



State of New Jersey

DEPARTMENT OF EDUCATION

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TRENTON, NJ 08625-0500

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Acting Commissioner

June 8, 2012

Dr. Kenneth Koczur, Superintendent
Pine Hill Borough School District
1003 Turnerville Road
Pine Hill, NJ 08021

Dear Dr. Koczur:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Pine Hill Borough 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 March 19, 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 Pine Hill Borough 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) 633-2493.

Sincerely,

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

RJC/AH/dk:Pine Hill Boro BOE Cover Letter/ Ed Jobs
Enclosures

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Education Jobs Fund Program
New Jersey K-12 Education

EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012

District: Pine Hill Borough School District
County: Camden
Dates On-Site: March 19 and 20, 2012
Case #: Ed Jobs-019-11

FUNDING SOURCES

Program	Funding Award
Ed Jobs	\$ 565,337
Title I	592,910
IDEA Basic	386,961
IDEA Preschool	14,275
Title IIA	61,641
Total Funds	<u>\$ 1,621,124</u>

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 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 Pine Hill Borough 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; and IDEA for the period July 1, 2010 through March 19, 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, a review of student records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEP), review of student class and related service schedules, an interview of 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 Educational Jobs Act, Title I, Title IIA, and IDEA from July 1, 2010 through March 19, 2012. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012**

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

Title I Projects

The district offered a targeted assistance program for FY 2011-2012 that included in-class support function, as well as small group pull out in the elementary schools and assistance during study hall at the middle school-level.

IDEA Projects (Special Education)

The majority of the FY 2011-2012 IDEA Basic and Preschool 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. Additionally, IDEA Basic funds were utilized to purchase a SmartBoard for a multi-disabled class at the John H. Glenn School. Funds were also used to purchase Teaching Strategies Gold, a computer software assessment tool, and video cameras for the preschool disabled and preschool inclusion classroom.

DETAILED FINDINGS AND RECOMMENDATIONS

Ed Jobs Act

There were no findings in Ed Jobs.

Title I

Finding 1: The district did not track expenditures by attendance areas in its accounting system to ensure that the expenses for Title I schools are consistent with each attendance area's allocation on Eligibility Page, Step 4 of the FY 2011-2012 NCLB Consolidated Application. Based on the need to reallocate funds to District In Need of Improvement status, the district should submit an updated schedule of expenses by locations.

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 2011-2012 must be submitted to the NJDOE for review.

Finding 2: The district had incorrect School In Need of Improvement amounts in its general ledger and, therefore, are not matching the reserves in the Title I grant. This can cause the under or over spending of restricted reserves.

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

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012**

financial management systems; NCLB §9306(a)(5): *Other General Assurances (Assurances)*.

Required Action: The district must update the restricted reserves in the general ledger to match the amounts in the grant.

Finding 3: The district's use of Title I, Part A funds to purchase web-hosting for a parent portal supplants state and local funds since this purchase benefits 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 the parent portal and allocate state/local funds, rather than Title I funds, to support these expenditures.

Title IIA

There were no findings in Title IIA.

IDEA (Special Education)

Finding 4: The district included student names on purchase orders for students educated in tuition placements, therefore, violating student confidentiality.

Citation: IDEA Regulation 34 CFR 99; N.J.A.C. 6A:32-7.

Required Action: The district must revise procedures to ensure that confidentiality of student information is maintained and that only persons having educational responsibility for those students have access to this information. Revised procedures must be submitted to the NJDOE for review.

Finding 5: The district obligated funds by issuing purchase orders prior to the grant award period for out-of-district tuition expenses. The district did not make a request to the OGM for permission to incur these costs prior to start of the grant period.

Citation: EDGAR, 34 CFR Part 76.708.

Required Action: The district must revise procedures to ensure that funds are not obligated prior to the grant award period unless prior approval has been granted by the Office of Grants Management. The district must submit these revised procedures to the NJDOE for review.

Finding 6: The district's notices of meetings for eligibility, reevaluation planning and IEP meetings did not consistently inform parents of all intended purposes of the meeting when a

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012**

meeting was conducted for more than one purpose for students eligible for special education and related services. Noncompliance was due to a 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 parents are provided notice of a meeting in writing, that contains all required components, early enough to ensure that the parent has an opportunity to attend. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. Additionally, the district must submit copies of notices of meetings for eligibility, reevaluation planning and transition IEP meetings that occurred between May 2012 and August 2012 to the NJDOE for review.

Finding 7: The district did not consistently inform parents of proposed actions through provision of written notice, containing all required components. Specifically, written notice did not include the options considered and the reasons they were rejected for reevaluation planning meetings and determination of continued eligibility. Noncompliance was due a 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 that parents are provided with written notice of proposed actions that contains all required components. In order to demonstrate correction of noncompliance, the district must provide training for child study team members regarding the procedures for implementing the requirements in the citation listed above. In addition, the district must submit copies of written notices of reevaluation planning meetings and meetings to determine continued eligibility convened between May 2012 and August 2012 to the NJDOE for review.

Finding 8: The district did not consistently provide copies of evaluation report(s) to parents at least 10 days prior to the determination of initial eligibility or determination of continued eligibility. Noncompliance was due to a 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 that parents are provided copies of evaluation report(s) at least 10 days prior to the determination of eligibility. To demonstrate implementation of the procedures, the district must submit documentation of provision of evaluation report(s) to parents for students evaluated and reevaluated between May 2012 and August 2012 to the NJDOE for review.

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012**

Finding 9: The district did not provide to students eligible for special education and related services a summary of academic achievement and functional performance prior to graduating and/or aging out. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-4.11(b)4; 20 U.S.C. §1414(c)(5)(B); and 34 CFR §300.305(e)(3).

Required Action: The district must ensure that students are provided with a summary of academic achievement and functional performance prior to graduation that addresses all required components. In order to demonstrate correction of noncompliance, the district must develop procedures and conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above to the NJDOE for review. Additionally, the district must submit the summary of academic achievement and functional performance for students who are graduating at the conclusion of the 2011-2012 school year to the NJDOE for review.

Finding 10: 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. Specifically, IEPs did not consistently include:

- documentation of special considerations for preschool students;
- goals and objectives and statements of how progress towards annual goals will be measured for academic and related services for students eligible for special education and related services at the middle school and high school;
- documentation of factors considered when determining the need for extended school year (ESY) services for students eligible for special education and related services and speech-language services; and
- identification of a post-secondary liaison for students beginning at age 14.

Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f); N.J.A.C. 6A:14-4.3(c); 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 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 the specific students whose IEPs were identified as noncompliant. The district must submit the revised IEPs, along with IEPs for students whose annual review meetings were conducted between May 2012 and July 2012 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.

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012**

Finding 11: The district did not consistently document in the IEPs of students removed from the general education setting for more than 20 percent of the day (including students placed in separate settings), consideration of placement in the least restrictive environment. Specifically, IEPs did not consistently include:

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

Noncompliance was due to a 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 IEPs for the specific students with IEPs that were identified as noncompliant. The district must submit the revised IEPs, along with IEPs for students whose annual review meetings were conducted between May 2012 and July 2012 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 12: The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed. Noncompliance was due to a lack of implementation of the district procedures.

Citation: N.J.A.C. 6A:14-2.3(k)2x and 3.7(e)13, 3.7(h); 20 U.S.C. §1414 (d)(1)(A)(i)(1)(VIII); and 34 CFR §300.322.b(2).

Required Action: The district must ensure that each middle school student with an IEP age 14 or above is provided with a written invitation to any IEP meeting where transition to adult life will be discussed. Additionally, the district must submit copies of invitations to IEP meetings to middle school students age 14 and above for meetings conducted between May 2012 and July 2012 to the NJDOE for review.

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012**

Finding 13: The district did not consistently maintain documentation of the description, frequency, duration and effectiveness of the interventions provided in the general education setting through the Intervention and Referral Service (I&RS). Noncompliance was due to a lack of consistent implementation of district procedures.

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

Required Action: The district must ensure that I&RS documentation includes the description, frequency, duration and effectiveness of the interventions provided in the general education setting. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. Additionally, the district must submit documentation for students referred to the child study team who were provided interventions in general education between May 2012 and September 2012 to the NJDOE for review.

Finding 14: The district did not consistently conduct a meeting within 20 calendar days of receipt of a written request for a child study team evaluation to determine if an evaluation was warranted. Noncompliance was due to a lack of implementation district procedures.

Citation: N.J.A.C. 6A:14- 3.3(e) and 3.6(b).

Required Action: The district must ensure that identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation to determine if an evaluation is warranted. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the district's procedures. To demonstrate correction of noncompliance, the district must submit copies of the dated initial request for evaluation for students referred for special education and related services and the written notice of actions proposed at the identification meetings conducted between May 2012 and July 2012 to the NJDOE for review.

Finding 15: The district did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for preschool students referred for special education and related services. Noncompliance was due to a lack of consistent 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 components of the functional assessment are conducted as part of the initial evaluation process. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the district's procedures for implementing the requirements in the citation listed above. In addition, the district must submit evaluation

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012**

reports developed between May 2012 and September 2012 for preschool students referred for special education and related services to the NJDOE for review.

Finding 16: The district did not ensure child study team participation at the planning conference of students transitioning from an early intervention program to preschool. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.3(e)1; 20 U.S.C. §1414(d)(1)(D); and 34 CFR §300.321(f).

Required Action: The district must ensure that a member of the child study team participates in the planning conferences for each student transitioning from early intervention to preschool. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. Additionally, the district must submit documentation of participation of a child study team member in the transition planning conferences conducted May 2012 and September 2012 to the NJDOE for review.

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 Electronic Web Enabled Grant 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 School 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

**PINE HILL BOROUGH SCHOOL DISTRICT
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012**

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.