



State of New Jersey

DEPARTMENT OF EDUCATION

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CHRIS CHRISTIE
Governor

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Lt. Governor

CHRISTOPHER D. CERF
Acting Commissioner

February 3, 2012

Mr. John Golden, Superintendent
Black Horse Pike Regional School District
580 Erial Road
Blackwood, NJ 08012

Dear Mr. Golden:

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

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BLACK HORSE PIKE REGIONAL SCHOOL DISTRICT
580 ERIAL ROAD
BLACKWOOD, NJ 08012
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Education Jobs Fund Program
New Jersey K-12 Education

EDUCATION JOBS CONSOLIDATED MONITORING REPORT
FEBRUARY 2012

District: Black Horse Pike Regional School District
County: Camden
Dates On-Site: December 5 and 6, 2011
Case #: Ed Jobs-012-11

FUNDING SOURCES

Program	Funding Award
Ed Jobs	\$ 1,145,881
Title I	324,918
IDEA Basic	889,619
Title IIA	69,366
Total Funds	<u>\$ 2,429,784</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 Black Horse Pike Regional 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; IDEA 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, student record 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 Education Jobs Act, Title I, Title IIA, and IDEA from 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.

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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 tutoring during lunch/free period, extended day and summer enrichment program.

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 out of district programs approved by the NJDOE. Funds are also being used to pay for contracted professional and technical services (speech, occupational and physical therapy, sign language interpreters and school psychologist). The 2012 summer Extended School Year Program will be supported through the IDEA Basic funds. Instructional and non-instructional supplies will be purchased to support academic program delivery.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The historical data (2007-present) of the number of students eligible for supplemental educational services (SES) was not posted on the district's Web page as required.

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

Required Action: The district's web page must be updated to include the number of students eligible for SES from 2007-present.

Finding 2: The district did not include nonpublic enrollment numbers on the 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 Electronic Web Enabled Grant (EWEG) application to reflect the accurate number of nonpublic resident students in its attendance area. The district must ensure that consultation meetings between the district and private school officials occur prior to the district making any decisions impacting the participation of Title I programs of eligible private school students, teachers and families, and that documentation of consultation and/or refusal of funds is maintained at the district. A copy of the revised EWEG page must be submitted with the Corrective Action Plan (CAP).

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Finding 3: The district did not have documentation of board approval for the written parental involvement policy.

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

Required Action: The district's written parent involvement policy, developed in collaboration with parents of participating Title I students and evaluated annually, must be board approved. The date of board approval, as well as the distribution date must be consistent with the dates reflected in the FY 2011-2012 NCLB Consolidated Application on EWEG. A copy of the board approval and revised EWEG page must be submitted with the CAP.

Finding 4: 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).

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. The 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. The school-level policy must be board approved. The date of board approval, as well as the distribution date must be consistent with the dates reflected in the FY 2011-2012 NCLB Consolidated Application on EWEG. A copy should be submitted to the NJDOE for review.

Finding 5: The Title I Unified Plan for Highland High School does not include the required information. The Unified Plan, includes no evidence of community representative involvement on the school improvement committee.

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 Highland High School that includes all the required elements, including evidence of community representative involvement on the school improvement committee. The revised plan must also incorporate the latest CAPA revisions and complete the information on the status of the district's CAP, Year 4 Hold school. Documentation of planning and implementation (signature pages, meeting schedules, agendas, meeting notes, peer review, etc.) must concur with information presented in the plan and submitted to the NJDOE for review.

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Finding 6: The district is not tracking expenditures by location to ensure that the expenses for Title I schools are consistent with each school's 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 must be submitted to the NJDOE for review.

Finding 7: The district gave away student incentives, such as iTunes gift cards and iPods, which exceed nominal value, to students for completing various tutoring programs. Additionally, because the district lacks internal controls it is unable to verify which students received the incentives.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. USDE Policy Letter, January 15, 2008.

Required Action: The district must have a formal policy that only incentives of nominal value can be provided to students. The U.S. Department of Education has indicated that districts can provide non-monetary rewards of nominal value such as plaques, gift certificate for a pizza or books, etc.) for good performance, but not as incentives for students to attend class. The district must also develop policies and procedures to track the distributions of any nominal incentives. The district must back out the cost of the iPods and carryover the excess funds. The district must submit a copy of its incentives policy and the adjusted journal entry to the NJDOE as part of its CAP.

Finding 8: 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 formal tracking system for equipment purchased with federal grants. Although the state threshold for reporting equipment is \$2,000 in the EWEG system, the district may have its own lower threshold. The district must track any amount that is less expensive to track than it is to replace. All inventoried items must include tag number, cost, location, date of purchase, grant that funded the purchase and item description. The district must submit a comprehensive inventory of all

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equipment purchased to the NJDOE for review. The IDEA list was provided after the monitoring, but the Title I list has not been updated.

Title IIA

There were no findings in Title IIA.

IDEA (Special Education)

Finding 9: The district did not consistently document in the IEPs of students removed from the general education setting for more than 20 percent of the school day (including students placed in separate settings), consideration of placement in the least restrictive environment (LRE). 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 students with disabilities or other students in the class; and
- for those students placed in separate settings, and activities to transition the student to a less restrictive environment.

Noncompliance was due to lack of implementation of district procedures.

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 percent 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 with IEPs that were identified as noncompliant. The district must submit the revised IEPs, along with the IEPs for students whose annual review meetings were conducted between February 2012 and April 2012. Names of the students with IEPs that were identified as noncompliant will be provided to the district by the special education monitor.

Finding 10: The district did not include required considerations in each IEP for students eligible for special education and related services. Specifically, IEPs did not document the need for

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special considerations as part of the present level of academic achievement and functional performance.

Citation: N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f); 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 the required considerations and statements. In order to demonstrate correction of noncompliance, the district must ensure implementation of district procedures regarding the citation listed above. 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 with IEPs that were identified as noncompliant. The district must submit the revised IEPs, along with the IEPs for students whose annual review meetings were conducted between February 2012 and April 2012 to the Office of Special Education. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the special education monitor.

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 potential errors from occurring.

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

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.

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

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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.