



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER D. CERF
Acting Commissioner

June 8, 2012

Mr. William Stonis, Superintendent
Cumberland Regional School District
90 Silver Lake Road
Seabrook, NJ 08302

Dear Mr. Stonis:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Cumberland 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 May 1, 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 Cumberland 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:Cumberland Reg. BOE Cover Letter/ Ed Jobs
Enclosures

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STATE OF NEW JERSEY
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CUMBERLAND REGIONAL SCHOOL DISTRICT
90 SILVER LAKE ROAD
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Education Jobs Fund Program
New Jersey K-12 Education

EDUCATION JOBS CONSOLIDATED MONITORING REPORT
JUNE 2012

District: Cumberland Regional School District
County: Cumberland
Dates On-Site: May 1 and 2, 2012
Case #: Ed Jobs-021-11

FUNDING SOURCES

Program	Funding Award
Ed Jobs	\$ 420,286
Title I	239,074
IDEA Basic	290,735
Title IIA	44,721
Carl D. Perkins	44,119
Total Funds	<u>\$ 1,038,935</u>

**CUMBERLAND REGIONAL 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 Cumberland 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; Carl D. Perkins; and IDEA for the period July 1, 2010 through May 1, 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), a review of student class and related service schedules, interviews of child study team members and the 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, Carl D. Perkins and IDEA from July 1, 2010 through May 1, 2012. 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 supplemental courses for its low-performing students to increase student achievement including freshman seminar, additional mathematics (Pre-Algebra) and language arts literacy (Foundations of English) blocks. Tutoring/remedial help is also provided during the Student Enrichment, Remediation, and Activity (SERA) periods. Professional development efforts are focused on differentiated instruction.

IDEA Projects (Special Education)

The district is using FY 2011-2012 IDEA Basic funds to reduce tuition expenditures for one student who is receiving special education services in an approved private school for students with disabilities, two special education teachers for pull out resource centers, professional development for staff and supplies for the *Read 180* program. In addition, the district funds a portion of the salary of one school nurse whose job requirements include responsibilities related to evaluations of students referred and those found eligible for special education and related services.

Carl D. Perkins

The district supports five Career and Technical Education (CTE) programs with one, Agriculture, currently approved as a program of study. The five approved programs are as follows: Agriculture-01.0000, Business-52.0407, Computer Programing-11.0201, Fine Arts-50.0702 and Theater-50.0501. All programs are compliant with the CTE Approval Process, with a high degree of rigor inherent in instruction. All programs are implemented and meet the requirements of the Carl D. Perkins Act of 2006. Expenses include registration and travel for CTE student organizations, which are state approved and align to the Perkins programs (FFA, FBLA, Skills USA). Expenses also include the purchase of supplies to support approved programs, professional development for CTE instructors, and testing fees for end of course, industry based assessments.

DETAILED FINDINGS AND RECOMMEDATIONS

Ed Jobs Act

Finding 1: The district did not keep copies of 1512 Reports that were filed.

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 keep copies of all reports filed with the NJDOE.

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Title I

Finding 2: The district's written parent involvement policy was not distributed to parents of Title I students. (It is noted the district policy is developed and the parent-compact was distributed to parents).

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

Required Action: The district's parent involvement policy, developed in collaboration with parents of participating Title I students and evaluated annually, 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 dates reflected in the NCLB Application on the Electronic Web Enabled Grant system (EWEG).

Finding 3: For the 2011-2012 school year, the "opt-out" form to parents and adult students regarding Title IX: Access to High School Students and Information on Students by Military Recruiters did not clearly inform parents how they could "opt-out." One portion of the form described how to "opt-out" and another described the process of "opting-in."

Citation: NCLB §9528: *Access to High School Students and Information on Students by Military Recruiters*.

Required Action: The district must clarify the language and distribute a revised "opt-out" letter and form to parents of high school students as well as adult students for FY 2012-2013. A copy of the revised letter must be submitted to the NJDOE for review. (A sample "opt-out" letter and guidance regarding Access to High School Students and Information on Students by Military Recruiters can be found at this link: <http://www.state.nj.us/education/grants/nclb/guidance/info/>).

Finding 4: The district does not have a comprehensive equipment inventory for items purchased with Title I funds that includes date acquired and cost.

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 grants. Although the state threshold for reporting equipment is \$2,000 in the EWEG 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 inventoried items should include tag number, cost, location, date of purchase, grant that funded the purchase and

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item description. The school must submit a comprehensive inventory of all equipment purchased to the NJDOE for review.

Title IIA

There were no findings in Title IIA.

Carl D. Perkins

There were no findings in Carl D. Perkins.

IDEA (Special Education)

Finding 5: The district does not have a comprehensive equipment inventory for items purchased with IDEA funds that includes date acquired and cost.

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 grants. Although the state threshold for reporting equipment is \$2,000 in the EWEG 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 inventoried items should include tag number, cost, location, date of purchase, 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 6: The district does not have the required supporting documents to verify the activity of IDEA staff as required by federal law. The documentation must reflect what the staff is doing, when and where and must match their funded percentage.

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

Required Action: The district must verify the time and activity of staff charged to the grant. The district must submit a list of FY 2011-2012 IDEA funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review (including administrative staffing).

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.

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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 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 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.

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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.