

February 4, 2010

Dr. Patricia Doloughy, Superintendent
Burlington City Board of Education
518 Locust Avenue
Burlington, NJ 08016

Dear Dr. Doloughy:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Burlington City Board of Education**. The funding sources reviewed include titled programs for the American Recovery and Reinvestment Act (ARRA) in particular, and/or No Child Left Behind Act (NCLB), the Individuals with Disabilities Education Act (IDEA) and State Fiscal Stabilization Funds (Education Stabilization Fund and Government Stabilization Fund). The review covered the period July 1, 2009 through September 30, 2009. The resulting report is enclosed. Please provide a copy of the report to each board member.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Burlington City Board 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 school 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/LDM/tc:Burlington City Board of Education Cover Letter
Enclosures

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American Recovery & Reinvestment Act 2009 (ARRA)
New Jersey K-12 Education

**ARRA MONITORING REPORT
FEBRUARY 2010**

District: Burlington City Board of Education
County: Burlington
Dates On-site: October 5, & 6, 2009

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	\$2,240,008
State Fiscal Stabilization Fund – Government Services Fund	86,714
ARRA- Title I	222,106
ARRA – Title I SIA	24,261
ARRA – IDEA –Basic	531,748
ARRA – IDEA –Preschool	19,160
Total ARRA Funds	<u>\$3,123,997</u>

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BACKGROUND:

The *American Recovery and Reinvestment Act of 2009 (ARRA)* and other Federal laws require local education agencies (LEAs) to provide programs and services to their schools based on the requirements specified in each of the authorizing statutes (ESEA, IDEA and ARRA). 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 Burlington City Board of Education to monitor the district's use of ARRA 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: State Fiscal Stabilization Funds (SFSF) including the Education Stabilization Fund (ESF) and Government Services Fund (GSF); ARRA-Title I; ARRA-Title I SIA; ARRA-IDEA Basic; and, ARRA-IDEA Preschool for the period July 1, 2009, through September 30, 2009. The monitoring also included a review of the district's most recent ARRA section 1512 and SFSF cash management quarterly reports to determine whether ARRA expenditures, jobs estimates and related information were reported accurately.

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 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 following dollar amounts of expenditures were reviewed for each program monitored for the period of July 1, 2009 through September 30, 2009:

- Education Stabilization Fund (ESF) 100% of salary expenditures totaling \$248,890 representing 36 employees were reviewed;
- Government Services Fund (GSF) 100% of expenditures totaling \$9,634 representing two employees were reviewed;
- ARRA IDEA Basic 100% of expenditures totaling \$26,974.40 were reviewed;
- ARRA IDEA Preschool 100% of expenditures totaling \$546.96 were reviewed;
- ARRA Title I 100% of expenditures totaling \$5,457.55 were reviewed; and
- ARRA Title I SIA had not been expended at the time of the monitoring visit.

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GENERAL DISTRICT OVERVIEW OF USES OF ARRA FUNDS

ARRA Title I Projects

The district's needs assessment process identified a problem with language arts literacy and reading across the district and a significant problem in the high school with discipline and behavior issues disrupting classroom instruction. The ARRA Title I SIA Part A funds are being used to purchase a mobile writing lab for Wilbur Watts Intermediate School to address the Language Arts and Reading problem in that school and ARRA Title I funds are being used to hire professional development consultants; provide professional development workshops for teachers; provide parent involvement activities; hire a behavior specialist for one year to work with at-risk students in the high school; hire a curriculum coordinator at the high school; and purchase instructional supplies.

The mobile writing lab, computers on a cart that moves among classrooms, is being used to assist students attending Wilbur Watts Intermediate School improve their writing skills. The mobile lab provides flexibility in allowing teachers to provide group instruction, as well as more focused one-on-one instruction. Students look forward to writing, because it is an interactive process with the mobile lab. The district expects that assessment scores will increase due to the engaged instruction.

During the past three years, the district brought high school age students with disabilities, who were formerly placed in out of district programs, back into the district. With the return of these students, discipline referrals increased significantly (40%-50%). The more than 4,000 discipline referrals during the 2008-09 school year resulted in students and teachers spending less time engaged in focused instructional activities due to classroom interruptions and multiple student suspensions. As a result, the ARRA Title I funds are being used to provide specific interventions and counseling for high school-level at-risk students. This initiative will encompass providing professional development to teachers; providing parental involvement activities to parents focusing on how they can assist in addressing the behavior/discipline needs of their students; hiring a behavior specialist for the high school to assist in this need; and purchasing instructional supplies that teach students to utilize positive behaviors. These initiatives are explained in detail below:

- Professional Development

Sustained and intense professional development is being provided to teachers focusing on how to analyze and utilize data to improve classroom instruction. During the summer, teachers participated in professional development workshops analyzing discipline and behavior data in relation to the impact on student engagement and instructional practices. During the course of the school year, teachers will continue to analyze student data to appropriately plan and differentiate instruction so they are better equipped to address the needs of the students returning to the district from out of district placements and the impact those returning students have on other at-risk students in the district thus reducing the disruptions in the classroom that are resulting in the students and teachers spending less time on focused instruction. As identified in the district needs

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assessment, the Collaborative Assessment for Planning and Achievement (CAPA) report, the NJDOE curriculum audit, New Jersey Quality Single Accountability Continuum (NJQSAC) review, the focus of these professional development activities will be to provide teachers with tools and strategies to increase on-task behaviors; enhance classroom management skills; integrate more fully the use of technology in instruction; and improve the implementation of the district curriculum.

- Parental Involvement

To improve parent involvement activities, the district held an initial parent meeting during the development of the district needs assessment and shared the discipline referral data with parents and had discussions on the ways in which parents could partner with the district to address this identified need. At the first back-to-school night, data was presented to parents to show how the newly implemented programs were showing results (i.e., a significant drop in the number of discipline referrals). Teachers reviewed initial assessment data with parents and shared instructional and behavior strategies for parents to use with their children. As part of the regular PTA meetings, a standard agenda item will be discussion on the correlation between the discipline and behavior data and the assessment data (i.e., the impact of the behavior interventions on student learning and achievement).

- Behavior Specialist for At-risk Students (one year) at the High School

The district is using the ARRA funds to implement a behavior intervention and counseling program at the high school and hiring a behavior specialist to work directly with the at-risk special education students who were returned from outside placements, as well as other non-special education at-risk students who are at risk of failure due to discipline/behavior difficulties.

The applied behavior interventions reduce pre-suspensions (counseling needs due to disruptive behaviors in the classrooms), allow the students to access the curriculum and instruction, and, increase the time teachers spend on direct instruction. The ultimate goal of this program is to increase student learning and achievement as measured through the state assessments. The primary program being implemented is CHAMPS, developed by Randy Sprick from the University of Colorado. This program serves as a demonstration model for the U.S. Department of Education and focuses on classroom management, differentiated instruction, and implementing a responsive classroom approach to instruction and learning.

- Instructional Supplies

The CHAMPS program includes the use of message posters and behavior intervention cards, which will be used in the classrooms and throughout the building. The posters and cards remind students of strategies to employ and help build a culture of self-respect. The ultimate goal is to teach students to utilize positive behaviors in all situations so they will spend more time engaged in instruction, resulting in increased learning and achievement.

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Gains in achievement are being assessed through multiple measures including state and local assessments, benchmark assessments, teacher accountability, technology assessments, student behavior discipline data, collaborative teacher planning, parent feedback, and walk-through evaluations.

ARRA IDEA Projects

The district ran a summer math and language arts instruction program for at-risk high school students returning to the district from out of district placements. Pre-and post-testing was conducted to document student improvement. DIBELS, NWEA, WRAT, district assessments, teacher reports, and report cards were reviewed to determine student success. Teachers were provided with training in differentiated instruction and the infusion of technology in instruction. It is expected that there will be increased achievement within the special education population during the school year. Gains in achievement will be assessed through state and local assessments, benchmark assessments, and walk-through evaluations as recommended by CAPA, and the district's needs assessment process. The program utilized five resource teachers, a behavior specialist, two aides and materials were purchased for the areas being instructed. The initial report from the district shows moderate success. The district is planning to continue this summer program with local funds in the future.

The district purchased Smart Boards for classrooms of students with disabilities and classrooms where students with disabilities are included. These Smart Boards will become part of the student's programming and the teachers will receive training on the best possible use of the assistive technology. Plans are in process for the monitoring of the use of these items and determining if the goal of retaining the student's in-district has been met.

The district is creating an in-district program for severely involved young students with autism. They will bring back several such students in the 2009-10 school year and expand the program in the second year. This program requires a dedicated inclusion teacher, speech therapist, ABA trained specialist (highly trained instructional aide for this population). In addition, the district will employ assistive technology in the form of Smart Tables in these classrooms and provide training to the teachers on how to use this technology to assist these involved students.

It is anticipated that the infusion of the new technologies and trained staff will increase the retention within the district of those students who have been returned from segregated settings. It is also anticipated that least restrictive classroom environments (LRE) will be enhanced and expanded, thereby, providing more options for students with disabilities.

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DETAILED FINDINGS:

TITLE 1:

Finding 1: The district had plans to fund a curriculum coordinator with ARRA Title I funds, but had not been hired at the time of the monitoring visit. This position in a targeted assistance program would benefit the entire district and should not be charged to Title I funding.

Citation: OMB Circular A-87, Attachment B, *Cost Principles for State, Local and Indian Tribal Governments*, NCLB Section 1120A(b) *Fiscal Requirements, Federal Funds To Supplement, Not Supplant, Nonfederal Funds*

Required Action: The district has agreed to amend its program plan to reflect the removal of this position.

Finding 2: The district did not have completed Affirmation of Consultation forms for the three nonpublic schools eligible for ARRA Title I services. The team verified consultations occurred through a review of the districts documentation that included letters, telephone logs and e-mail logs.

Citation: NCLB §1120 (*Participation of Children Enrolled In Private Schools*)

Required Action: The district must submit its Affirmation of Consultation forms for Title I ARRA to the NJDOE for review.

IDEA:

Finding 3: The district was not in compliance with services to nonpublic schools with regard to their contract with an outside provider, communication of how requested services are handled and the list of students being serviced.

Citation: IDEA Regulation 34 CFR 300 and 301 (*Assistance to States for the Education of Children With Disabilities and Preschool Grants for Children With Disabilities*)

Required Action: The district must revise its contract with its nonpublic provider to provide for payments based on specific services provided; develop procedures to capture consultations specifically for IDEA and IDEA ARRA services and obtain confirmation of consultation forms from the nonpublic schools; develop procedures for requests for additional services that come through the district and not the provider; have a specific list of students and services under IDEA and IDEA ARRA; and revise the service plans to match these lists. The district must submit its updated contract to the NJDOE for review.

SFSF FUNDS:

The review in this area yielded no findings or recommendations.

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ADMINISTRATIVE INFORMATION

Recommendation 1: The district's ARRA-Title I Consolidated application did not contain an allocation for nonpublic schools, even though low income nonpublic student enrollment was entered into the application.

Citation: *NCLB §1120 (Participation of Children Enrolled In Private Schools)*

Recommended Action: The district and the NJDOE are working together to solve technical difficulties in this area. The ARRA-Title I Consolidated application will be reopened to allow the district to reenter information in the Eligibility Steps 2 through 4. Upon completion of this data entry, the district will resubmit the application.

Recommendation 2: Although the district does not have formal written policies for requesting reimbursement from the Electronic Web Enabled Grant (EWEG) system, the district's practices for requesting reimbursement were 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: The district's ARRA section 1512 jobs created and jobs saved calculations for the reporting period ending September 30, 2009 were not prepared in accordance with Federal and state guidelines issued for that period. However, on December 18, 2009, the Federal government released new jobs reporting guidance which significantly revises and simplifies the Federal reporting requirements previously issued for the reporting period ending September 30, 2009.

Citation: ARRA Section 1512 September 2009 Guidance and December 18, 2009 Guidance

Recommended Action: The district should review the Federal guidance most recently issued on December 18, 2009 http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf and ensure it is reporting jobs saved and created consistent with the new guidance, including the requisite calculation and documentation of hours worked for positions funded with ARRA funds.

Recommendation 4: Under the New Jersey's Public School Contracts Law (PSCL) districts do not need to advertise for bids or competitively contract the provision of goods and services by

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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 ARRA and 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 department 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.

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.