



State of New Jersey

DEPARTMENT OF EDUCATION

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TRENTON, NJ 08625-0500

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Acting Commissioner

December 21, 2011

Dr. Annette Giaquinto, Superintendent
Galloway Township School District
101 S. Reeds Road
Galloway, NJ 08205

Dear Dr. Giaquinto:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Galloway Township Board of Education**. The funding sources reviewed include titled programs for the Education Jobs Act of 2010 (Ed Jobs) in particular, and/or Elementary and Secondary Education (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2010 through October 31, 2011. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Ed Jobs monitoring reports will be posted on the department's website at <http://www.state.nj.us/education/finance/jobs/monitor/>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Galloway Township 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 school'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 Anthony Hearn at (609) 633-2492.

Sincerely,

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

RJC/AH/dk:Galloway Township BOE Cover Letter/ Ed Jobs
Enclosures

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GALLOWAY TOWNSHIP SCHOOL DISTRICT
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Education Jobs Fund Program
New Jersey K-12 Education

EDUCATION JOBS CONSOLIDATED MONITORING REPORT
DECEMBER 2011

District: Galloway Township School District
County: Atlantic
Dates On-Site: November 14, 15 and 16, 2011
Case #: Ed Jobs-002-11

FUNDING SOURCES

	Program	Funding Award
Ed Jobs		\$ 794,451
Title I		450,475
IDEA Basic		902,500
IDEA Preschool		38,347
Title IIA		79,151
Title III		40,650
	Total Funds	<u>\$ 2,305,574</u>

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BACKGROUND

The *Education Jobs Act of 2010 (Ed Jobs)* 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 and Ed Jobs). 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 Galloway Township School District to monitor the district's use of *Ed Jobs* 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. The review also attempted 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: Ed Jobs, Title I; Title IIA; Title III; IDEA Basic and Preschool for the period July 1, 2010 through October 31, 2011.

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, student records review, classroom visitations and interviews with instructional staff to verify implementation of IEPs, review of student class and related service schedules, interview child study team members and speech-language specialist and interview program administrator regarding IDEA grant and current district policies and procedures. The monitoring team members also conducted interviews with district personnel, reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews.

EXPENDITURES REVIEWED

The grants that were reviewed included Educational Jobs Act, Title I, Title IIA, Title IID, Title III, and IDEA Basic and Preschool from July 1, 2010 through October 31, 2011. 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 AND IDEA FUNDS

Title I Projects

The district is using its FY 2011-2012 Title I, Part A funds to implement targeted assistance programs in the district. Primarily, the district provides tutoring services through in-class support, an intervention period in middle grades and a ready for kindergarten program.

IDEA Projects (Special Education)

The district is using FY 2011-2012 IDEA Basic funds to support out-of-district placements for students who have educational needs which cannot be currently addressed within the existing district programs. In addition, FY 2011-2012 IDEA funding provides for behavioral consultants, an extended school year program for special education students, one full time summer secretarial support personnel, and supplies and materials. The FY 2011-2012 IDEA Preschool funds support the cost of instructional materials and supplies. The district is using their nonpublic proportionate share to provide supplies, equipment and services.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district did not inform parents of its Title I program selection criteria, why the child met the selection criteria and the course of action the district has determined to remediate the child. All of these elements must be included in the notification letter to parents about their child's participation in the Title I program.

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

Required Action: The district must include in its parent notification letter the multiple measures used to identify the students, as well as clearly defined exit criteria. The district must provide a copy of its revised parent notification letter to the NJDOE for review and documentation to show that it posted the required information on the district's parent web page.

Finding 2: The district's website did not include the number of students eligible for School Choice.

Citation: NCLB §1116: *Academic Assessment and Local Educational Agency and School Improvement (School Choice)*.

Required Action: The district must update its website to include on the School Choice page the number of students eligible for School Choice from 2007 to the present. If required in FY 2012-2013, any school required to offer School Choice should include an application along with the parent notification letter.

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Finding 3: The district's schools did not develop a school-level Title I parental involvement policy in conjunction with parents.

Citation: NCLB §1118(b): *School Parental Involvement Policy*.

Required Action: The district should provide technical assistance to its schools in the development of school-level parent involvement policies and ensure that the schools work with their stakeholder groups to develop a school-level parent involvement policy. Each school must distribute a newly-developed school parent involvement policy to parents of the Title I students and send a copy to the NJDOE for review. These school-level parent involvement policies must also be posted on the district's parent web page.

Finding 4: The district's written parent involvement policy distribution date and board adoption dates were not accurately reflected in the FY 2011-2012 NCLB Consolidated Application on the Electronic Web Enabled Grant (EWEG).

Citation: NCLB §1118 (a)(2) and (b)(1): *Parental Involvement (Local Educational Agency Policy)*.

Required Action: The distribution date and board adoption date of the parent involvement policy must be consistent with the distribution date reflected in the FY 2011-2012 NCLB Application on the EWEG system. The district must update the Consolidated Application to accurately reflect these dates.

Finding 5: The Title I Unified Plan for Reeds Road Elementary School did not include the required information. The signature pages verifying the stakeholder committee's participation in the development and implementation of the plan were not available. Also, there was no evidence of parental or community representative involvement in the plan and evidence of documentation (i.e., meeting schedules, agendas, meeting notes) did not coincide with information included on the Unified Plan. Budget pages in the plan were from FY 2010-2011.

Citation: NCLB §1116: *Academic Assessment and Local Educational Agency and School Improvement*.

Required Action: The FY 2011-12 NCLB Application will be reopened, to allow the district to upload a revised Title I Unified Plan for the Reeds Road Elementary School that includes all the required elements. Documentation of planning and implementation (signature pages, meeting schedules, agendas, meeting notes, etc.) must coincide with information presented in the plan and retained at the LEA. The district is instructed to rename this revised file by including an "as of" date in the file name. The Title I Unified Plan for Smithville Elementary School must also include the necessary requirements and be submitted into the EWEG system with the required documentation (including signature pages and supporting documents) and a copy submitted to NJDOE for review.

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Finding 6: The district reported more nonpublic students based on their Aide-in-Lieu report than were included on the FY 2011-2012 NCLB Application in Step One of the Title I, Part A eligibility tab.

Citation: NCLB §1120: *Participation of Children Enrolled In Private School.*

Required Action: The district must amend its EWEG application to reflect the accurate number of nonpublic resident students. The district must provide multiple educationally related criteria used to identify its nonpublic students for Title I services and consultation documents to the NJDOE for review in FY 2012-2013. The district must ensure a method to collect poverty data on private school children and document repeated attempts for nonpublic outreach and follow up on notifications.

Finding 7: The district did not have a mechanism to track mandatory reserves such as School in Need of Improvement (SINI) professional development and parental involvement in its accounting system to ensure accuracy of final reports.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Required Action: The district must track its restricted reserves to ensure and verify spending of restricted amounts. The district must submit a list of account numbers being used for this purpose with a description of the accounts to the NJDOE for review.

Finding 8: The district's budget allocation of Title I and ARRA-Title I funds to its schools may not agree with the Title I school allocations on the FY 2010-2011 NCLB Consolidated Application for Title I funds (Eligibility Page, Step 4).

Citation: NCLB §9306(a)(5): *Other General Assurances (Assurances).*

Required Action: The district must reconcile its budget to correspond to the Title I school-level allocations reflected in the FY 2010-2011 NCLB Consolidated Application for Title I funds (Eligibility Page, Step 4) and the ARRA-Title I Application. The budget must be submitted to the NJDOE for review.

Finding 9: The school used its Title I, Part A funds to pay for the salary of a coach. The coach services the entire district, therefore, the school may only use its SINI professional development funds (\$18,577) to support this position for the two schools that did not make Adequate Yearly Progress. The school must use state/local funds for the balance of the coach's salary.

Citation: OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Government.* NCLB §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds).*

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Required Action: The school must reverse the charges for these unallowable activities and allocate state/local funds, rather than Title I funds, to support this expenditure. The school must submit a revised list of staff being funded and grants funding the positions (and reserves if they are being used) to the NJDOE for review.

Title IIA

There were no findings in Title IIA.

Title III

Finding 10: The district was planning on funding an English as a Second Language (ESL) teacher that was required under the state's requirement for ESL populations.

Citation: NCLB §3115(g): *Subgrants to Eligible Entities, Supplement not Supplant.*

Required Action: The district must revise its current budget and fund only supplemental expenditures for the program. Also, the district must submit a revised application to the NJDOE for review.

IDEA (Special Education)

Finding 11: The district charges for a nonpublic case manager exceeded the state administrative cap on funding for the current year and needs to be reduced to under the six percent threshold of \$3,921.

Citation: N.J.S.A. 18A:46A-8. Cost Limitations.

Required Action: The district must limit the administrative charges to the state prescribed threshold. Also, the district must submit a list of duties performed by the case manager and the administrative salary and the services portion to the NJDOE for review.

Finding 12: The district did not consistently document consideration of placement in the Least Restrictive Environment in the IEPs of students removed from the general education setting for more than 20% of the school day (including students placed in separate settings. Noncompliance was due to lack of implementation of district procedures. Specifically, IEPs did not consistently include:

- the supplementary aids and services considered;
- an explanation of why the supplementary aids and services were rejected;
- the potentially beneficial or harmful effects which a placement in general education may have on the student with disabilities or the other students in the class; and
- for those students placed in separate settings, activities to transition the student to a less restrictive environment.

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Citation: N.J.A.C. 6A:14-4.2 (a)8(i),(ii) and (iii), N.J.A.C. 6A:14-4.2 (a)4.

Required Action: The district must ensure that when determining the educational placement of a child with a disability, the IEP team considers the general education class first and that all required decisions regarding the placement are documented in the IEP for each student removed from general education for more than 20% of the school day. The district must also ensure that for students placed in separate settings, the IEP team identifies activities to transition the student to a less restrictive environment and document them in each IEP. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the district's procedures. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for specific students whose IEPs were identified as noncompliant. The district must submit the revised IEPs, along with the IEPs for three additional students whose annual review meetings were conducted subsequent to the last day of monitoring to the NJDOE for review. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the special education monitor.

Finding 13: The district did not consistently document all required considerations and statements in each IEP for students eligible for special education and related services and speech-language services. Noncompliance was due to lack of implementation of district procedures. Specifically, IEPs did not consistently include:

- frequency, duration and location of related services;
- documentation of special considerations;
- the Present Level of Functional Performance Statement in IEPs of students eligible for speech and language services did not contain documentation of students' strengths;
- consideration of extended schools year (ESY) for students eligible for speech-language services; and
- identification of a post-secondary liaison for students beginning at age 14.

Citation: N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f) N.J.A.C. 6A:14-4.10(a); 20 U.S.C. §1414(d)(3)(A)(B); and 34 CFR §300.324(a)(1)(2).

Required Action: The district must ensure that each IEP contains all required components. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists regarding district procedures. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for specific students who IEPs were identified as noncompliant. The district must submit the revised IEPs, along with the IEPs of three additional students whose annual review meetings were conducted subsequent to the last day of monitoring to the NJDOE for review. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the special education monitor.

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Finding 14: The district did not consistently ensure that the required participants were in attendance at annual review, initial, and reevaluation IEP meetings for students eligible for speech-language services and students eligible for special education. Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.3(k)1(i-vii); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

Required Action: The district must ensure that IEP team meetings (initial, reevaluation, annual review, and eligibility determination meetings) are conducted with required participants and that documentation of attendance is maintained in students' files. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists and child study team members regarding the procedures. To demonstrate implementation of the procedures, the district must submit the IEP participants signature page from initial, annual review, eligibility, and reevaluation meetings for three students eligible for speech and language services and three students eligible for special education and related services whose IEP team meeting was conducted subsequent to the last day of monitoring to the NJDOE for review.

Finding 15: The district did not conduct meetings within 20 calendar days of receipt of a written request for a child study evaluation or a speech-language evaluation to determine if an evaluation was warranted. Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.3(e).

Required Action: The district must ensure that identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists regarding the district's procedures. To demonstrate implementation of the procedures, the district must submit copies of the dated initial request for evaluation for three students referred for special education and related services and three students referred for speech-language services and the signed participation pages from the resulting meetings conducted subsequent to the last day of monitoring to the NJDOE for review.

Finding 16: The district did not conduct vision/hearing screenings and develop health/medical summaries for every student referred to the child study team for evaluation. Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.4(j).

Required Action: The district must ensure that the results of vision and audiometric screenings are forwarded to the child study team for each child referred for a child study team evaluation. A copy of the results shall be maintained in students' files, along with

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available health/medical summaries. To demonstrate implementation of the procedures, the district must submit documentation that screening results and medical summaries were received by the child study team for three students referred to the child study team subsequent to the last day of monitoring to the NJDOE for review.

Finding 17: The district did not conduct multidisciplinary initial evaluations (minimum of two assessments by two team members) of students referred for speech-language services. Specifically, the district did not obtain a statement of educational impact of the speech problem on the child's progress in the classroom from the general education teacher following receipt of written parental consent to evaluate. Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.5(b)6 and 3.6(b).

Required Action: The district must ensure that a multidisciplinary evaluation is conducted for speech-language services by obtaining a statement from the general education teacher that details the educational impact of the speech problem on the student's progress in general education. To demonstrate implementation of the procedures, the district must submit three initial evaluation reports as eligible for speech language services subsequent to the last day of monitoring to the NJDOE for review.

Finding 18: The district did not conduct all required components of the functional assessment as part of the initial evaluation for students referred for speech-language services. Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.4(f)4(i-vi); 20 U.S.C. §1414(b)(4) and (5); and 34 CFR §300.306(c)(i).

Required Action: The district must ensure that all sections of the functional assessment are conducted as a component of initial evaluations. The district must conduct training for speech-language specialists regarding the district's procedures. To demonstrate implementation of the district's procedures, the district must submit the evaluation reports developed subsequent to the last day of monitoring for three students referred for speech-language services to the NJDOE for review. The district is referred to the sample speech-language report format available at www.state.nj.us/education/speced as a guide for initial evaluation reports.

Finding 19: The district did not provide copies of evaluation report(s) to parents at least 10 days prior to the determination of initial eligibility or redetermination of eligibility (when assessments were conducted). Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.5(a); 20 U.S.C. §1414(b)(4); and 34 CFR §300.306(a).

Required Action: The district must ensure the provision of copies of evaluation report(s) to parents not less than 10 days prior to the determination of eligibility. To

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demonstrate implementation of the procedures, the district must submit the documentation of provision of evaluation report(s) to parents for three students evaluated for special education and related services and speech-language services subsequent to the last day of monitoring to the NJDOE for review.

Finding 20: The district did not maintain written certification for each child study team evaluator as to whether his/her report reflects his/her conclusion of eligibility of the student for special education and related services. Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.4(h)5.

Required Action: The district must ensure that written certification of each child study team evaluator as to whether his/her report reflects his/her conclusion of eligibility of the student is maintained in students' files. The district must conduct training for child study team members regarding the district's procedures. To demonstrate implementation of the procedures, the district must submit the written certification of each child study team evaluator as to whether his/her report reflects his/her conclusion of eligibility following a meeting conducted subsequent to the last day of monitoring, for three students determined eligible for special education and related services to the NJDOE for review.

Finding 21: The district did not conduct reevaluations within three years of the previous classification date consistently for students eligible for special education and related services. Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.8(a) and 20 U.S.C. §1414(a)(2)(B)(ii) and N.J.A.C. 6A:14-3.7(i); 20 U.S.C. §1414(d); and 34 CFR §300.324(b)1.

Required Action: The district must ensure that reevaluations are conducted within required timelines. To demonstrate implementation of the district's procedures, the district must submit documentation of previous classification dates for three students whose reevaluations were completed subsequent to the last day of monitoring. Written notice of eligibility for each student must also be submitted to the NJDOE for review.

Finding 22: The district did not consistently include the required components in notice of identification, eligibility, and reevaluation meeting for students referred for special education and related services and student speech-language services. Noncompliance was due to lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.3(k)3,5; 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

Required Action: The district must ensure that notices of identification, eligibility and reevaluation meetings contain all required components. In order to demonstrate correction of noncompliance the district must conduct training for child study team members and speech-language specialists regarding the procedures. To demonstrate

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implementation of the district's procedures, the district must submit notices of an identification, eligibility and reevaluation meetings conducted subsequent to the last day of monitoring for three students referred for special education and related services and speech-language services to the NJDOE for review.

Finding 23: The district did not provide written notice containing the required components (options considered and rejected, provision of PRISE, provision of N.J.A.C. 1:6A) within required timelines to parents following initial eligibility, initial eligibility/IEP, and identification meetings. Noncompliance was due to lack of implementation of district procedures.

Citation: 20 U.S.C. §1414(b)(1)(c)(4)(A); 34 CFR §300.304(a)(4); and 34 CFR §300.305(a) and N.J.A.C. 6A:14-2.3(f) and 2.3(g)1-7.

Required Action: The district must ensure the provision of written notice containing required components following an identification, eligibility or IEP team meeting within required timelines. To demonstrate implementation of the district's procedures, the district must submit the written notice following identification and eligibility meetings conducted subsequent to the last day of monitoring for three students evaluated for special education and related services and speech-language services to the NJDOE for review.

Administrative

Recommendation 1: The district's internal controls should be updated to include policies and procedures to prevent non-allowable costs from being charged to grants, prevent contracting with disbarred vendors and perform competitive contracting.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

Recommended Action: The district should update internal control policies to prevent these errors from recurring.

Recommendation 2: The district does not have formal written policies for requesting reimbursement from the EWEG system; however, the district's practice for requesting reimbursement was verified through questions concerning the district's internal controls.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Recommended Action: The district must have a formal board policy concerning the reimbursement of grant funds and should submit this to the NJDOE for review.

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Recommendation 3: Under the New Jersey's Public District Contracts Law (PSCL), districts are not required to advertise for bids or competitively contract the provision of goods and services by vendors on the state contract list. In accordance with the PSCL [N.J.S.A. 18A:18A:10(a)], a board of education may place its order with a vendor offering the lowest price, including delivery charges, that best meets the requirements of the board of education. However, for all federal funds, districts need to review 34 CFR Part 80.36 on procurement requirements. The federal procurement regulations under this section do not include all the exemptions allowed under the PSCL and therefore, it is our understanding these federal regulations require districts to competitively contract or bid all goods and services over the bid threshold, whether exempt under PSCL or not. The federal rules do include provisions for procurement by "noncompetitive proposals," but only under certain circumstances.

The NJDOE has requested clarification from the federal government regarding vendors on the state contract list and we are still waiting for a definitive response. It is the department's position and recommendation to the federal government that such contracts do not need any additional documentation beyond the statutory requirement under N.J.S.A. 18A:18A:10(c) that prior to placing orders, the board of education shall document with specificity that the goods and services selected best meet the requirements of the board of education. See LFN 2010-3 issued January 15, 2010 for more information on competitive contracting for districts and professional development services.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

Recommended Action: The district should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible. The district should also analyze and include documentation in its files that demonstrates the district ensured the costs were reasonable.

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 Anthony Hearn via phone at (609) 633-2492 or via email at anthony.hearn@doe.state.nj.us.