

Alliance of Approved Private Schools
Commonwealth of Pennsylvania



2693

ACLD Tillotson School
Buttonwood Farms/Delta School
Camphill Special School, Inc.
Craig Academy
Davidson School
DePaul School for Hearing and
Speech
Devereux
Dr. Gertrude A. Barber National
Institute
Easter Seals of
Southeastern Pennsylvania
Easter Seals, Western Pennsylvania
George Crothers
Memorial School
Green Tree School
HMS School for Children
with Cerebral Palsy
Martin Luther School
Melmark School
Pace School
Pressley Ridge Day School
Royer-Greaves School
for Blind
The Day School at
The Children's Institute
The Pathway School
The Vista School
The Watson Institute
Valley Day School
Wesley Spectrum Highland School
Woods Services
Wordsworth Academy

To: Richard E. Brown, Director's Office
Bureau of Special Education
Department of Education
Commonwealth of Pennsylvania
333 Market Street
Harrisburg, PA 17126-0333

From: Alliance of Approved Private Schools
Nan Porter, President
Karen Shepherd, Vice President
Tom Fogarty, immediate past president

Re: Suggested language change and addition to *22 PA. Code Chapter 171: Auditing of Approved Private Schools and Chartered Schools for the Education of Deaf and Blind Children*

Date: May 15, 2008

Introduction:

The Alliance of Approved Private Schools is submitting one language change and one addition in regard to **22 PA. Code Chapter 171: Auditing of Approved Private Schools and Chartered Schools for the Education of Deaf and Blind Children**. These are as follows:

171.202 General guidelines.

We propose changing the word "will" to "may" in 171.202 (9)

This would then read:

*171.202 (9) Reports of the independent auditors **may** be limited to the Approved Private School Program.*

Rationale for changing "will" to "may":

Requiring a separate report will increase the cost of some schools' independent audits, thereby reducing the funds available for direct student education expense.

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We are suggesting that each APS be given a choice of whether to submit a report limited to the APS program or their standard audit report, which is used currently.

171.207 Payments in excess of expenditures.

We propose that the following language be added to the revised 171.207 section:

After all Approved Private Schools and Chartered Schools for the Education of Deaf and Blind Children are paid the money due to them for previous audits, any funds remaining in the Audit Resolution Fund, or any future funds added to it due to audit resolutions, will be used to reduce any shortfalls affecting scheduled monthly allocation payments to these schools that may occur. These funds, if available, will be applied to reduce shortfalls in the month in which they occur in proportion to the monthly amount scheduled to be paid to each Approved Private and Chartered School.

Funds returned to the Commonwealth by the Approved Private Schools due to receipt of payments in excess of reportable costs will be identified, segregated within the Audit Resolution Fund, and used to reduce any shortfalls affecting scheduled monthly allocation payments to the Approved Private Schools that may occur. These funds, if available, will be applied to reduce shortfalls in the month in which these shortfalls occur in proportion to the monthly amount scheduled to be paid to each Approved Private School.

Funds returned to the Commonwealth by the Chartered Schools due to receipt of payments in excess of reportable costs will be identified, segregated within the Audit Resolution Fund, and used to reduce any shortfalls affecting scheduled monthly allocation payments to the Chartered Schools that may occur. These funds, if available, will be applied to reduce shortfalls in the month in which these shortfalls occur in proportion to the monthly amount scheduled to be paid to each Chartered School.

Rationale:


This new wording is being proposed because all the schools have reached an agreement with PDE and finalized their past audits. All Approved Private Schools (APS) and Chartered Schools for the Education of Deaf and Blind Children are already paid or are scheduled to be paid for the resolution of previous audits on or before June 2009.

During the last two fiscal years, there have been shortfalls in funding the scheduled monthly allocations toward the end of the fiscal year. In 2006-2007 it was \$6 million dollars and in 2005-2006 it was 2 million. Another shortfall is expected at the end of this fiscal year (2007-2008). Thereafter, the Audit Resolution Fund would be used to help reduce any future shortfalls in monthly payments to the APS or Chartered Schools until a resolution to the shortfall problem is found.

Further Discussion:

Thank you for reviewing the Alliance's suggested word change and wording additions in regard to 22 P.A. Code Chapter 171: Auditing of Approved Private Schools and Chartered Schools for the Education of Deaf and Blind Children. If there is further information that you require, please feel free to phone me at 412-325-2474. We look forward to your response.

Tom Fogarty



Chp. 171 Auditing