



State of New Jersey  
DEPARTMENT OF EDUCATION  
PO Box 500  
TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

CHRISTOPHER D. CERF  
*Commissioner*

November 20, 2012

Mr. Frank Quatrone, Superintendent  
Lodi Board of Education  
81 Hunter Street  
Lodi, NJ 07644

Dear Mr. Quatrone:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Lodi 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 February 29, 2012. 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 Lodi 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 Steven Hoffmann at (973) 621-2750.

Sincerely,

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

RJC/SH/dk:Lodi BOE Cover Letter/ Ed Jobs  
Enclosures

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**Education Jobs Fund Program**  
*New Jersey K-12 Education*

EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
NOVEMBER 2012

**District:** Lodi Public Schools  
**County:** Bergen  
**Dates On-Site:** April 2, 3 and 4  
**Case #:** Ed Jobs-008-11

**FUNDING SOURCES**

<u>Program</u>	<u>Funding Award</u>
Ed Jobs	\$491,708
Title I	535,241
IDEA Basic	797,342
IDEA Preschool	26,999
Title IIA	119,402
Title III	57,061
Carl D. Perkins	23,976
Total Funds	<u><u>\$2,051,729</u></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 Lodi Public Schools 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 Basic and Preschool, and the Carl D. Perkins (Perkins) grant for the period July 1, 2010 through February 29, 2012.

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, classroom visitations and interviews with instructional staff to verify implementation of the Individualized Education Programs (IEPs). The visit also included a review of student class and related service schedules, interviews of the child study team members and speech-language specialists, 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 III, IDEA Basic and Preschool, and Perkins from July 1, 2010 through February 29, 2012. A sampling of purchase orders and/or salaries was taken from each program reviewed.

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**GENERAL DISTRICT OVERVIEW OF USES OF TITLE I, IDEA AND CARL D. PERKINS FUNDS**

**Title I Projects**

The district has a targeted assistance Title I program in all elementary schools and the middle school. Title I funds were expended to support teacher salaries and benefits, professional development, supplies for Title I instruction, and stipends for parental involvement.

**IDEA Projects (Special Education)**

The majority of the FY 2012 IDEA Basic funds were used to reduce district tuition expenditures for students receiving special educational services in other public school districts and approved private schools for students with disabilities.

The district used its FY 2010-2011 and FY 2011-2012 IDEA Basic and Preschool funds to reduce district tuition expenditures for students receiving special educational services in other public school districts and approved private schools for students with disabilities. In addition, the district used their nonpublic proportionate share to provide speech therapy services and supplemental instruction for students with disabilities attending one nonpublic school located within the district.

**Carl D. Perkins**

The district operates Career and Technical Education (CTE) programs for which they receive Perkins funds to support the implementation of programs. The monitoring of the CTE program revealed all Perkins funds were utilized to support the strategies and activities identified in the district's current Perkins funding application.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Ed Jobs Act**

There were no findings in Ed Jobs.

**Title I**

**Finding 1:**

**Condition:** The Title I schools did have Title I program selection criteria and the course of action for remediation, but did not have clearly defined program exit criteria. No evidence existed that the Title I eligibility participation letter was distributed to parents of eligible Title I students.

**Citation:** ESEA §1115: *Targeted Assistance Program*; ESEA §1118(c): *Parental Involvement (Policy Involvement)*.

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**Required Actions:** In its Title I parent notification letter, the school must include the multiple measures used to identify the students, as well as clearly defined exit criteria. The school must provide a copy of its parent notification letter to the NJDOE for review and documentation to show that it distributed the letter.

**Finding 2:**

**Condition:** The district did not provide evidence of convening its annual Title I parent meeting.

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

**Required Actions:** The district must convene its FY 2012-2013 annual Title I meeting for the parents/guardians of its identified Title I students and submit evidence of said meeting to the NJDOE for review (invitational letter/flyer, agenda, meeting minutes, and sign in sheets must be obtained).

**Finding 3:**

**Condition:** In the process of nonpublic student identification for eligible equitable services, the district did not provide sufficient documentation to substantiate outreach and consultation with nonpublic schools within the required 50 mile radius beyond the district's boundaries.

**Citation:** ESEA §1120: *Participation of Children Enrolled In Private Schools*.

**Required Action:** The district must develop a corrective action plan that outlines how it will identify its resident students that attend nonpublic schools beyond the district's boundaries.

**Title IIA**

There were no findings in Title IIA.

**Title III**

There were no findings in Title III.

**IDEA (Special Education)**

**Finding 4:**

**Condition:** The district's FY 2010-2011 and FY 2011-2012 contracts with the Bergen County Special Services School District (BCSSSD) for services to nonpublic students with disabilities is based on the total amount of IDEA funding received by the district.

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The contract should be based on the type and quantity of services to be provided to students in nonpublic schools.

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

**Required Action:** The district must revise the current contract with the BCSSSD to include the type of services and associated rates to be provided. Additionally, the district should request detailed invoices from the BCSSSD that includes specific dates of service and type of service provided.

**Finding 5:**

**Condition:** Review of the FY 2010-2011 and FY 2011-2012 schedules for students with disabilities attending the nonpublic school indicated that students are being provided with supplemental instruction through IDEA in the same classroom, at the same time, and with the same teacher as the general education students who are receiving compensatory education through Chapter 192. Compensatory education and supplementary education cannot be provided at the same time due to the differing needs of the students, as well as the different funding streams associated with them; Chapter 192 and IDEA. In addition, for both school years, the students in the supplementary instruction class are subscribed beyond N.J.A.C.6A:14 requirements.

**Citation:** IDEA Regulations 34CFR § 300.1 §300.2024. ; Chapter 192 & 193 Programs for Nonpublic School Students 2011-2012; N.J.A.C.6A:14-4.6.

**Required Action:** IDEA funds must be used to support the Individual Service Plans (ISP) driven programs. In cases where students with disabilities require supplemental instruction, it cannot be combined with other programs. The district must ensure supplemental instruction is delivered by an appropriately certified staff member for the sole purpose of the services identified in the students' ISPs. The district must have all student schedules revised accordingly.

**Finding 6:**

**Condition:** The ISPs for students with disabilities in nonpublic settings did not specify the correct amount of services provided nor were the services separated by funding sources; specifically, the IDEA Basic nonpublic proportionate share and Chapter 193 funding.

**Citation:** IDEA Regulations 34CFR §300.130-300.144; Chapter 192 & 193 Programs for Nonpublic School Students 2011-2012.

**Required Action:** All ISPs must be revised to reflect the correct amount of service being provided in the nonpublic school. In addition, the ISP must also reflect the correct funding source for each service.

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**Carl D. Perkins**

**Finding 7:**

**Condition:** The district did not tag equipment that was purchased with federal funds.

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

**Required Action:** Equipment purchased with federal funds should be labeled as such.

**Administrative**

**Finding 8:**

**Condition:** On several occasions, the district failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). District policy and state regulations require that a properly executed purchase order be issued prior to the purchase of goods or the rendering of services.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. N.J.S.A 18A:18A(2)(v) *Public School Contracts Law*.

**Required Action:** Purchase orders should be issued to all vendors prior to goods or services being provided.

**Finding 9:**

**Condition:** The district failed to formally appoint all individuals charged to federal programs by board resolution. Specifically, employees charged to Title II and Title III were not appointed.

**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:** All staff charged to federal grants should be reappointed annually by board resolution.

**Finding 10:**

**Condition:** The monitors noted in several instances vendor invoices were missing from payment packages supporting disbursements.



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**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:** All vendor payments should be supported by an original vendor invoice.

**Recommendation 1:** The district does not have a purchasing manual that details procedures for the procurement of goods and services.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. N.J.A.C. 6A:23A-6.6 Standard operating procedures for business functions.

**Recommended Action:** The district should prepare and adopt a detailed purchasing manual to ensure compliance with current state and federal procurement regulations.

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 Steven Hoffmann via phone at (973) 621-2750 or via email at [steven.hoffmann@doe.state.nj.us](mailto:steven.hoffmann@doe.state.nj.us).