



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Alan Horn, Board Chair  
Weeping Water Public School Board  
13615 McKelvie Road  
Weeping Water, NE 68463

Ken Heinz, Superintendent  
Weeping Water Public Schools  
204 West O  
Weeping Water, NE 68463

Dear Sirs:

As you know, the Nebraska Auditor of Public Accounts (APA) received a concern regarding Weeping Water Public School's (District) reporting of the annual full-time equivalent (FTE) of special education paraprofessionals to the Nebraska Department of Education (NDE) on its Final Financial Report (FFR) for School Age Students. The APA began limited preliminary planning work to determine if a full financial audit or attestation would be warranted. Pursuant thereto, the APA requested certain information regarding the District's reporting and also met with NDE officials to gain a better understanding of the documentation and other reporting requirements for special education paraprofessionals.

Based upon the outcome of this preliminary planning work, the APA has determined that a separate financial audit or attestation of the District is unnecessary at this time. However, during the course of the preliminary planning work, we noted certain internal control or compliance matters, or other operational matters within the District, that are presented below. The following comment and recommendation, which has been discussed with management, is intended to improve internal controls or result in other operational efficiencies.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified.

### Background Information

The School Age Special Education Reimbursement Program (Program) is funded through State General Fund appropriations. The Program is intended to reimburse schools or ESUs for the excess costs of providing special education services from the prior school year. However, not all excess costs are reimbursed. The reimbursements are limited by the amount of General Fund appropriations authorized by the Legislature each year.

The NDE has promulgated Rule 51 for Program regulations and standards. Title 92 NAC 51, Section 10, governs the qualification of special education personnel for Program approval and reimbursement. Section 11 describes the Program reimbursement process.

Title 92 NAC 51-010.03C states, “Paraprofessionals shall be appropriately trained and supervised by qualified special education personnel to be used to assist in the provision of special education and related services under this Chapter.”

Title 92 NAC 51-011.01B identifies the allowable and reimbursable costs for special education services and indicates that such costs must be documented and are subject to audit. Specifically, Title 92 NAC 51-011.01B1 allows for reimbursement of salaries of special education personnel and clerical personnel directly associated with special education services.

Title 92 NAC 51-011.04B1 indicates that the payments for the reimbursement of excess costs will be based on the FFR. Section 51-011.04B1b requires school districts to submit a list of all special education personnel and their FTE.

The APA also found a document entitled “Fiscal Review Information,” published by the NDE in September 2013, which states that the FFRs are subject to a fiscal review conducted by the NDE. The document includes some guidelines for use in determining allowable reimbursable expenditures. According to the document, “All working papers used in completing the final reports should be retained for subsequent reference and review documentation.”

The District has received the following payments from the Program in the last six years, as recorded in the State’s accounting system:

Special Education School Age Payments		
FY 2015	\$ 181,827	For 2013-2014 Reimbursement (2)
FY 2014	\$ 200,199	For 2012-2013 Reimbursement
FY 2013	\$ 218,600	For 2011-2012 Reimbursement
FY 2012	\$ 183,185	For 2010-2011 Reimbursement
FY 2011	\$ 175,084	For 2009-2010 Reimbursement
FY 2010	\$ 190,692	For 2008-2009 Reimbursement

Note: Some smaller payments may have been made after the fiscal year end, after final adjustments were made.

Note 2: Includes only 6 of the 7 monthly reimbursement amounts. After performing a desk review, NDE determined the District’s final payment amount will be \$32,626.

Comment and Recommendation

The District did not properly report the FTE and salaries for special education services to the NDE for the 2013-2014 school year. The District reported five professional staff and seven paraprofessional staff members who provided special education services during the year. The total of the salaries for these 12 individuals was reported in the FFR below as \$325,379:

NEBRASKA DEPARTMENT OF EDUCATION  
CONSOLIDATED DATA COLLECTION  
SPECIAL EDUCATION AND SUPPORT SERVICES  
Final Financial Report for School Age Students (Ages 5 to 21)  
Summary of Supplementary Report of Expenditures (05-0-0000)  
For the 2013-2014 School Year  
Summary Of ORIGINAL Data Reported  
WEEPING WATER PUBLIC SCHOOLS (13-0022-000)

LAST NAME	FIRST NAME	MI	FTE	STAFF TYPE	AMOUNT	SECTION	STAFF ENDORSED	ADMIN ENDORSED	LICENSED
GUHL	BRENDA	L	0.5	2 - Paraprofessional	15571	01-1-5000	N	N	N
HARTMAN	DIANE	M	1	1 - Professional	49330	01-1-5000	Y	N	N
BAIER	BARBARA	E	1	2 - Paraprofessional	14662	01-1-5000	N	N	N
HAVEMAN	CARRIE	L	1	2 - Paraprofessional	14768	01-1-5000	N	N	N
HOHMAN	DEANNA	L	1	2 - Paraprofessional	16181	01-1-5000	N	N	N
MASON	SHELBY	L	1	2 - Paraprofessional	12880	01-1-5000	N	N	N
DETURK	DAWN	G	0.5	1 - Professional	40333	01-1-1000	Y	Y	N
LISS	BEVERLY	K	1	2 - Paraprofessional	13877	01-1-5000	N	N	N
BECK	JULIANA	L	0.5	1 - Professional	22652	01-1-5000	Y	N	N
HAMMONS	HYLAH	S	1	1 - Professional	51824	01-1-5000	Y	N	N
KINNAMAN	CLAUDIA	A	1	1 - Professional	51824	01-1-5000	Y	N	N
MILLER	JOANNE	M	1	2 - Paraprofessional	21477	01-1-5000	N	N	N
<b>TOTAL</b>					325379				

The APA requested documentation to support the FTE and salary reported for each staff member. The District provided the following annual time and effort report, which was completed in FY 2014 to support the FTE reported.

Monthly Time/Effort Log  
Activity Report for Employees Coded to a Federal Grant

Weeping Water Public Schools  
Elementary and Secondary Special Education  
2013-2014 School Year  
August 2013 thru May 2014

I certify that I worked the percentage listed below on activities and instruction that qualify for funding through the Federal Program/s stated above:

Employee Name:	Employee Title:	%
Claudia Kinnaman	Teacher-Elem/Secon	80%
Juliana Beck	Teacher-Elem	50%
Barbara Baier	Para-Elem	100%
Brenda Guhl	Para-Elem	50%
Carrie Haveman	Para-Elem	100%
Deanna Hohman	Para-Elem	100%
Beverly Liess	Para-Elem	100%
JoAnne Miller	Para-Seen	100%
Shelby Wipf	Para-Elem	50%

Date: 5/15/14 *Claudia Kinnaman*  
 Date: 5/15/14 *Claudia Kinnaman*  
 Date: 5/14/14 *Juliana Beck*  
 Date: 5-14-14 *Barbara Baier*  
 Date: 5-14-14 *Brenda Guhl*  
 Date: 5-14-14 *Carrie Haveman*  
 Date: 5-14-14 *Deanna Hohman*  
 Date: 5/14/14 *Beverly Liess*  
 Date: 5-13-14 *JoAnne Miller*  
 Date: 5-14-14 *Shelby Wipf*  
 Date: 5-15-14 *Dr. Kenneth V. Heinz, Superintendent*

A comparison of the above two documents reveals the two individuals highlighted in red were not properly reported to the NDE for 2013-2014, as detailed in the following table:

Employee	Per FFR		Per District Records		Amount Over-Reported
	FTE	Salary Amount	FTE	Salary Amount (Calculated)	
Shelby (Mason) Wipf	1	\$ 12,880	0.5	\$ 6,440.00	\$ 6,440.00
Claudia Kinnaman	1	\$ 51,824	0.8	\$ 41,459.20	\$ 10,364.80
<b>Total Salary Amount Over-Reported</b>					<b>\$ 16,804.80</b>

Due to the discrepancies identified above, the APA requested additional documentation, such as work calendars or daily schedules, to ensure the accuracy of the amounts reported to the NDE. Claiming that she did not maintain the daily schedules for the 2013-2014 school year, the Director of Special Education for the District provided instead the daily schedules for the current school year, 2014-2015.

Because the Director of Special Education did not maintain the daily schedules for 2013-2014, the APA asked the special education teachers from 2013-2014 to provide the daily calendars of the paraprofessional they supervised. Only two of four special education teachers remain with the District during the current school year. The information they provided gives rise to the following concerns:

- The District reported Joanne Miller as 100% FTE for special education services. According to the special education teachers, however, Ms. Miller was a special education

aide for approximately three out of eight periods for the 2013-2014 school year and, therefore, was not 100% FTE special education.

- The District reported Beverly Liess as 100% FTE for special education services. The following daily schedule for Ms. Liess was provided by the special education teacher for 2013-2014. The APA highlighted the special education services identified by the special education teacher in yellow, which show that Ms. Miller was not 100% FTE special education:

Beverly Liess		
7:45	8:15	Outside Duty, Breakfast
8:20	9:40	Hartman's room (Special Education) (3rd reading/writing)
9:40	10:00	Thomassen's room - reading group (Special Education)
10:05	10:10	Bathroom/Prep
10:10	10:55	Kindergarten
11:05	11:30	Lunchroom duty
11:30	11:55	Recess -Kindergarten/1st
11:55	12:25	Lunch
12:30	12:50	Math 1st grade - working with special ed student
12:50	1:20	Math 1st grade - intervention group
1:25	1:55	2nd grade intervention
2:00	2:30	3rd grade intervention
2:35	2:50	Prep time for intervention
2:50	3:20	1st grade intervention
3:20	3:40	Outside Duty

- The District reported Brenda Guhl as 50% FTE for special education services. According to the special education teacher, however, Ms. Guhl has never been a special education paraprofessional. She was hired to be the Pre-K paraprofessional. The following is the 2014-2015 daily schedule for Ms. Guhl, provided by the Special Education Director, who acknowledged the current year schedule is similar to the prior year schedule, with preschool in the morning and intervention in the afternoon:

Brenda Guhl		
7:45	7:55	Outdoor Morning Recess
7:55	12:00	Pre-K Classroom with Mrs. Heath
12:00	12:30	My lunch break
12:30	12:55	Prepare for intervention groups
12:55	1:20	Intervention with 3rd grade.
1:25	1:55	Intervention with 2nd grade.
2:15	2:45	Intervention with Kindergarten.
2:45	3:15	Intervention with 2nd grade again.
3:15	3:25	Mrs. Heath room going over any intervention needed
3:25		Outside duty

- The District reported Barb Baier as 100% FTE for special education services. According to the special education teacher, however, Ms. Baier is not normally a special education teacher. The following daily calendar was provided for the current school year, 2014-2015, by the Special Education Director:

Barb Baier		
7:45	8:10	Outside Duty/Grab-N-Go Breakfast
8:10	9:00	Help in Mrs. Garner's room (First grade room) and prepare for reading interventions
9:00	9:25	Work in elevator room Reading Interventions with two students - one had an IEP in 2013-2014

Barb Baier		
9:30	10:30	Go to Mrs. Meeske's (Second grade room) to help 5 students - 1 had an IEP for 2013-2014. Plus any others the teacher sends over
10:30	10:50	Mrs. Garner's room to help two students if they have fallen behind in reading - one student had an IEP in 2013-2014.
10:50	11:25	Fifth and Sixth grade lunchroom duty and noon recess duty
11:30	12:00	My lunch
12:00	12:30	Help in Mrs. Garner's room
12:30	12:50	Get ready for intervention classes in Mrs. Hartman's room (making copies, getting material from Pre-K rooms, Mrs. Heath) for Intervention classes
12:50	1:20	Third grade intervention class (Mrs. Hartman's room). Four students, two had IEPs in 2013-2014.
1:25	1:55	Second grade intervention class (Mrs. Hartman's room). Four students, one had IEPs in 2013-2014.
2:15	2:45	First grade intervention class (Mrs. Hartman's room). Two students, one had an IEP in 2013-2014.
2:45	3:15	Second grade intervention class (Mrs. Hartman's room). Four students, one had IEPs in 2013-2014.
3:15	3:25	Prepare for Outside Duty
3:25	3:40	Outside Duty

There appears to be a question as to whether the District may include intervention services as special education services.

According to the Special Education Director, these paraprofessionals participate in intervention groups with regular education students who need the same level of intervention as a special education student. When appropriate, therefore, the District places the regular and special education students together in the same intervention group. Almost all such joint interventions are carried out in different rooms to avoid the appearance of a special education session.

The APA discussed these joint regular/special education student intervention sessions with a NDE representative, who provided the following explanation:

*[T]his "Intervention" appears to be an activity that is "General" education, not "Special" education. This is probably an activity that is helping "at-risk" students that need additional help which is not reimbursable with special education funding. At-risk services are available to all students and just because a student has been identified as "Special Education" would not make it all/portion allowable for reimbursement. All the kids would be getting the same instruction.*

The NDE representative offered this further observation:

*Special education reimbursement is based on an excess cost principle, the cost has to be over and above the "regular" education cost would be and required due to the students disability (as identified by the students IEP- Individual Education Plan).*

Finally, the NDE representative explained that the NDE would expect to see calendars or a fixed schedule to supplement the time reported on the FFR. However, the District does not appear to have adequate documentation to support the amount claimed for special education paraprofessional expenses on its FFR for 2013-2014. As mentioned previously herein, the daily calendars are not available for the 2013-2014 school year.

We recommend the District work closely with the NDE to ensure the special education FTE and salaries reported to that agency are

accurate, supported by adequate documentation, and truly for expenditures that are above the cost of regular education and required due to student disabilities.

As a district, we appreciate the input and suggestions of your report and will work immediately on the implementation of those suggestions. I would, however, like to briefly elaborate on four points within the report in the bullet points below.

- We completely concur with the suggestion that record keeping and data management can be improved. For example, while it may not necessarily seem necessary to keep paraprofessional schedules from preceding years once the assignments for the next year are completed, it is certainly advantageous and necessary to maintain that data for multiple years.
- We completely concur that the reporting to NDE on the Final Financial Report for School Age Students (Ages 5 to 21) Summary of Supplementary Report of Expenditures for the 2013-14 School Year was incorrect and that Claudia Kinnaman should not have been listed as 100% special education and Shelby Mason (Wipf) should not have been listed as 100% special education. The Monthly Time/Effect Log Activity Report for Employees that I signed on May 15, 2014, was accurate and this data was inaccurately loaded/inputted by one of our two new employees that spring who are responsible for that reporting. It certainly was unintentional and I believe a rookie mistake.
- After concurring that the paraprofessional schedules from the 2013-14 should have been maintained, it is important to understand that, regardless of what the assigned duties/schedules were for the paras for the 2014-15 school year and what the now retired special education teachers suggest, several of the special education paras referenced as not being special education paras or having less special education duties as suggested, is not accurate. Without going into extensive detail in this response, this is very misleading. As an example, Barb Baier who was identified as "not normally being a special education teacher," was essentially a full time one-on-one special education para to a handicapped student during the 2013-14 school year, certainly not supportive of the suggestion in the report. We believe there is other inaccurate information within this finding as well.
- There was a degree of frustration with regard to the interventions "misunderstanding" referenced in the letter. I have been in education for 31 years, 24 of them as an administrator, and have been told multiple times through my administrative career, as has our special education director, by NDE special education staff, that if we are going to pay/provide special education services to even a single student, that it is acceptable to include a limited number of other students who would be considered at risk and are at the same instructional level in the scientifically-research based intervention. Please understand that I have the utmost respect for the Nebraska Department of Education and the personnel with the Special Education Department, but this understanding is completely contrary to what our past operational understanding has been.

Again, we appreciate your time and efforts in this matter and will review and implement your recommendations beginning with the upcoming school year.

**APA's Response: The APA understands the District's concerns and again recommends the District work closely with NDE to ensure the reporting of FTE is in accordance with NDE Rules and Regulations and is properly documented.**

\* \* \* \* \*

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use our knowledge of the District to make comments and suggestions that we hope will be useful to the District.

This communication is intended solely for the information and use of the District and its management. It is not intended to be, and should not be, used by anyone other than the specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Sincerely,



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