

SCHOOL DISTRICT OF PHILADELPHIA
Schedule of Findings and Questioned Costs – June 30, 2016

Section I – Summary of Auditor’s Results:

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no
Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified? ___ yes X no
Significant deficiency(ies) identified? ___ yes X none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) X yes ___ no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
84.010	Title I Grants to Local Educational Agencies
84.367	Improving Teacher Quality State Grants
93.558	Temporary Assistance for Needy Families
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? ___ yes X no

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<u>Finding</u> <u>No.</u>		<u>Page</u>	<u>Questioned</u> <u>Cost</u>
<u>Section II – Financial Audit Findings:</u>			
None			
<u>Section III – Federal and PA Department of Human Services Findings and</u> <u>Questioned Costs</u>			
2016-001	Special Tests - Comparability Title I Grants to Local Educational Agencies – CFDA #84.010		X

**2016-001. SPECIAL TESTS – COMPARABILITY
Title I Grants to Local Educational Agencies – CFDA #84.010**

Condition: The School District was not in compliance with the requirement that services provided with Title I funding are substantially comparable between each school. The final school comparability analysis submitted to the Pennsylvania Department of Education (PDE) indicated that 23 schools must add 45.2 full time equivalent (FTE) positions to make them comparable as required by federal regulations. Our current testing of those 23 schools found that 17 (6 high schools, 2 middle schools, and 9 elementary schools) remained non-comparable, and 29 FTE positions were still not filled. Funding for the Title I program is received from the U.S. Department of Education and passed-through the PDE.

Criteria: Section 1120A(c) (1) (B) of the U.S. Department of Education *Title I – Improving the Academic Achievement of the Disadvantaged* policy states that if the local educational agency (LEA) serves all of its schools with Title I funds, the LEA may receive funds only if the LEA will use state and local funds to provide services that, taken as a whole, are substantially comparable in each school.

Effect: Noncompliance with Comparability requirement may have an adverse effect on Title I, Part A funding.

Cause: The School District had difficulty filling vacancies.

Recommendation: We recommend that the School District investigate innovative ways of attracting new employees to ensure that services provided under the system-wide Title I program are substantially comparable between schools.

Views of Responsible Officials: The School District agrees that not all positions were able to be filled as planned during the audit period. Despite significant efforts by the Office of Talent to fill these vacancies, the underlying cause of this result was primarily due to a lack of a qualified applicant pool. During the audit period, the Office of Talent advertised the position opportunity with the following locations and individuals and will continue to use creative mediums to attract qualified candidates:

- The SDP website;
- University Partners Career Centers, including Temple University, Community College of Philadelphia, and more;
- PA Career Link;
- Churches and Community Centers;
- Principals (through the Principal Information Board);
- Current SDP employees; and
- The position was advertised to applicants who did not pass the Special Education Classroom Assistant / One-to-One exam.

Corrective Action Plan: The School District recognizes that it must improve outcomes and use different approaches to its recruiting efforts to fill the vacant positions as required. The corrective actions identified

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Federal and PA. Department of Human Services Findings and Questioned Costs – June 30, 2016

below have been implemented, or are in the process of being implemented, in the current year (FY17) and next year (FY18) for all school positions:

- The Office of Talent Support Services has been reorganized to ensure that principals have a team of individuals supporting their schools' talent needs.
- Talent Office personnel responsible for hiring positions are no longer responsible for onboarding work to allow significantly more time in the community, working closely with potential candidates.
- A marketing campaign has been launched on the radio and through social media aimed at recruiting teachers and school based support staff. This campaign will run for nearly 3 months. Prospective candidates are targeted and that messaging is focused on the positive impact individuals can have in our students' lives.
- Effective August 2017, the School District will assume all financial burden for onboarding costs of those employees making less than \$40,000 annually, which includes the positions subject to this reported condition. At present, the financial burden incurred by prospective employees is a barrier to those employees being able to start soon after hired.
- Since January 2017, the School District has received 277 applications for the Comparability positions to be filled in the FY17 period. The School District is focused on increasing the total number of applications for this role to ensure significantly more positions can be filled.

The corrective action timeline is to implement the items listed to ensure that Comparability positions allocated for the 2017-18 year are filled by mid-March 2018.

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