unfit for employment. However, one (1) of the school vehicle attendants in our FY 2014 sample had not completed the background check prior to employment. Two (2) of the school vehicle attendants in our FY 2013 sample was not documented as having completed the background checks prior to employment. At a minimum, the criminal history record information should be maintained as long as the subject of the background check is an employee.

B. Additional Transportation Grant Adjustment

The Education Article of the Annotated Code of Maryland, section 5-205(c) (ii) provides for an additional amount in the total State grant for student transportation based on the increase in the full time equivalent (FTE) enrollment.

Finding 2: Student Transportation – Continued

The additional amount is equal to the product of the difference between the FTE enrollment in a county for the current fiscal year and the FTE enrollment in the county for the previous fiscal year, or, if the FTE enrollment in a county for the current fiscal year is less than the FTE enrollment in the county for the previous fiscal year, zero.

Our audit of the September 30, 2014 enrollment disclosed 79,503 FTE students enrolled. The total reported FTE enrollment for the previous year was 79,352, therefore, Baltimore City Public Schools was granted transportation aid in FY 2016 on the basis of 151.00 FTE increase in student enrollment. Baltimore City was not eligible for the 151.00 FTE used in the budget calculations.

Our audit of the September 30, 2013 enrollment disclosed 79,352 FTE students enrolled. The total reported FTE enrollment for the previous year was 79,268, therefore, Baltimore City Public Schools was eligible for increased transportation aid in FY 2015 on the basis of 83.00 FTE increase in student enrollment and not 84.00 FTEs as used in the budget calculations. We disallowed one student in the enrollment counts. Refer to Enrollment Finding.

Recommendation:

The Chief Operating Officer, MSDE, should reduce \$42,374 as rounded ($\280.62×151) from the Additional Transportation Grant for fiscal year 2016 as appropriated for Baltimore City Public Schools.

The Chief Operating Officer, MSDE, should collect \$278 as rounded ($\277.55×1) from the Additional Transportation Grant for fiscal year 2015 as appropriated for Baltimore City Public Schools.

Recommendations:

The LEA should:

1. Develop and implement a process that ensures and documents that all future school vehicle drivers, instructors and attendants have satisfied all pre-service and in-service requirements, and have met all of the Maryland Motor Vehicle Administration's licensing requirements. Documentation of training must be maintained to show name of the trainee, driver, or attendant; name of the instructor; dates of instruction; number of hours of classroom instruction and topics of instruction; and number of hours of behind-the-wheel instruction. Also, for any school vehicle drivers, attendants and instructors whose documentation may not satisfy the aforementioned requirements, a memorandum from the Supervisor of Transportation should be placed in the employees' file explaining circumstances behind any missing documentation.

Finding 3: Disabled Students Transportation

Background and Purpose

In accordance with Section 5-205(d) of the Education Article of the Annotated Code of Maryland, MSDE issues grants to LEAs in addition to the base grant for student transportation provided under subsection (c) of this section, a disabled student transportation grant. The amount of the grant to each board shall be equal to the product of the disabled students requiring special transportation services that are transported by the county board in the previous fiscal year and funding and \$1,000 in fiscal year 2008 and each fiscal year thereafter. Baltimore City Public Schools reported ridership of 3,062 disabled students as of October 31, 2014 and 3,086 students as of October 31, 2013, respectively. Eligibility standards for reporting these students are provided on Form MSDE-BS/TRANS-NSTR: 11/01.

Our audit was performed to verify the accuracy of the number of students reported as transported as of October 31, 2014 and October 31, 2013, respectively.

The number of Student Ridership was not accurately reported.

We selected 25 students attending public schools for a test of eligibility as of October 31, 2013. During our testing, we found that there was a variance between the number of students reported to MSDE as noted above, and the actual number of student riders as of October 31, 2013. The total actual ridership was 3,074 as of October 31, 2013 resulting in a variance of 12 students. Therefore, we disallowed 12 students from the 2013 disabled student report. Refer to Exhibit F-2.

Recommendations

Baltimore City Public Schools should include only students who are eligible for special transportation as of the appropriate reporting date to be counted.

The Chief Operating Officer, MSDE should collect \$12,000 from Baltimore City Public Schools from the FY 2015 transportation grant.

Finding 4: Special Education

Background and Purpose

In accordance with §5-209 of the Education Article of the Annotated Code of Maryland, and COMAR 13A.02.06.06, MSDE distributes Special Education grants to county boards based on eligibility requirements established by the United States Department of Education. These funds are designed to provide additional funding to school districts so they can provide adequate educational resources to ensure that special education students meet state standards.

During fiscal years 2016 and 2015 Baltimore City Public Schools received \$52,901,194 and \$54,975,400 respectively in State Special Education grants. Our audit was performed to determine whether students included on the State Aid for Special Education Report are eligible, applicable laws and regulations comply with governing State Financial Assistance under the Special Education Grants, and accurate data was reported in claiming State funds.

Special Education Student counts were not accurately reported for fiscal year 2015.

We reviewed 146 Special Education Students' files for the 2014-2015 school year, and 141 Special Education Students' files for the 2013-2014 school year. After reviewing the records and documentation, we found that two students did not attend school for the 2013-2014 school year. Management acknowledged that two (2) students did not attend school for the 2013-2014 school year. Refer to Exhibit D-2, Schedule 1.

Recommendations:

Baltimore City Public Schools should do the following:

1. Improve their record retention process and procedures.
2. Ensure that it has documentation on file for all special education students.
3. Monitor students' attendance during the critical reporting period and withdraw those who never attend school.

The Chief Operating Officer, MSDE should collect \$7,850 (\$3,924.85 students x 2) as rounded from the Fiscal Year 2015 Special Education grant for Baltimore City Public Schools.

Finding 5: Nonpublic Placements

Background and Purpose

Under the authority of the Annotated Code of Maryland-Education §8-415 shared cost of education of children with disabilities, the state provided funds for collectively sharing, with the counties, the cost of educating children with disabilities in nonpublic programs under §8-406. MSDE and the State Coordinating Council share the responsibility of approving the placement and funding the related costs.

The LEA and the State share the approved costs for these placements. For each placement, the LEA contributes 300 percent of the basic cost of education in the school district as calculated by MSDE, and 30 percent of the approved cost or reimbursement in excess of the mandated 300 percent for fiscal year 2014. The state provides the difference between the LEA contributed 300 percent of the basic cost of education in the school district as calculated by MSDE, and 30 percent of the approved cost or reimbursement in excess of the mandated 300 percent.

Our audit was to determine whether reported expenditures are supported by recorded actual costs as they are approved and whether the State's share is properly calculated and disbursed accordingly.

The LEA over reported MSDE share for fiscal year 2014 and fiscal year 2013

The LEA reported the total cost of \$36,539,169.90 based on the final reconciliation report for fiscal year 2014 and for fiscal year 2013, \$37,896,026.67. MSDE's share of the reported cost for fiscal year 2014 was calculated as \$16,690,897.47 and for fiscal year 2013, \$17,089,173.50. We selected 27 students from the fiscal year 2014 and 30 students from fiscal year 2013 lists of students who received nonpublic tuition assistance to test the accuracy of calculation. The LEA calculated MSDE's share of the total cost to be \$791,364.00 for the 27 students for 2014 and \$890,183.00 for the 30 students for fiscal year 2013. However, our testing revealed that the LEA over-reported MSDE's share of tuition costs by \$5,824.00 for two (2) students in our fiscal year 2014 sample and by \$922.00 for one student in our fiscal year 2013 sample. Refer to Exhibit A-1, Schedule 2 and Exhibit A-2, Schedule 2.

Recommendations:

1. The LEA should improve its record retention process and procedures.
2. The Chief Operating Officer of MSDE should collect \$5,824.00 from Fiscal Year 2014 Nonpublic Placement Grant appropriated for Baltimore City Public Schools and collect \$922.00 from Fiscal Year 2013 Nonpublic Placement Grant appropriated for Baltimore City Public Schools.

<p><u>FINDING 3: Nonpublic Placements</u></p> <p>The LEA over reported MSDE share for fiscal year 2012.</p> <p><u>RECOMMENDATIONS:</u></p> <ol style="list-style-type: none"> 1. The LEA should improve its record retention process and procedures. 2. The Chief Operating Officer, MSDE should collect \$289 from Fiscal Year 2014 Nonpublic Placement Grant appropriated for Baltimore City Public Schools. 	<p>Repeat</p> <p>Not Implemented</p> <p>Collected paid 9/3/2014</p>
<p><u>FINDING 4: Student Transportation</u></p> <p>Documentation verifying compliance with COMAR training and safety requirements has not been properly maintained.</p> <p>Regulation .06A(4) requires that a school vehicle driver trainee have no evidence of a criminal record which, in the opinion of the local supervisor of transportation, makes the individual unfit for employment. However, two (2) of the school vehicle drivers in our FY 2011 sample were not documented as having a complete set of criminal background check results. At a minimum, the criminal history record information should be maintained as long as the subject of the background check is an employee.</p> <p>Regulation .06A(6) states the school vehicle driver shall pass an annual appropriate medical examination as stated in COMAR 11.19.05.01. However, one (1) of the school vehicle drivers in our 2011 sample were not documented as having passed a pre-service medical examination for the 2011 school year.</p> <p>Regulation .06A(7) states that the school vehicle driver shall receive a negative controlled substances test result on the tests required under Regulation .10 of this chapter. However, one (1) of the school vehicle drivers in our FY 2011 sample was not documented as having a pre-employment drug test performed.</p> <p>Regulation .06C(1) states that the school vehicle driver shall be evaluated at least once every two (2) years by the school vehicle driver instructor, the local assistant supervisor of transportation, or the local supervisor of transportation. However, 22 of the school vehicle drivers in our 2012 sample, as well as 14 of the school vehicle drivers in our 2011 sample were not documented as having been evaluated within a two (2) year period.</p>	<p>Implemented</p> <p>Implemented</p> <p>Repeat</p> <p>Repeat</p>

<p>Regulation .09D (1) states for pre-service, the school vehicle attendants, before riding on the bus with students on board, a school vehicle attendant shall complete two (2) hours of pre-service instruction, which includes at least one (1) hour of instruction in first aid. However, one (1) of the school vehicle attendants in our FY 2011 sample was not documented as having received the required minimum pre-service instruction.</p>	<p>Implemented</p>
<p>Regulation .09D (2) states that a school vehicle attendant annually shall complete two (2) hours of in-service instruction in topics that include equipment, student management and first aid. However, two (2) of the school vehicle attendants in our FY 2012 sample and five (5) of the school vehicle attendants in our FY 2011 sample were not documented as having completed the two (2) hours of in-service instruction.</p>	<p>Implemented</p>
<p>Regulation 12(A) states that three safety inspections and a preventative maintenance inspection shall be conducted annually in accordance with MVA regulations and inspection standards. However, three (3) of the school vehicles in our FY 2012 sample and 2 of the school vehicles in our FY 2011 sample were not documented as having received proper safety and preventative maintenance inspections.</p>	<p>Implemented</p>
<p><u>RECOMMENDATIONS:</u></p>	
<p>The LEA should:</p>	
<p>1. Develop and implement a process that ensures and documents that all future school vehicle drivers, instructors and attendants have satisfied all pre-service and in-service requirements, and have met all of the Maryland Motor Vehicle Administration's licensing requirements. Documentation of training must be maintained to show name of the trainee, driver, or attendant; name of the instructor; dates of instruction; number of hours of classroom instruction and topics of instruction; and number of hours of behind-the-wheel instruction. Also, for any school vehicle drivers, attendants and instructors whose documentation may not satisfy the aforementioned requirements, a memorandum from the Supervisor of Transportation should be placed in the employees' file explaining circumstances behind any missing documentation</p>	<p>Not Implemented</p>
<p>2. Immediately perform criminal background checks on all school vehicle drivers, instructors and attendants that are not in compliance.</p>	<p>Not Implemented</p>
<p>3. Ensure that all school vehicles receive proper safety and preventative maintenance inspections in accordance with MVA regulations and inspection standards.</p>	<p>Implemented</p>

EXHIBIT A-1

**BALTIMORE CITY PUBLIC SCHOOLS
STATEMENT OF AUDITED PROGRAM FUNDS
JULY 1, 2013 THROUGH JUNE 30, 2014**

<u>DESCRIPTION</u>	<u>GRANT NUMBER</u>	<u>STATE GRANT AWARDED</u>	<u>ELIGIBLE FUNDS</u>	<u>DIFFERENCE</u>
Foundation Grant	144129-001	\$ 385,720,200	\$ 385,720,200	\$ -
Compensatory Education	144129-002	323,375,146	323,375,146	-
Limited English Proficient	144129-003	17,814,422	17,814,422	-
Special Education Grant	144027	44,199,426	44,195,513	3,913
Student Transportation	144154	19,486,216	19,486,216	-
Nonpublic Placement	144002	14,549,259	14,549,259	-
Grand Total		<u>\$ 805,144,669</u>	<u>\$ 805,140,756</u>	<u>\$ 3,913</u>

Note (*) Traced grant awarded to LEA's Revenue Detail.

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF STATE AID PROGRAMS
STUDENT TRANSPORTATION - FY 2014
SCHEDULE OF COMAR VIOLATIONS FOR SCHOOL VEHICLE DRIVERS

PRESERVICE VIOLATIONS

<u>Name of Driver / Instructors</u>	<u>Service Begin Date</u>	<u>Valid License and Points</u>	<u>10-01-1986 Criminal Background Checks</u>	<u>Physical Examination</u>	<u>07-01-1993 Pre Employment Drug Test</u>	<u>Pre-Service Instruction 6 CLA/9 BTW</u>
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IN-SERVICE VIOLATIONS

<u>Drivers</u>	<u>Driving Record On File and Points</u>	<u>Physical Examination</u>	<u>In-Service Training Hours</u>	<u>7/1/12-6/30/14 No. of Preventable Accidents/24 mths</u>	<u>7/1/12-6/30/14 Biennial Evaluation</u>
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Driver Instructors

SCHEDULE OF COMAR VIOLATIONS FOR SCHOOL VEHICLE ATTENDENTS

<u>Name of Attendants</u>	<u>Hire Date</u>	<u>10-01-1986 Criminal Background Checks</u>	<u>Pre-Service No. of Hours First Aid</u>	<u>Pre-Service No. of Hours Duties Inst.</u>	<u>In Service Including First Aid Inst</u>
Kathy D. Myles	8/26/2006	3/2/2007			

NOTE:
N/R - No record on file

BALTIMORE CITY PUBLIC SCHOOLS
 AUDIT OF STATE AID PROGRAM
 NON PUBLIC PLACEMENT
 Fiscal Year 2014

EXHIBIT A-1
 Schedule 2

NAME	SCHOOL	TOTAL TUITION	ACTUAL PAYMENT	MSDE SHARE	DIFFERENCE C3-C4	MSDE SHARE OF DIFF @ 70%
Lemar Jackson	Good Shepherd School	111,638.00	110,459.00	62,355.00	7,739.00	\$ 5,417.30
Shaquan Kinard	Children's Guild	84,957.00	84,376.00	43,678.00	581.00	\$ 407.70
FY 14 TOTALS		\$ 196,595.00	\$ 194,835.00	\$ 106,033.00	\$ 8,320.00	\$ 5,824.00

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EXHIBIT A-2

BALTIMORE CITY PUBLIC SCHOOLS
 STATEMENT OF AUDITED PROGRAM FUNDS
 JULY 1, 2012 THROUGH JUNE 30, 2013

<u>DESCRIPTION</u>	<u>GRANT NUMBER</u>	<u>STATE GRANT AWARDED</u>	<u>ELIGIBLE FUNDS</u>	<u>DIFFERENCE</u>
Foundation Grant	134127-001	\$ 365,543,745	\$ 365,543,745	\$ -
Compensatory Education	134127-002	314,689,465	314,557,328	132,137
Limited English Proficient	134127-003	4,492,297	4,492,297	-
Special Education Grant	134025	42,605,825	42,605,825	-
Student Transportation	134081	18,546,263	18,546,263	-
Nonpublic Placement	134003	17,089,170	17,089,170	-
Grand Total		<u>\$ 72,966,765</u>	<u>\$ 72,834,628</u>	<u>\$ 132,137</u>

Note (*) Traced grant awarded to LEA's Revenue Detail.

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF STATE AID PROGRAMS
STUDENT TRANSPORTATION - FY 2013
SCHEDULE OF COMAR VIOLATIONS FOR SCHOOL VEHICLE DRIVERS

PRESERVICE VIOLATIONS

<u>Name of Driver / Instructors</u>	<u>Service Begin Date</u>	<u>Valid License and Points</u>	<u>10-01-1986 Criminal Background Checks</u>	<u>Physical Examination</u>	<u>07-01-1993 Pre Employment Drug Test</u>	<u>Pre-Service Instruction 6 CLA/9 BTW</u>
Lekisha C. Brown	9/13/2003				8/19/2004	

IN-SERVICE VIOLATIONS

<u>Drivers</u>	<u>Driving Record On File and Points</u>	<u>Physical Examination</u>	<u>In-Service Training Hours</u>	<u>7/1/11-6/30/13 No. of Preventable Accidents/24 mths</u>	<u>7/1/11-6/30/13 Bicanial Evaluation</u>
Jayna M. Ricks					N/R
Dawn E. Tracey					N/R
Latonya D. Davis					N/R
William R. Riddick					11/19/2009
Stefan G. Mitev					N/R
Patricia A. Green					9/3/2009
William D. Hoffman					9/11/2009
Scott C. Stainbrook					N/R
Judy V. Armstrong					11/4/2009
Travon R. Allender					4/28/2005
<u>Driver Instructor</u>					

SCHEDULE OF COMAR VIOLATIONS FOR SCHOOL VEHICLE ATTENDENTS

<u>Name of Attendants</u>	<u>Hire Date</u>	<u>10-01-1986 Criminal Background Checks</u>	<u>Pre-Service No. of Hours First Aid</u>	<u>Pre-Service No. of Hours Duties Inst.</u>	<u>In Service Hours of First Aid Inst</u>
Lynette Hunt	8/23/06	3/2/2007			
Herbert McDowell	8/15/06	3/31/2007			

NOTE:
N/R - No record on file

BALTIMORE CITY PUBLIC SCHOOLS
 AUDIT OF STATE AID PROGRAM
 NON PUBLIC PLACEMENT
 Fiscal Year 2013

EXHIBIT A-2
 Schedule 2

NAME	SCHOOL	TOTAL TUITION	ACTUAL PAYMENT	MSDE SHARE	DIFFERENCE C3-C4	MSDE SHARE OF DIFF @ 70%
Matthew Berry	Kennedy Krieger Institute	61,283.00	61,071.00	27,157.00	212.00	\$ 148
Daneka Harris	The Baltimore Academy	25,389.00	24,284.00	2,032.00	1,105.00	\$ 774
FY 07 TOTALS		\$ 86,672.00	\$ 85,355.00	\$ 29,189.00	\$ 1,317.00	\$ 922

EXHIBIT B-1

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF STUDENT ENROLLMENT
AS OF SEPTEMBER 30, 2014

<u>DESCRIPTION</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>	<u>DIFFERENCE</u>
Enrollment for Calculating the Foundation Program	<u>79,503</u>	<u>79,263</u>	<u>240</u>

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF STUDENT ENROLLMENT
AS OF SEPTEMBER 30, 2013

<u>DESCRIPTION</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>	<u>DIFFERENCE</u>
Enrollment for Calculating the Foundation Program	<u>79,352</u>	<u>79,351</u>	<u>1</u>

EXHIBIT C-1

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF STATE COMPENSATORY EDUCATION
FREE AND REDUCED PRICE MEALS (FRPMS)
AS OF OCTOBER 31, 2014

<u>DESCRIPTION</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>
October 31, 2014 FRPMS Enrollment	<u>67,299</u>	<u>67,299</u>

EXHIBIT C-2

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF STATE COMPENSATORY EDUCATION
FREE AND REDUCED PRICE MEALS (FRPMS)
AS OF OCTOBER 31, 2013

<u>DESCRIPTION</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>
October 31, 2013 FRPMS Enrollment	<u>67,816</u>	<u>67,816</u>

EXHIBIT D-1

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF SPECIAL EDUCATION ENROLLMENT
AS OF OCTOBER 31, 2014

<u>DESCRIPTION</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>
October 31, 2014 Special Education Enrollment	<u>13,627</u>	<u>13,627</u>

EXHIBIT D-2

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF SPECIAL EDUCATION ENROLLMENT
AS OF OCTOBER 31, 2013

<u>DESCRIPTION</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>	<u>DIFFERENCE</u>
October 31, 2010 Special Education Enrollment	<u>14,007</u>	<u>14,005</u>	<u>2</u>

EXHIBIT E-1

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF LIMITED ENGLISH
PROFICIENCY (LEP) ENROLLMENT
AS OF OCTOBER 31, 2014

<u>DESCRIPTION</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>
October 31, 2014 LEP Enrollment	<u>3,460</u>	<u>3,460</u>

EXHIBIT E-2

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF LIMITED ENGLISH
PROFICIENCY (LEP) ENROLLMENT
AS OF OCTOBER 31, 2013

<u>DESCRIPTION</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>
October 31, 2013 LEP Enrollment	<u>3,005</u>	<u>3,005</u>

EXHIBIT F-1

BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF DISABLED STUDENTS TRANSPORTATION
AS OF OCTOBER 31, 2014

<u>DISABLED STUDENTS</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>
Attending Public Schools	2,565	2,565
Attending Nonpublic Schools	438	438
Attending MSB	41	41
Attending MSD	<u>18</u>	<u>18</u>
Total Disabled Students	<u><u>3,062</u></u>	<u><u>3,062</u></u>

EXHIBIT F-2

**BALTIMORE CITY PUBLIC SCHOOLS
AUDIT OF DISABLED STUDENTS TRANSPORTATION
AS OF OCTOBER 31, 2013**

<u>DISABLED STUDENTS</u>	<u>PER REPORT</u>	<u>PER AUDIT</u>	<u>DIFFERENCE</u>
Attending Public Schools	2,595	2,579	16
Attending Nonpublic Schools	435	439	(4)
Attending MSB	39	39	0
Attending MSD	17	17	0
Total Disabled Students	<u>3,086</u>	<u>3,074</u>	<u>12</u>