



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

October 24, 2012

Mr. Pablo Munoz, Superintendent
Elizabeth Board of Education
500 North Broad Street
Elizabeth, NJ 07208

Dear Mr. Munoz:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Elizabeth 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 June 30, 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 Elizabeth 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:Elizabeth BOE Cover Letter/ Ed Jobs
Enclosures

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Education Jobs Fund Program
New Jersey K-12 Education

**EDUCATION JOBS CONSOLIDATED MONITORING REPORT
OCTOBER 2012**

District: Elizabeth Board of Education
County: Union
Dates On-Site: July 23, 24, 25 and 30, 2012
Case #: Ed Jobs-063-11

FUNDING SOURCES

<u>Program</u>	<u>Funding Award</u>
Ed Jobs	\$ 9,541,941
Carl D. Perkins	274,264
Total Funds	<u>\$9,816,205</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. 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 Elizabeth Board of Education 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, Special Education, and the Carl D. Perkins Grant for the period July 1, 2010 through June 30, 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 (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 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 Ed Jobs and Carl D. Perkins grants were reviewed from July 1, 2010 through June 30, 2012. A sampling of purchase orders and/or salaries was taken from each program reviewed.

GENERAL DISTRICT OVERVIEW OF USES OF CARL D. PERKINS FUNDS

The district operates Career and Technical Education (CTE) programs for which they receive Carl D. Perkins funds to support the implementation of programs covering 14 of the 16 career clusters. The monitoring of the CTE program revealed that all funds were utilized to support the strategies and activities identified in the district's current Carl D. Perkins One-Year Funding Application.

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DETAILED FINDINGS AND RECOMMENDATIONS

Ed Jobs Act

Finding 1:

Condition: The district's reporting of jobs created and jobs retained for Ed Jobs funding was not calculated using the proper federal methodology. Jobs created and retained were calculated using only recovery act funded employee hours worked rather than hours worked or funded by the recovery act.

Citation: *American Recovery and Reinvestment Act (ARRA) section 1512.*

Required Action: The jobs retained reported on the 1512 report must be calculated using the appropriate federal methodology.

Special Education Programs

Finding 2:

Condition: The district's notices of meetings (transition and IEP after eligibility) did not consistently include all required components for students referred and/or eligible for special education and related services. Specifically, notices of meetings did not include the purpose(s) of the meeting. 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 parents are provided notice of a meeting in writing, that contains all required components, early enough to ensure 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. A monitor from the NJDOE will conduct an on-site visit to review correction of noncompliance.

Finding 3:

Condition: The district did not consistently provide parents written notice that contains all required components following identification meetings for students eligible for special education and related services and for students eligible for speech and language services. Noncompliance was due to a lack of consistent 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.

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Required Action: The district must ensure parents are provided written notice of a meeting that contains all required components within 15 calendar days of the meeting. In order to demonstrate correction of noncompliance, the district must provide training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

Finding 4:

Condition: The district did not consistently provide parents with copies of special education rules (N.J.A.C. 6A:14), and due process hearing rules (N.J.A.C. 1:6A) when a determination was made to conduct or not to conduct an initial evaluation for students referred for special education and related services and for students referred for speech language services. Noncompliance was due to a 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(i).

Required Action: The district must ensure parents are provided with copies of special education rules (N.J.A.C. 6A:14), and due process hearing rules (N.J.A.C. 1:6A) when a determination is made to conduct or not to conduct an initial evaluation. In order to demonstrate correction of noncompliance, the district must provide training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citations listed above. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

Finding 5:

Condition: The district did not consistently provide copies of evaluation report(s) to parents at least 10 days prior to the determination of initial 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 parents are provided copies of evaluation report(s) not less than 10 days prior to the determination of eligibility. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists regarding procedures for implementing the requirements in the citation listed above. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

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Finding 6:

Condition: The district did not consistently convene IEP team meetings with the required participants. Specifically, identification meetings for students eligible for speech-language services did not consistently include the general education teacher when required. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.3(k)1(i-vii); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

Required Action: The district must ensure identification meetings are conducted with required participants and documentation of attendance is maintained in student's records. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

Finding 7:

Condition: The district did not consistently document activities to transition the student to a less restrictive environment in the IEPs of students placed in separate settings. Noncompliance was due to a lack of implementation of the district procedures.

Citation: N.J.A.C. 6A:14-4.2 (a)4.

Required Action: The district must ensure 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 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. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

Finding 8:

Condition: The district did not consistently provide interventions in general education setting(s) to students exhibiting academic difficulties prior to referring the student for an evaluation. In addition, when interventions were provided through the Intervention and Referral Service (I&RS), the district did not maintain documentation of the description, frequency, duration and effectiveness of the interventions. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.3(b-c); 20 U.S.C. §1413(f)(2); and 34 CFR §300.226(b).

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Required Action: The district must ensure interventions are provided in the general education setting for students exhibiting academic difficulties, prior to referring the student for an evaluation. Additionally, when interventions are provided the district must ensure I&RS documentation includes the description, frequency, duration and effectiveness of the interventions. In order to demonstrate correction of noncompliance, the district must conduct training for administrators and staff regarding the procedures for implementing the requirements in the citation listed above. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

Finding 9:

Condition: The district did not conduct a meeting within 20 calendar days of receipt of a written request for evaluation for special education and related services to determine if an evaluation was warranted. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.5(b)6; 3.3(e) and 3.6(b).

Required Action: The district must ensure a meeting is 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 procedures for implementing the requirements in the citation listed above. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

Finding 10:

Condition: The district did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students referred for special education and related services and for speech-language services. Noncompliance was due to a lack of 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 all components of the functional assessment are conducted as part of all initial evaluations. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists regarding the district's procedures for implementing the requirements in the citation listed above. The district is referred to the sample report form for speech-language evaluations at www.state.nj.us/education/speced/forms. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

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Finding 11:

Condition: The district did not consistently conduct reevaluations within three years of the previous classification date for students currently eligible for speech-language services. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A: 14-3.7(i) and 14-3.8(a) and 20 U.S.C. §1414(a)(2)(B)(ii) and (d); and 34 CFR §300.324(b)1.

Required Action: The district must ensure reevaluations are conducted within required timelines. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. A monitor from NJDOE will conduct an on-site visit to review correction of noncompliance.

Finding 12:

Condition: The district does not have a policy for the provision of students with disabilities participating in district wide assessments.

Citation: 34 CFR §300.160.

Required Action: The district must develop policies and procedures to ensure students with disabilities participate in district wide assessments. The policy must include the provision of accommodations and modifications and the provision of alternate assessments for those children who cannot participate in the regular assessment. If the district reports publicly on the district wide assessment, the district must also report with the same frequency and in the same detail as it reports on the assessment of non-disabled children. A monitor from NJDOE will conduct an on-site visit to review this policy which includes all of the required components in the citation above.

Carl D. Perkins

Finding 13:

Condition: One expenditure was not in the approved Carl D. Perkins Electronic Web Enabled Grant (EWEG) application and the district did not submit a budget amendment requesting approval. The cost of the item is greater than \$750.00; therefore, the district was required to itemize the expenditure in the application. The following expenditure is not in the approved application:

- Synergis-Auto Design Academy, \$3,995.00 Invoice Date: 4/20/12, PO Date: 3/26/12 PO #12-09143.

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

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financial management systems. Perkins One-Year Grant Application Guidelines July 1, 2011-June 30, 2012.

Required Action: The district must provide a justification to the NJDOE for not itemizing the expenditure in the initial application or submitting a budget amendment and explain why the Synergis expenditures should be allowed.

Finding 14:

Condition: Time and activity sheets were provided for non-instructional salaries as approved in the EWEG application. The sheets were signed by the employee and supervisor but lacked the identifiable funding source of Carl D. Perkins funds or a certification the employee was engaged in Carl D. Perkins related work.

Citation: OMB Circular A-87: Cost Principles for Local and State Government.

Required Action: The time report should clearly state the program the employee is being paid from. Furthermore, the district must have employees certify the work being done was for the Carl D. Perkins grant. If an employee is working 100% on a single cost objective, a semi-annual certification is required. If an employee is working on multiple cost objectives, certification must be completed monthly.

Finding 15:

Condition: Benefits for employees being paid from the Carl D. Perkins grant expenditures is an allowable expenditure in the approved EWEG application. The supporting documentation provided on benefit expenditures was not sufficient to determine the employee benefits being charged to the Carl D. Perkins grant.

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 needs to provide documentation detailing employee name, amount of pay and the allocated amount of benefits being charged to the Carl D. Perkins grant for all benefits that were supported by the grant in the 2011-2012 grant year. Additionally, the benefit provider name should be listed (*example: FICA, Health benefits, etc.).

Finding 16:

Condition: Advisory Minutes, agendas, and sign in sheets were missing from four different CTE programs.

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Citation: N.J.S.A 6A: 19-3.1 *Development, Approval, and Delivery of Career and Technical Education*; Carl D. Perkins Career and Technical Education Act of 2006 section 134(b)(5).

Required Action: The district must retain documentation of all advisory board meetings including agendas, meeting minutes, and sign in sheets for monitoring purposes.

Administrative

Finding 17:

Condition: The district issued a purchase order (PO) for materials and supplies to be expended under the Carl D. Perkins grant. After the PO was issued, additional items were added to it. It was noted that a teacher called in the additional items. These additional items were included in the invoice that was paid. A new PO was not issued for these additional items, but a handwritten note was placed on the PO.

Burmax Company Inc. \$585.65 Invoice Date: 3/22/12, PO Date: 3/16/12 PO #12-08845.

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-6.10 *Approval of amounts paid in excess of approved purchase orders; board policy.*

Required Action: In the future, substantial changes to a PO, such as additional items, require that a new PO be issued to ensure that the additions are properly authorized.

Finding 18:

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

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.

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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.