

# Elmira Heights Central School District

## Nonresident Tuition

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**AUGUST 2019**

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OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller

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# Report Highlights

## Elmira Heights Central School District

### Audit Objective

Determine whether District officials accurately and timely billed nonresident student tuition.

### Key Finding

- Although District officials billed most nonresident tuition accurately and timely, they did not timely bill for nonresident students placed in the District.

### Key Recommendation

- Implement procedures specifying the timely submission of attendance dates for nonresident students placed at the District to the School Business Executive.

District officials agreed with our recommendation and indicated they plan to initiate corrective action.

### Background

The Elmira Heights Central School District (District) serves the Towns of Big Flats, Elmira and Horseheads, all in Chemung County. The District is governed by an elected seven-member<sup>1</sup> Board of Education (Board) which is responsible for the general management and control of the District's financial and educational affairs.

The Superintendent of Schools (Superintendent) is the District's chief executive officer and is responsible, along with other administrative staff, for the day-to-day management under the direction of the Board. The School Business Executive<sup>2</sup> is responsible for accounting for the District's finances, maintaining accounting records and preparing financial reports.

#### Quick Facts

# of School Buildings	3
# of Students	1,066
# of Nonresident students as of March 26, 2019	66
2019-20 Budgeted Appropriations	\$22.8 million

### Audit Period

July 1, 2017 - June 5, 2019

<sup>1</sup> As of April 22, 2019, the District had six Board members and one vacant seat.

<sup>2</sup> The School Business Executive is a Greater Southern Tier Board of Cooperative Educational Services employee.

# Nonresident Tuition

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A board and district officials are responsible for ensuring that the district properly and timely charges for nonresident tuition costs. Generally, a student is educated by their district of residence. However, school districts may voluntarily establish a policy to accept nonresident students and set tuition rates for those students according to statutory direction. Further, exceptions are provided by law to address instances where students may be living in residences designated by State or local agencies through various social services programs such as foster care.

Pursuant to New York State Education Law (Education Law),<sup>3</sup> tuition reimbursements become due at the conclusion of the school year. An appeal involving tuition payments must be commenced within 30 days of the close of the school year for which reimbursement is sought. To minimize delays in receiving foster care reimbursements from the district of residence, the New York State Education Department (SED) recommends the educating district should submit invoices at least quarterly during the school year.

## **How Should District Officials Accurately and Timely Charge Nonresident Tuition?**

In accordance with current Board policy, nonresident students who elected to attend the District may attend after submitting a letter of intent and receiving approval from the Superintendent. The District charges nonresident tuition for students that elect to attend the District using Board-approved tuition rates for nonresident students annually. Tuition rates are diminished by 75 percent for children of nonresident District employees. The District Clerk identifies approved nonresident students who elected to attend the District and provides a list to the Greater Southern Tier Board of Cooperative Educational Services Central Business Office to prepare tuition invoices. Nonresident District employees who have a nonresident student enrolled may elect to pay the nonresident tuition through a payroll deduction, while all other nonresident students are billed the full school year's tuition amount at the beginning of the school year.

The District may also have nonresident students that are placed at the District through foster care or by their home district for special education services. District officials should develop procedures for the timely submission of attendance dates to those responsible for billing home districts of placed nonresident students. The School Business Executive stated that the 2018-19 school year was the first year she would have to bill another district for nonresident tuition for a placed student. Therefore, she would be responsible for preparing estimated tuition invoices for the placed nonresident student's home district based on SED nonresident tuition rates or net cost calculation<sup>4</sup> at the end of the fiscal year. SED calculates a

<sup>3</sup> New York State Education Law (Education Law) Section 3202

<sup>4</sup> Net cost calculation is a method of computing a nonresident tuition charge for a student in which the district can identify a direct cost of education services.

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nonresident tuition rate each year for each school district based on the financial data reported by that district. SED issues an estimated rate for the current school year and an actual rate for the prior year.

### **District Officials Accurately Charged Tuition for Nonresident Students.**

During the 2017-18 school year, the District had 63 nonresident students who elected to attend the District.<sup>5</sup> During the 2018-19 school year, the District had 71 nonresident students<sup>6</sup> who elected to attend the District and two nonresident students who were placed at the District through foster care. We found District officials accurately and timely charged tuition for those nonresident students who elected to attend the District. However, District officials lacked procedures for billing tuition to placed nonresident students' home districts. Specifically,

- We reviewed nine of the 63 nonresident students' billings who elected to attend the District during the 2017-18 school year and all 71 nonresident students' billing who elected to attend during the 2018-19 school year. We determined all were billed timely and accurately.
- We found that the two nonresident students placed in the District both left<sup>7</sup> the District during the 2018-19 school year. The students' home districts were not billed nonresident tuition upon their departure. After we told the School Business Executive of their departure, she billed \$4,053 to the students' home districts on May 29, 2019, which was 159 and 106 days after the placed nonresident students left the District.

When District officials do not ensure that nonresident tuition is billed in a timely manner, the District may not receive all the money to which it is entitled.

### **What Do We Recommend?**

1. District officials should implement procedures specifying the timely submission of attendance dates for nonresident students placed at the District to the School Business Executive.

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5 Of the 63, 13 were District employee dependents.

6 Of the 71, 15 were District employee dependents.

7 One student left the District on December 21, 2018 and the other left the District on February 12, 2019.

# Appendix A: Response From District Officials

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## District Office

2083 College Avenue  
Elmira Heights, NY 14903  
Mary Beth Fiore, Superintendent

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August 7, 2019

Edward V. Grant, Jr., Chief Examiner  
Office of the State Comptroller  
The Powers Building  
16 West Main Street, Suite 522  
Rochester, New York 14614-1608

Dear Mr. Grant:

On behalf of the Elmira Heights Central School District I hereby acknowledge receipt of the Elmira Heights Central School District Nonresident Tuition Report of Examination 2019M-120 for the period of July 1, 2017 – June 5, 2019. This letter will serve as our official response.

Elmira Heights Central School District recognizes and appreciates the work and effort the comptroller's office has put into examining the accuracy and timeliness of billing of nonresident tuition.

We understand the need for a procedure to communication attendance dates of nonresident students placed in the District so that the home district of any nonresident student can be billed accurately and timely.

The findings identified in your audit process will be reviewed and a more comprehensive corrective action plan will be developed to address the recommendations put forth by your office.

If you need additional information, please feel free to contact me at the number above.

Sincerely,

Mary Beth Fiore  
Superintendent of Schools

*Enter with high expectations – leave with confidence and pride.*

## Appendix B: Audit Methodology and Standards

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We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials and reviewed policies, procedures and contracts to gain an understanding of the nonresident tuition billing process and the procedures used to identify nonresident students, classify their statuses and prepare bills.
- We compiled a nonresident student list for the audit period by obtaining a list from the District. To determine that we had all the nonresident students, we compared all the students' addresses in the student management system on April 24, 2019 to the District's tax roll and followed up on any differences.
- We reviewed the District's nonresident student bills for accuracy for all 71 nonresident elected students attending during the 2018-19 school year and nine nonresident elected students attending during the 2017-18 school year.
- We determined the reliability of the student management system attendance records by performing class counts in the Pre-K classrooms and the three classrooms for the 9th period of the day for classrooms with a majority of 9th graders on May 16, 2019.
- We obtained attendance dates maintained in the student management system from the Secretary of the Superintendent for nonresident students placed in the District.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-1(3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP

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must begin by the end of the fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk's office.

## Appendix C: Resources and Services

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### **Regional Office Directory**

[www.osc.state.ny.us/localgov/regional\\_directory.pdf](http://www.osc.state.ny.us/localgov/regional_directory.pdf)

### **Cost-Saving Ideas** – Resources, advice and assistance on cost-saving ideas

[www.osc.state.ny.us/localgov/costsavings/index.htm](http://www.osc.state.ny.us/localgov/costsavings/index.htm)

### **Fiscal Stress Monitoring** – Resources for local government officials experiencing fiscal problems

[www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm](http://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm)

### **Local Government Management Guides** – Series of publications that include technical information and suggested practices for local government management

[www.osc.state.ny.us/localgov/pubs/listacctg.htm#lgmg](http://www.osc.state.ny.us/localgov/pubs/listacctg.htm#lgmg)

### **Planning and Budgeting Guides** – Resources for developing multiyear financial, capital, strategic and other plans

[www.osc.state.ny.us/localgov/planbudget/index.htm](http://www.osc.state.ny.us/localgov/planbudget/index.htm)

### **Protecting Sensitive Data and Other Local Government Assets** – A non-technical cybersecurity guide for local government leaders

[www.osc.state.ny.us/localgov/pubs/cyber-security-guide.pdf](http://www.osc.state.ny.us/localgov/pubs/cyber-security-guide.pdf)

### **Required Reporting** – Information and resources for reports and forms that are filed with the Office of the State Comptroller

[www.osc.state.ny.us/localgov/finreporting/index.htm](http://www.osc.state.ny.us/localgov/finreporting/index.htm)

### **Research Reports/Publications** – Reports on major policy issues facing local governments and State policy-makers

[www.osc.state.ny.us/localgov/researchpubs/index.htm](http://www.osc.state.ny.us/localgov/researchpubs/index.htm)

### **Training** – Resources for local government officials on in-person and online training opportunities on a wide range of topics

[www.osc.state.ny.us/localgov/academy/index.htm](http://www.osc.state.ny.us/localgov/academy/index.htm)

## Contact

Office of the New York State Comptroller  
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