

April 22, 2010

Mr. Frank Digesere, Superintendent
Kearny Board of Education
100 Davis Avenue
Kearny, NJ 07032-2612

Dear Mr. Digesere:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Kearny 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 December 31, 2009. The resulting report is enclosed. Please provide a copy of the report to each board member. Beginning in May, 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 Kearny 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:Kearny Board of Education Cover Letter
Enclosures

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**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500**

KEARNY BOARD OF EDUCATION
100 DAVIS AVENUE
KEARNY, NJ 07032
PHONE: (201) 955-5000



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

**ARRA MONITORING REPORT
APRIL 2010**

District: Kearny Board of Education
County: Hudson
Case #: ARRA-041-09

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	\$4,517,932
State Fiscal Stabilization Fund – Government Services Fund	174,896
ARRA - Title I	742,204
ARRA - Title I SIA	-
Total ARRA Funds	<u>5,435,032</u>
 Title I	 1,254,638
Title I SIA	-
Total Non-ARRA Funds	<u>1,254,638</u>
Total Funding	<u>\$6,689,670</u>

**KEARNY PUBLIC SCHOOLS
ARRA MONITORING REPORT
APRIL 2010**

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 Kearny 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; and ARRA Title I for the period July 1, 2009 through December 31, 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 December 31, 2009:

- ESF - 100% of expenditures totaling \$4,517,932 were reviewed;
- GSF - 100% of expenditures totaling \$174,896 were reviewed;
- Title I - 100% of expenditures totaling \$ 1,112,000 were reviewed;
- Title I SIA - 100% of expenditures totaling \$1,300 were reviewed; and
- ARRA Title I had not been expended at the time of the monitoring visit.

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GENERAL DISTRICT OVERVIEW OF USES OF TITLE I FUNDS

ARRA Title I Projects

The Kearny School District serves four of its seven attendance centers. Each of the four attendance centers being served has been identified as a targeted assistance school. The primary focus of the efforts is in increasing Math scores on the ASK 5 and ASK 6 State Assessments. The goal is to achieve proficiency targets of 75% at both levels to exceed the benchmarks of 62% and 67% respectively. In addition, the district is employing an extended day program (Beyond the Bell) for eligible students to assist them in preparing for the state assessments throughout all grades. Extended Year programs are also designed to continue providing reinforcement during the summer and to help students improve retention.

Basic skills instruction is offered during the school year to eligible students through the use of differentiated instruction using an inclusionary approach.

The school district employs a certified Reading Specialist that works in each of the Title I funded schools.

None of the district's schools are in status and therefore are not subjected to many of the federal requirements associated with being identified in need of improvement, corrective action, or restructuring.

With \$1,008,606 or 80.39% from the district's \$1,254,638 Title I, Part A allocation budgeted for salaries and benefits, the district has hired 11 teachers and committed these funds to provide additional in-class support. This influx of additional teachers has helped to reduce student-to-teacher ratios, and provide more one-on-one attention where it is needed.

The priority problems identified in the needs assessment including the effective use of technology in the classroom and instructional skills and strategies are being addressed with the ARRA Title I funds with professional development opportunities designed to improve the level of instruction while at the same time providing targeted assistance to eligible students. Instructional supplies to support these targeted instructional programs comprise nearly half of the ARRA Title I budget.

Professional Development

Instructional staff has received professional development to meet the district goals and to provide differentiated instruction. Funds are budgeted for Staff Development Associates for differentiated instructions as well as professional development programs at the Bergen County Educational Technology Training Center to improve the effective use of technology in the classroom and to address the priority need listed in the grant application.

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Parent Involvement

The district has developed a parent involvement policy and has documented the input from parents and community members in its development. It was distributed to all parents in both English and Spanish at the start of the school year and is clearly published on the school website. The parents of eligible students all received proper notification and documents reveal that there is an ongoing dialogue about student performance and exit strategies from receiving targeted assistance. Since the start of the year, the school has provided several opportunities for parents to attend back to school night and teacher conferences and in order to keep them informed of student progress.

Instructional Supplies

Funds for the purchase of Wilson Reading materials, Inspiration software, textbooks, and workbooks for student use are committed in the budget to support the programs and efforts that target eligible students.

Equipment

No equipment was budgeted.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

The review of this area yielded no findings or recommendations.

Financial Management and Reporting Findings and Recommendation:

Finding 1:

Condition: The district charged certain teacher stipends to the incorrect general ledger account (Salaries for Teachers).

Citation: *Uniform Minimum Chart of Accounts (Handbook 2R2).*

Required Action: Teacher stipends should be charged to Other Salaries as required by the Uniform Minimum Chart of Accounts.

Recommendation 1: 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.

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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.

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