



State of New Jersey

DEPARTMENT OF EDUCATION

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TRENTON, NJ 08625-0500

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*Governor*

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*Lt. Governor*

CHRISTOPHER D. CERF  
*Acting Commissioner*

March 16, 2012

Dr Steven Ciccariello, Superintendent  
Greater Egg Harbor Regional High School District  
1824 Dr. Dennis Foreman Drive  
Mays Landing, NJ 08330

Dear Dr. Ciccariello:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Greater Egg Harbor Regional High School District 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 November 30, 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 Greater Egg Harbor Regional High School District 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 Anthony Hearn at (609) 633-2492.

Sincerely,

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

RJC/AH/dk:Greater Egg Harbor Reg. H.S. District BOE Cover Letter/ Ed Jobs  
Enclosures

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**GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT**  
1824 DR. DENNIS FORMAN DRIVE  
MAYS LANDING, NJ 08330  
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**Education Jobs Fund Program**  
*New Jersey K-12 Education*

**EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
MARCH 2012**

**District:** Greater Egg Harbor Regional High School District  
**County:** Atlantic  
**Dates On-Site:** January 9 and 10, 2012  
**Case #:** Ed Jobs-003-11

**FUNDING SOURCES**

Program	Funding Award
Ed Jobs	\$ 1,081,461
Title I	383,741
IDEA Basic	859,136
Title IIA	76,460
Title III	18,431
Title III Immigrant	11,133
Carl D. Perkins	22,548
Total Funds	<u>\$ 2,452,910</u>

**GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT  
EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
MARCH 2012**

**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 Greater Egg Harbor Regional High 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, 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: Ed Jobs, Title I; Title IIA; Title III; IDEA; Carl D. Perkins for the period July 1, 2010 through November 30, 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, a review of student records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Plans, review of student class and related service schedules, interviews child study team members and a speech-language specialist and an interview of the program administrator regarding the IDEA grant, as well as 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 the Educational Jobs Act, Title I, Title IIA, Title III, Carl D. Perkins and IDEA for the period July 1, 2010 through November 30, 2011. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

**GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT  
EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
MARCH 2012**

**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, study hall remedial services, a lunch time reading program and technology related programs.

**IDEA Projects (Special Education)**

The majority of the FY 2011-2012 IDEA Basic funds are being used to reduce district tuition expenditures for students receiving special educational services in public school programs in other districts and approved private schools for students with disabilities. Nonpublic funding provides classroom supplies, textbooks, software and technology for the students attending two nonpublic schools located in the district.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** The district does not have a mechanism to track mandatory reserves, such as School In Need of Improvement and 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 2:** The district is not tracking expenditures by attendance areas to ensure that the expenses for Title I schools are consistent with each attendance areas allocation on Eligibility Page, Step 4 of the FY 2011-2012 NCLB Consolidated Application.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems; NCLB §9306(a)(5): *Other General Assurances (Assurances)*.

**Required Action:** The district must track Title I school-level allocations reflected in the FY 2011-2012 NCLB Consolidated Application for Title I funds (Eligibility Page, Step 4). The tracking for FY 2010-2011 Title I and ARRA-Title I, as well as FY 2011-2012 funds must be submitted to the NJDOE for review.

**GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT  
EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
MARCH 2012**

**Finding 3:** The district does not have a comprehensive equipment inventory for items purchased with Title I and IDEA funds.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

**Required Action:** The district must develop a system to track equipment purchased with federal funds. Although the state threshold for reporting equipment is \$2,000 in the Electronic Web Enabled Grant system, the district may have its own lower threshold. The school must track any amount that is less expensive to track than it is to replace. All items on the inventory list must include the tag number, cost, location, date of purchase, name of grant that funded the purchase and item description. The school must submit a comprehensive inventory of all equipment purchased to the NJDOE for review.

**Finding 4:** The district's use of Title I, Part A funds to purchase library books (Follet), graphing calculators and to furnish a parent center (tables, shelves and computers) supplants state and local funds since these purchases will benefit students and parents beyond those in the Title I program.

**Citation:** NCLB §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

**Required Action:** The district must reverse the charges for these unallowable activities and allocate state/local funds, rather than Title I funds, to support these expenditures. The district must provide a list of items that it has identified as supplanting to the NJDOE for review.

**Title IIA**

There were no findings in Title IIA.

**Title III and Title III Immigrant**

There were no findings in Title III and Title III Immigrant.

**IDEA - Special Education**

**Finding 5:** The district has purchased materials and supplies (i.e. textbooks, software, technology and classroom supplies) for classified students who are educated in a general education setting in a nonpublic school. A requirement of the IDEA grant is that at least one Individual Service Plan (ISP) of students educated in general education lists the materials and supplies purchased with IDEA funds for use by classified students in the classroom. The ISPs for classified students at Pilgrim Academy do not reflect that these students are receiving services through IDEA as the ISPs do not identify any of these materials and/or supplies.

**Citation:** IDEA Regulations 34 CFR §300.130-300.144.

**GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT  
EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
MARCH 2012**

**Required Action:** The services listed in the ISPs to be provided through the IDEA grant need to match the services listed in the IDEA grant application. If general education students will be deriving benefit from these materials and supplies, then they must be delineated in the ISPs. The district must revise the ISPs to reflect the services provided under the grant. The related services page of the grant application has a dedicated space for this purpose.

**Carl D. Perkins**

There were no findings in Carl D. Perkins.

**Administrative**

**Recommendation 1:** The district does not have internal control policies and procedures to prevent contracting with disbarred vendors. The district should update internal control policies to prevent errors from potentially occurring.

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

**Recommendation 2:** 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.

**GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT  
EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
MARCH 2012**

**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](mailto:anthony.hearn@doe.state.nj.us).