

# State of Delaware Office of Auditor of Accounts

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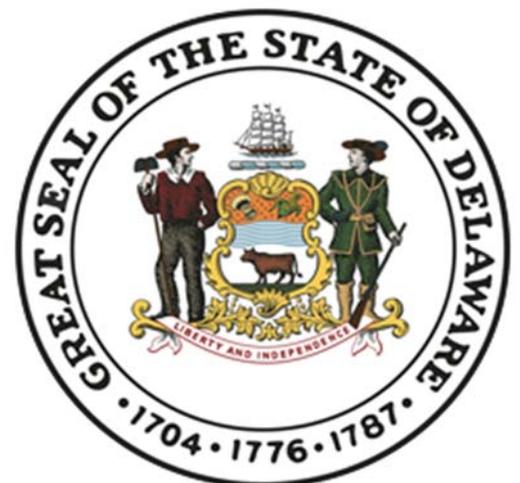
## Authorized Positions: School Districts' Transportation Supervisors

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### Inspection

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Abbreviations

AOA	Auditor of Accounts
DOE	Department of Education
PHRST	Payroll Human Resources Statewide Technology

## ***Background***

The majority of state funding for school districts and charter schools is allocated based upon the annual unit count. The unit count process occurs during the last 10 student days of September and includes factors such as grade level, student enrollment, and special education needs. Units earned from this process generate authorized positions for teachers and are also used to calculate the number of administrators and other instructional staff earned. The authorized positions are funded by the State at approximately 70% of the employee’s salary per unit assigned. The remainder of the employee’s salary is funded by other sources such as local or federal funds. Alternatively, the school district may opt to cash out the unit in lieu of funding the position as permitted by Delaware Code.

During the Office of Auditor of Accounts’ (AOA) inspection of Authorized Positions, to be released at a later date, AOA observed that some school districts were paying a Transportation Supervisor with State funds, even though the district did not earn the position based on the number of transported pupils within the district. After discovering this issue, AOA decided to inspect all 19 public school districts to determine compliance with the Delaware Code<sup>1</sup> related to Transportation Supervisors.<sup>2</sup>

## ***Objectives, Scope, & Methodology***

### ***Objective***

Our objective was to determine if the school districts are in compliance with 14 Del. C. §1321(e)(7) which states, “...a reorganized school district may employ the following personnel: Supervisors of transportation for a period of 12 months per year at the rate of 1 such supervisor per 7,000 or more transported pupils, such pupils being those in the area supervised eligible for school transportation.”

### ***Scope***

The scope of the inspection was Fiscal Year 2017 (July 1, 2016 through June 30, 2017).

### ***Methodology***

The methodology for this inspection included, but was not limited to:

- Obtaining the Needs Based Position Entitlement report for all school districts from the Department of Education (DOE).
- Obtaining the names of the Transportation Supervisors utilizing partial units.
- Obtaining the cash-out value received by districts who opted to cash out partial Transportation Supervisor units.
- Obtaining appropriate payroll reports from Payroll Human Resources Statewide Technology (PHRST).
- Conducting interviews with DOE personnel to gain an understanding of processes regarding Authorized Positions.
- Calculating state funds utilized but not earned by the school districts.

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<sup>1</sup> 14 Del. C. §1321(e)(7)

<sup>2</sup> Charter Schools do not earn a Transportation Supervisor position from the unit count process.

**Procedures and Results**

As described in Table 1, AOA obtained the Needs Based Position Entitlement report for each school district from DOE to determine if the school district earned a Transportation Supervisor unit. Our results are as follows:

- Seven out of 19 school districts earned a Transportation Supervisor unit.
- Two out of the remaining 12 school districts cashed out partial units for a Transportation Supervisor not earned.
- Ten out of 12 school districts employed a Transportation Supervisor with partial units not earned.

AOA calculated that the State potentially overpaid \$409,342 in salary dollars, \$209,767 in benefits, and \$33,415 in cash out options for Transportation Supervisor units that were not earned, totaling an overpayment of \$652,524 in Fiscal Year 2017.<sup>3</sup>

**Table 1: Transportation Supervisor Units**

<i>School District</i>	<i>Transportation Supervisor Unit Earned?</i>	<i>Utilized Partial Transportation Supervisor Unit or Cashed Out Partial Units?</i>
Appoquinimink	Yes	Not Applicable
Brandywine	Yes	Not Applicable
Caesar Rodney	Yes	Not Applicable
Christina	Yes	Not Applicable
Colonial	Yes	Not Applicable
Indian River	Yes	Not Applicable
Red Clay	Yes	Not Applicable
Cape Henlopen	No	Utilized Partial Transportation Supervisor Unit
Capital	No	Utilized Partial Transportation Supervisor Unit
Delmar	No	Cashed Out Partial Unit
Lake Forest	No	Utilized Partial Transportation Supervisor Unit
Laurel	No	Utilized Partial Transportation Supervisor Unit
Milford	No	Utilized Partial Transportation Supervisor Unit
New Castle County Vo-Tech	No	Utilized Partial Transportation Supervisor Unit
Polytech	No	Utilized Partial Transportation Supervisor Unit
Sussex Tech	No	Utilized Partial Transportation Supervisor Unit
Seaford	No	Utilized Partial Transportation Supervisor Unit
Smyrna	No	Utilized Partial Transportation Supervisor Unit
Woodbridge	No	Cashed Out Partial Unit

According to DOE, the districts are responsible for verifying and maintaining administrative unit and position record detail that qualifies them to request an administrative cash option. DOE verifies that the option request calculations are prepared in accordance with Delaware Code. However, 2 out of 12 districts that did not earn a Transportation Supervisor unit were granted cash options for partial transportation units by DOE even though Delaware Code does not allow for partial units for Transportation Supervisors.

<sup>3</sup> These totals were estimated using the salaries of the employees in the Transportation Supervisor positions in conjunction with the school districts’ assertions (when applicable) that the employee’s salary was supplemented with other units. AOA did not perform testing over the accuracy of the information provided.

In researching the Delaware Code and enacted legislation, we learned that 14 Del. C. §1321(f) allowed school districts to earn partial Transportation Supervisor units until it was removed in 2011. It stated, “For districts that do not qualify for...transportation supervisors, the Department of Education may combine contiguous districts or allocate the fractional part of the first unit to districts not meeting unit requirements, to provide for such personnel...” Section 23 of the Act to Amend Title 14 of the Delaware Code Relating to Unit Funding, approved by the General Assembly on February 17, 2011, removed subsection (f) in its entirety. As the Code reads currently since the deletion of subsection (f), if a district does not meet the 7,000 transported pupil threshold, it does not earn a full or partial Transportation Supervisor unit. However, the school districts not earning Transportation Supervisors continued to fill and cash out partial units because they believed subsection (f) was removed in error. AOA also notes that DOE personnel are in agreement with the school districts and believe that the deletions were made in error. DOE and the Office of Management and Budget have stated that they are requesting reinstatement of the deleted language into current budget epilogue.

***Recommendations***

AOA recommends that DOE comply with the Delaware Code by not allowing school districts to earn or be compensated for partial units for Transportation Supervisors. We also recommend that DOE implement a process to communicate legislative changes that affect unit funding to the school districts.

***DOE Response***

When the Department was made aware that the fractional units provision for Transportation Supervisors was inadvertently removed from the Delaware Code during the implementation of Needs Based Funding, the Department has been working with the Office of Management and Budget to have the language modified through the Annual Appropriations Act. If the Delaware Code is not modified to return this fractional unit allowance, the Department will ensure that districts are not charging fractional Transportation Supervisor units in the coming fiscal year. The Department does routinely communicate known legislative changes to districts and charters through email communications and regular meetings.