



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

DAVID C. HESPE  
Commissioner

March 3, 2015

Mr. Brian McBride, Superintendent  
Palmyra Public Schools  
301 Delaware Avenue  
Palmyra, NJ 08065

Dear Mr. McBride:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Palmyra Board of Education**. The funding sources reviewed include titled programs for the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2012 through January 9, 2014. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Consolidated Monitoring Reports will be posted on the department's website at <http://www.state.nj.us/education/finance/jobs/monitor/consolidated>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Palmyra Board of Education is required, pursuant to N.J.A.C. 6A:23A-5.6, to publicly review and discuss the findings in this report at a public board meeting no later than 30 days after receipt of the report. Within 30 days of the public meeting, the board must adopt a resolution certifying that the findings were discussed in a public meeting and approving a corrective action plan which addresses the issues raised in the undisputed findings and/or an appeal of any **monetary** findings in dispute (emphasis added). A copy of the resolution and the approved corrective action plan and/or appeal must be sent to this office within 10 days of adoption by the board. Direct your response to my attention.

Also, pursuant to N.J.A.C. 6A:23A-5.6(c), you must post the findings of the report and the board's corrective action plan on your district's website.

By copy of this report, your auditor is requested to comment on all areas of noncompliance and recommendations in the next certified audit submitted to the New Jersey Department of Education. If you have any questions, please contact Lori Ramella at (609) 984-0937.

Sincerely,

Robert J. Cicchino, Director  
Office of Fiscal Accountability and Compliance

RJC/LR/dk:Palmyra BOE Cover Letter /consolidated monitoring  
Enclosures

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**PALMYRA PUBLIC SCHOOLS**  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
MARCH 2015**

**District:** Palmyra Public Schools  
**County:** Burlington  
**Dates On-Site:** January 8 and 9, 2014  
**Case #:** CM-010-13

**FUNDING SOURCES**

Program	Funding Award
Title I, Part A	\$ 241,505
Title II, Part A	37,248
IDEA Basic	258,733
IDEA Preschool	6,930
Race To The Top	13,909
Total Funds	<u>\$ 558,325</u>

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**BACKGROUND**

The Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Act (IDEA) and other federal laws require local education agencies (LEAs) to provide programs and services to their districts based on the requirements specified in each of the authorizing statutes (ESEA, IDEA, Race to the Top and Carl D. Perkins). The laws further require that state education agencies such as the New Jersey Department of Education (NJDOE) monitor the implementation of federal programs by sub recipients and determine whether the funds are being used by the district for their intended purpose and achieving the overall objectives of the funding initiatives.

**INTRODUCTION**

The NJDOE visited the Palmyra Public Schools to monitor the district's use of federal funds and the related program plans, where applicable, to determine whether the district's programs are meeting the intended purposes and objectives, as specified in the current year applications and authorizing statutes, and to determine whether the funds were spent in accordance with the program requirements, federal and state laws, and applicable regulations. The on-site visit included staff interviews and documentation reviews related to the requirements of the following programs: Title I, Part A (Title I); Title II, Part A (Title II); IDEA Basic and Preschool; and Race to the Top for the period July 1, 2012 through January 9, 2014.

The scope of work performed included the review of documentation including grant applications, program plans and needs assessments, grant awards, annual audits, board minutes, payroll records, accounting records, purchase orders, and current district policies and procedures. The monitoring team members reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews, as well as conducted interviews with program administrators and other district personnel as required. Additionally, the IDEA grant review included a review of student records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEP), a review of student class and related service schedules, and interviews of child study team members and speech-language specialists.

**EXPENDITURES REVIEWED**

The grants that were reviewed included Title I, Title II, IDEA Basic and Preschool and Race to the Top for the period July 1, 2012 through January 9, 2014. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

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**GENERAL DISTRICT OVERVIEW OF USES OF TITLE I, TITLE II, IDEA AND RACE TO THE TOP FUNDS**

**Title I**

The district operated targeted assistance programs at its two Title I funded schools: Charles Street School and Palmyra High School. The district identified Closing the Achievement Gap, English Language Arts, and Mathematics for Economically Disadvantaged, Racial/Ethnic, and all students as priority problems.

**Title II**

The district used its Title II funds for professional development.

**IDEA (Special Education)**

The district used a majority of the FY 2014 IDEA Basic funds to reduce district tuition costs for students receiving special educational services in other public school districts and approved private schools for students with disabilities. The IDEA Preschool funds were used for educational supplies and instructional materials.

**Race to the Top**

The district used Race to the Top funds for Teachscape and Charlotte Danielson Training.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** The district's use of Title I funds for the following expenditures supplanted state/local funds:

- National School Products - PO# 13-1390
- Instructivision - PO# 13-1388
- Archipelago - PO# 13-0382
- Lorenz Corporation - PO# 13-1391
- Questar Assessment - PO# 14-0695

For schools operating a targeted assistance Title I program, services must be guaranteed to benefit targeted students who meet the established criteria defined by the district/school. Services funded by Title I cannot benefit the entire school. Rather these funds must be used to supplement the existing educational program of the school, by devising programs and services to bolster the academic performance of low-achieving students.

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**Citation:** ESEA §1120A(b)(1): *Federal Funds to Supplement, Not Supplant, Non - Federal Funds.*

**Required Action:** For the 2014-2015 school year and future grants, the district must ensure that Title I funds are used for additional programs and services for eligible Title I students. The funds should be used to supplement, not supplant, programs and services the student would have otherwise received.

**Finding 2:** The district could not provide documentation to distinguish its locally run *Basic Skills* program in its non-funded Title I school and its Title I funded programs in both funded schools. Title I services must supplement existing educational programs by providing extended learning opportunities to identified low-performing students attending Title I funded schools based upon multiple educationally related criteria.

**Citation:** ESEA §1115(B): *Targeted Assistance Programs (Eligible Children from Eligible Population)*; ESEA §1120A(b)(1): *Federal Funds to Supplement, Not Supplant, Non-Federal Funds.*

**Required Action:** The district must provide a narrative describing the Title I program at its two funded schools and the Basic Skills program at its one non-Title I school. The district must provide a copy of its narrative to the NJDOE for review.

**Finding 3:** The district could not provide documentation that its Title I schools convened the annual Title I parent meeting. The parents/guardians of identified Title I students are entitled to be informed about the school's participation in Title I program, legislative requirements, and ways in which they can be involved in helping their child/children succeed academically.

**Citation:** ESEA §1118(c)(1): *Parental Involvement (Policy Involvement).*

**Required Action:** The district's Title I schools must convene their annual Title I parent meeting for the parents/guardians of its identified Title I students. The district must submit documentation (e.g., invitational letters/flyers, agendas, meeting minutes, and sign in sheets) to the NJDOE for review.

**Finding 4:** The district could not provide documentation of a consultation process with nonpublic schools that enroll resident students. Per the legislative requirement, the district must ensure that it performs due diligence in meeting with the nonpublic school officials to ensure that eligible resident students from Title I attendance areas are receiving appropriate Title I services. The consultation process must cover the following topics: collection of poverty data, student identification, and services for eligible students, parents, and teachers.

**Citation:** ESEA §1120 (b): *Participation of Children Enrolled in Private Schools.*

**Required Action:** For FY 2014-2015, the district must formalize its nonpublic consultation process. The district must retain signed/certified receipts of correspondence

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to nonpublic schools, copies of Affirmation of Consultation signed by all parties, and refusal forms. The district must also provide copies of meeting agenda, minutes, and sign in sheets to the NJDOE for review.

**Title II**

A review of the expenditures charged to the Title II grant yielded no findings.

**IDEA (Special Education)**

A review of the expenditures charged to the IDEA grant yielded no findings.

**Race to the Top**

A review of the expenditures charged to the Race to the Top grant yielded no findings.

**Administrative**

**Finding 5:** A comparison of the approved FY 2012-2013 Title I and Title II budgets and the district's accounting records revealed transfers which: 1) exceeded the 10 percent threshold for submitting an amendment application and 2) moved funds from approved line items to other approved/unapproved line items.

**Citation:** ESEA-NCLB New Jersey Consolidated Formula Subgrant Reference Manual, Section II: *Consolidated Application Process, Amendments*; and N.J.A.C. 6A:23-2.1: *Prescribed system of double-entry bookkeeping and GAAP accounting.*

**Required Action:** The district must monitor and track expenditures by function and object code to ensure funds are spent in accordance with approved budgets. Amendment applications must be submitted timely, if required, to ensure compliance with departmental regulations/guidelines.

**Finding 6:** The district routinely recorded Title I funded expenditures in incorrect general ledger accounts. For example, the district recorded instructional supplies and employee benefits as instructional salaries.

**Citation:** N.J.A.C. 6A:23A-16.2: *Principles and directives for accounting and reporting.*

**Required Action:** For the 2014-2015 school year and future grants, the district must ensure that Title I funds are recorded in the correct general ledger accounts.

**Finding 7:** The district did not have internal control policies and procedures to prevent contracting with suspended and debarred vendors. No contract may be made with parties listed on the General Services Administration's List of Parties excluded from Federal Procurement or Non-procurement in accordance with Executive Order 12549 and Executive Order 12689.

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**Citation:** 34 CFR §80.36: *Procurement*.

**Required Action:** The district must update internal policies and procedures to prevent contracting with suspended and debarred vendors and include such policies and procedures as part of the district's Standard Operating Procedures.

The NJDOE thanks you for your time and cooperation during the monitoring visit and looks forward to a successful resolution of all findings and implementation of all recommendations contained in this report.

If you have any questions, please contact Lori Ramella via phone at (609) 984-0937 or via email at [lori.ramella@doe.state.nj.us](mailto:lori.ramella@doe.state.nj.us).