



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

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Lt. Governor

CHRISTOPHER D. CERF
Acting Commissioner

December 20, 2011

Dr. Dan Blachford, Superintendent
Hammonton School District
566 Old Forks Road
PO Box 631
Hammonton, NJ 08037

Dear Dr. Blachford:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Hammonton 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 Hammonton 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:Hammonton BOE Cover Letter/ Ed Jobs
Enclosures

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Education Jobs Fund Program
New Jersey K-12 Education

**EDUCATION JOBS CONSOLIDATED MONITORING REPORT
DECEMBER 2011**

District: Hammonton School District
County: Atlantic
Dates On-Site: November 21 and 22, 2011
Case #: Ed Jobs-004-11

FUNDING SOURCES

| Program | Funding Award |
|----------------|--------------------|
| Ed Jobs | \$441,411 |
| Title I | 730,855 |
| IDEA Basic | 673,440 |
| IDEA Preschool | 23,084 |
| Title IIA | 82,952 |
| Title III | 62,364 |
| Total Funds | <u>\$2,014,106</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 Hammonton 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; and 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 record review, classroom visitations and interviews with instructional staff to verify implementation of IEPs. The visit also included a review of student class and related service schedules, interviews of the child study team members and speech-language specialist, and an interview of the program administrator regarding the 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 Ed Jobs, Title I, Title IIA, Title IID, Title III, and IDEA 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.

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, summer programs, web based software for upper grades, staff/peer after school programs and job-embedded professional development through the use of professional learning communities.

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IDEA Projects (Special Education)

The district is using its FY 2011-2012 IDEA Basic and Preschool 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, the district is using their nonpublic proportionate share to provide teacher assistants for general education classrooms.

DETAILED FINDINGS AND RECOMMENDATIONS

Education Jobs Act

Finding 1: The district has not identified specific staff it plans on charging to Ed Jobs funding that meet the eligible criteria.

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 identify specific staff contribution that meet the definition of school-level staffing for the charging of the Public Employees Retirement System to Ed Jobs funding.

Title I

Finding 2: 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 that 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 3: The school did not develop a school-level Title I parental involvement policy in conjunction with parents.

Citation: NCLB §1118(b): *School Parental Involvement Policy*, United States Department of Education's Title I, Part A Parent Involvement Non-Regulatory Guidance (Item D-1).

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Required Action: The district should provide technical assistance to its schools in the development of school-level parent involvement policies and ensure that its schools work with their stakeholder groups to develop a school-level parent involvement policy. Each School in Need of Improvement (SINI) 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 be posted on the district's parent web page.

Finding 4: For the 2011-2012 school year, there is no evidence that the district's Title I funded schools evaluated their school-parent compact with parents of participating students or evidence of how the policy was distributed to parents.

Citation: NCLB §1118(d): *Parental Involvement (Shared Responsibilities for High Student Academic Achievement)*.

Required Action: The administration of the schools must work with its stakeholder group to evaluate the Title I school-parent compact for FY 2011-2012. The school must distribute the compact to parents of all students and submit a copy of the school-parent compact to the NJDOE for review.

Finding 5: The district's written parent involvement policy has not been updated and adopted by the district board of education annually as required. The distribution date and board adoption dates were not accurately reflected in the FY 2011-2012 NCLB Consolidated Application on the Electronic Web Enabled Grant system (EWEG). The parent web link posted in FY 2011-2012 NCLB Consolidated Application on EWEG is incorrect.

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

Required Action: The district's parent involvement policy was adopted in 2006 and last revised in 2007. The district must have a written parent involvement policy that is developed in collaboration with parents of participating Title I students and evaluated annually. The policy must be distributed to parents of participating Title I children in an understandable and uniform format and, to the extent practicable, in a language the parents understand. A copy of the district parent involvement policy must be submitted to the NJDOE for review. 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 EWEG. The district must update the EWEG application to accurately reflect these dates.

Finding 6: The Title I Unified Plans for the SINI do not include the required information. In the Warren E. Sooy Jr. Elementary School Unified Plan, there is no evidence of parent or community representative involvement and in the Hammonton High School Unified Plan, there is no evidence of community representative involvement. Plan documentation (i.e., meeting

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schedules, agendas, meeting notes) do not coincide with information included on the Unified Plan. Also, some of the expenditures in the Unified Plan are unallowable as grant expenditures.

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 schools 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 must be submitted to the NJDOE for review.

Finding 7: The district did not have a mechanism to track mandatory reserves such as 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. The district must also submit a list of the expenditures for FY 2010-2011 for the SINI reserves by location to the NJDOE that matches reserves of \$18,127, \$14,597 and \$17,289 for Warren E Sooy Jr School, Hammonton Middle School and Hammonton High School, respectively, and the list of proposed charges for SINI funds for FY 2011-2012.

Finding 8: The district's budget allocation of Title I funds to its schools does not agree with the Title I school allocations on the FY 2011-2012 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 district used its Title I, Part A funds to pay for the salaries of bilingual and special education aides. Since these aides may service non-Title I students and are mandated under other programs, the use of federal funds for these salaries supplants state/local funds. The district must use state/local funds for mandated programs.

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Citation: OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments*. 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 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.

Finding 10: The district used its Title I, Part A funds to pay for books, benchmark assessments, and classroom projects that benefit all students. The district used its Title I, Part A 1% Parental Involvement reserve to pay for a parent portal that benefits all parents. The district must use state/local funds for expenses that benefit the entire student population.

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

There were no findings in Title III.

IDEA (Special Education)

There were no findings in the IDEA grant of Special Education.

Administrative

Recommendation 1: The district has policies and procedures to prevent non-allowable costs from being charged to grants, prevent contracting with disbarred vendors and perform competitive contracting but there is no evidence of implementation.

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

Recommended Action: The district must document the implementation of policies to prevent these errors from recurring.

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Recommendation 2: The district has formal written policies for requesting reimbursement from the EWEG system; however, the district's practice for requesting reimbursement was undocumented.

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 keep supporting documents to show the implementation of policies for requesting reimbursement from the EWEG system. Also, the district must submit an example of documents to the NJDOE that they will keep to support the draw down.

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 district has policies on the matter, but has no support to show it is implementing the policies.

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 and document the process in the procurement process.

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.