



Office of the State Comptroller

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FOR IMMEDIATE RELEASE

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Office of the State Comptroller Audit of Buena Regional School District Finds Opportunities to Improve Administration of Health Insurance Benefits, Lunch Program, and Procurement of Insurance Brokers

TRENTON – A report released today by the Office of the State Comptroller examines the Buena Regional School District's operations, finding that the District can do more to comply with federal and state regulations and save taxpayer money.

The OSC's audit identified three key areas where the District fell short in complying with regulations:

1. **Insufficient income verification for free and reduced-price lunch.** The OSC's report found that children from households that are ineligible for the program received free or reduced-price lunches because the District did not comply with U.S. Department of Agriculture's regulations. The OSC's report also found that the District did not verify applications that reported zero income, an error that requires further review according to the regulations.
2. **Lack of transparency in procurement of insurance brokers.** The OSC's report found that a contract awarded to the District's health insurance broker failed to meet standard requirements for transparency. The contract was not reported in the District's designated newspaper, nor did the District file the required certification to support that the health insurance broker's contract was exempt from going through a formal bidding process. Additionally, the health insurance broker failed to inform the District whether the broker would receive any commission, service fee, or valuable consideration as a result of selling a health insurance policy or contract.
3. **Duplicate health insurance benefits.** The District did not adequately monitor health benefit coverage and in some cases gave duplicate health benefits to employees. In FY2017, nine employees who had District-provided health insurance also received opt-out payments for health benefits. \$30,189 of opt-out waiver payments were given to couples in which both individuals were employed by the District, contrary to the overall intent of the policy.

The OSC's report concludes with five recommendations – from developing policies to better administrate health insurance coverage and prevent duplicate benefits, to ensuring compliance with the National School Lunch Program – which the Buena Regional School District agreed to implement.

You can read the full text of the Office of the State Comptroller's audit [here](#).

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The Office of the State Comptroller (OSC) is an independent state agency that works to advance transparency and integrity throughout New Jersey government and to ensure taxpayer funds are spent efficiently and effectively. The OSC conducts audits and investigations of government agencies throughout New Jersey, reviews certain government contracts, and works to detect and prevent Medicaid fraud.

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