



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 3, 2011

Dr. Frances Wood, Superintendent
Highland Park Board of Education
435 Mansfield Street
Highland Park, NJ 08904-2642

Dear Dr. Wood:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Highland Park 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 June 30, 2010. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued ARRA monitoring reports will be posted on the department's website at <http://www.nj.gov/education/arra/>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Highland Park 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 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 Steven Hoffmann at (973) 621-2750.

Sincerely,

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

RJC/LDM/tc:Highland Park Board of Education Cover Letter
Enclosures

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American Recovery & Reinvestment Act 2009

New Jersey K-12 Education
ARRA MONITORING REPORT

JUNE 2011

District: Highland Park Board of Education
County: Middlesex
Dates on-Site: May 9 and 10, 2011
Case #: ARRA-035-09

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	\$ 475,861
State Fiscal Stabilization Fund – Government Services Fund	18,421
ARRA-Title I	80,962
ARRA-Title I, SIA	10,880
ARRA-IDEA Basic	348,968
ARRA-IDEA Preschool	12,582
Total ARRA Funds	<hr/> \$947,674
Title I	\$278,665
Title II A	65,320
Title II D	2,696
Title III	17,379
Title IV	5,225
IDEA Basic	364,922
IDEA Preschool	12,303
Total Non-ARRA Funds	<hr/> \$746,510
Total Funding	<hr/> \$1,694,184

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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 Highland Park 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); Title I; Title II A; Title II D; Title III; Title IV; IDEA Basic; IDEA Preschool; ARRA-Title I; ARRA-IDEA Basic and ARRA-IDEA Preschool for the period July 1, 2009 through June 30, 2010. The monitoring also included a review of the district's 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 June 30, 2010:

- ESF 100% of expenditures totaling \$475,861 were reviewed;
- GSF 100% of expenditures totaling \$18,421 were reviewed;
- Title I 50% of expenditures totaling \$91,854 were reviewed;
- Title II A 83% of expenditures totaling \$52,915 were reviewed;
- Title II D 62% of expenditures totaling \$2,437 were reviewed;
- Title III 88% of expenditures totaling \$17,035 were reviewed;
- Title IV 84% of expenditures totaling \$4,711 were reviewed;
- ARRA-Title I 66% of expenditures totaling \$21,296 were reviewed;

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- ARRA-Title I, SIA had not been expended at the time of the monitoring visit;
- ARRA-IDEA Basic 70% of expenditures totaling \$154,766 were reviewed;
- ARRA-IDEA Preschool 100% of expenditures totaling \$24 were reviewed;
- IDEA Basic 81% of expenditures totaling \$53,129 were reviewed; and
- IDEA Preschool 100% of expenditures totaling \$23 were reviewed.

GENERAL DISTRICT OVERVIEW OF USES OF ARRA FUNDS

Title I and ARRA-Title I

The district identified Mathematics and Language Arts Literacy as the focus of their efforts based on their Needs Assessment. The district implemented several programs with Title I and ARRA-Title I funds to support their efforts. In addition to basic skills programs for eligible students needing targeted assistance, Saturday School and Homework Help programs were also implemented. The district also initiated a Summer Reading program to assist those students reading below grade level.

Eligible students were identified using multiple measures and clear entrance and exit criteria have been established along with specific program objectives to meet their targeted needs.

Professional development focuses on advancing the instructional skills of teachers which are then shared with other teachers through internal workshops. “Understanding by Design” has been advanced within the district and the instructional staff has successfully embraced this educational approach to learning. Basic skills teachers received professional development for the implementation of Learnia and Study Island programs.

Time and activity reports for staff members funded through Title I have been well maintained and were accurate and current.

Nonpublic schools have been consulted and all eligible students attending nonpublic schools have been identified, are receiving targeted instruction, and nonpublic staff members have been supported in their roles and avail themselves of professional development opportunities.

Expenditures were consistent with the program plan objectives for the purchase of materials such as Rosetta Stone, Read 180, and Study Island. In addition, the district upgraded various technologies to support any accompanying software. Teachers were being provided with data to drive instruction and allow targeted efforts to be more successful.

ARRA-IDEA Projects

The district submitted an IDEA and ARRA-IDEA grant for Preschool and Basic that was developed by school administrators and staff based on data driven student scores. The funds are intended to increase and enhance current successful programs, as well as developing new programs and support for their public and nonpublic student population. Funds will be used for:

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- a. System 44 (reading program) and technology to support the program;
- b. The creation of a full-day preschool autistic program;
- c. Equipment, furniture and materials to support the new autistic preschool program;
- d. Assessment materials to support students with autism and professional development activities to support both their public and nonpublic student population;
- e. Equipment such as smart boards and laptops to support students in the least restrictive environment; and
- f. Tuition for out-of-district students.

The goal of projects spent with ARRA funds was to facilitate keeping students in-district and providing appropriate services in the least restrictive environment. System 44, an autistic program, and technologies that will assist students in general education programs all have the goal of educating students in-district and have underlying assessment and progress monitoring as key components.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I, II, III, IV

The review of these programs yielded no findings or recommendations.

ARRA-IDEA

Finding 1:

Condition: Contracted services for nonpublic schools were billed in advance rather than on actual services delivered. For example, the 6% administrative fee was billed quarterly, regardless if services were provided. The fee was based on the total amount of the nonpublic proportionate share, rather than actual services delivered.

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 develop internal financial controls to ensure that payments to contracted vendors are based on actual services delivered. This must also include internal checks and balances between the department of special services and the business office that services are based on student service plans and are noted in the plans prior to reimbursement being made. The district must submit its control procedures to the NJDOE for review.

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IDEA

Finding 2:

Condition: The district was not in compliance with services to nonpublic schools with regard to their contracts with outside providers billing in installments vs. billing for actual services.

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 the contract with its nonpublic provider to provide for payments based on specific services provided. The district must submit the updated contract to the NJDOE for review.

SFSF FUNDS

Finding 3:

Condition: The district's reporting of jobs created and jobs retained for ESF and GSF funding was not calculated using the proper federal methodology.

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.

Recommendation 1: The district does not have a purchasing manual that details procedures for the procurement of goods and 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.A.C. 6A:23A-6.6 Standard operating procedures for business functions.

Recommended Action: The district should prepare and adopt a detailed purchasing manual to ensure compliance with current state and federal procurement regulations.

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 Steven Hoffmann via phone at (973) 621-2750 or via email at steven.hoffmann@doe.state.nj.us.