



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

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Governor

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Lt. Governor

ROCHELLE R. HENDRICKS
Acting Commissioner

December 22, 2010

Dr. Rocco G. Tomazic, Superintendent
Linden Board of Education
2 East Gibbins Street
Linden, NJ 07036

Dear Dr. Tomazic:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Linden 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 Linden 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 Ronald Fisher at (609) 777-3723.

Sincerely,

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

RJC/LDM/Linden BOE Cover Letter
Enclosures

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**STATE OF NEW JERSEY
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American Recovery & Reinvestment Act 2009
New Jersey K-12 Education

**ARRA MONITORING REPORT
DECEMBER 2010**

District: Linden Board of Education
County: Union
Dates On-Site: February 2 through 4, 2010
Case #: ARRA-043-09

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund - Education Stabilization Fund	\$2,947,512
State Fiscal Stabilization Fund - Government Services Fund	114,103
ARRA - Title I	676,145
ARRA - Title I SIA	22,510
ARRA - IDEA Basic	1,631,083
ARRA - IDEA Preschool	58,704
Total ARRA Funds	\$5,450,057
Title I	\$1,059,223
Title I SIA	35,470
Title I Part D	115,572
IDEA Basic	1,487,707
IDEA Preschool	40,230
Total Non-ARRA Funds	\$2,738,202
Total Funding	\$8,188,259

**LINDEN SCHOOL DISTRICT
ARRA MONITORING REPORT
DECEMBER 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 Linden 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 I SIA; Title I, Part D; ARRA-Title I; ARRA-Title I SIA; IDEA Basic; IDEA Preschool; ARRA-IDEA Basic; and ARRA-IDEA Preschool for the period July 1, 2009, through February 1, 2010. 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 February 1, 2010:

- ESF expenditures totaling \$2,947,512 were reviewed;
- GSF expenditures totaling \$114,103 were reviewed;
- ARRA-Title I expenditures totaling \$60,563 were reviewed;
- ARRA-Title I SIA funds had not been expended at the time of our review;
- ARRA-IDEA Basic expenditures totaling \$904,749 were reviewed;
- ARRA-IDEA Preschool funds had not been expended at the time of our review;
- Title I expenditures totaling \$209,673 were reviewed;
- Title I SIA funds had not been expended at the time of our review;
- Title I, Part D funds had not been expended at the time of our review;
- IDEA Basic expenditures totaling \$536,225 were reviewed; and

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- IDEA Preschool expenditures totaling \$19,699 were reviewed.

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

ARRA Title I & ARRA Title I SIA, Part A and Title I & Title SIA, Part A

The district's Comprehensive Needs Assessment, as documented in the 2009-2010 Electronic Web Enabled Grants (EWEG) system, identifies the closing of the achievement gap and technology literacy as the two priority areas to be address utilizing ARRA-Title I and Title I resources. The district operates six targeted assistance programs, three of which are in schools identified as Schools in Need of Improvement (SINI). The priorities will be achieved through the following activities:

- Fund staff to provide intervention to students identified as at risk in an in-class program.
- After school tutorial programs.
- A literacy coach to provide embedded professional development to teachers who teach in schools indentified as a SINI.
- Establish a youth development program to reach at risk students.
- Continued professional development for teachers and staff who work with at risk students.
- Instructional supplies and materials to support in class programs.

The district's expectations for the success of the activities are the increase in at risk students served and the increase in scores on assessments.

ARRA-IDEA Basic and Preschool

The district will utilize the ARRA-IDEA Basic funds to support students with disabilities in transition activities by purchasing transportation vehicles to increase in-district enrollment. The district is also utilizing funds to update Child Study Team technology and supplies. In addition to the Child Study Team technology and supplies, classrooms will also receive new computers and materials. The district has included the hiring of two new social workers to expand its services to elementary level students with disabilities. The district utilized funds for instructional and support staff to conduct a 2009 summer program. The district will utilize the Maintenance of Effort option by funding out-of-district tuition in the grant. The funds that have been freed up are initially planned to be utilized for renovations to facilities to allowable for access and utilization for children with disabilities. The district was waiting for the subsequent fiscal year budget requirements and state aid amounts to determine the scope and extent of the renovations.

The ARRA-IDEA Preschool funds are being utilized to upgrade classroom equipment and technology and for related service providers. The district utilized funds for instructional and support staff to conduct a 2009 summer program.

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IDEA Basic and Preschool

The IDEA Basic grant and a portion of the IDEA Preschool grant indicates that the district intends to fund 13 Child Study Team members, three special education teachers, a transition coordinator, a speech therapist, and eight special education school based aids/social workers. The intent is to increase in-district enrollment for children with disabilities and to maximize the number of students educated in community based in-district programs. In order to service students locally the district has expanded their counseling and support services at the elementary level. The district will also increase technology by obtaining laptop computers which are intended to improve access to technology and allow students to participate in classroom instruction and activities.

The IDEA Preschool funds are being utilized as noted above under IDEA Basic and for out-of-district tuition. Expected outcomes are a decrease in out-of-district placements and increased proficiency of children with disabilities on NJDOE performance assessments and student report cards. The district is working to develop additional tools to measure the impact of the utilization of IDEA Basic and IDEA Preschool funds on student's learning and teacher's practices.

DETAILED FINDINGS AND RECOMMENDATIONS

ARRA-Title I & ARRA-Title I SIA, Part A

Finding 1:

Condition: The district used ARRA-Title I funds to support a summer credit recovery program at the middle school, which is an unallowable activity under ARRA-Title I regulations.

Citation: NCLB §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

Required Action: The district's use of federal funds for the summer program was an unallowable cost; the correct funding source should have been state or local funds. In the future, the district will be required to reimburse federal funds used for unallowable costs with state and local funds.

Title I & Title I SIA, Part A

Finding 2:

Condition: The district's Title I Targeted Assistance program is not clearly identifiable.

Citation: NCLB §1115(c) *Targeted Assistance Programs, Components of a Targeted Assistance Program*.

Required Action: The district must update its Title I program to reflect the operation of a Title I Targeted Assistance program with emphasis placed on providing extended learning opportunities

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(before/after school program, week-ends, summer or transitional program) for its identified Title I students. The program description must include the multiple measures used to identify participating Title I students, how students will be assessed, and the frequency of these assessments. Lastly, the description must provide the criteria used to enter and exit students in the Title I program. The district must submit the updated program description to the NJDOE for review.

Finding 3:

Condition: The district purchased computers on wheels for targeted assistance schools. These expenditures in a targeted assistance environment are unallowable; as they are in direct violation of supplement versus supplant provision.

Citation: NCLB §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

Required Action: The district's use of federal funds for this purchase was an unallowable cost; the correct funding source should have been state or local funds. In the future, the district will be required to reimburse federal funds used for unallowable costs with state and local funds.

Finding 4:

Condition: The district's Title I funded summer school program for students in grades 1 through 5 was only offered to students based upon teacher recommendation; subsequently, there was no way to verify if these students were identified Title I students.

Citation: NCLB §1118(c): *Parental Involvement (Policy Involvement)*.

Required Action: The district must include the multiple measures used to identify its participating Title I students in all Title I funded programs and maintain documentation identifying the eligible students who participated in the Title I programs. If sufficient documentation is not maintained, the district will be required to reimburse federal funds used for unallowable costs with state and local funds.

Finding 5:

Condition: The district did not adequately identify, tag and maintain an inventory for equipment purchased with Title I funds.

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 and implement a formal tracking procedure for equipment purchased with federal grant funds. All inventoried items should include tag number, cost, location, date of purchase, and item description.

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Finding 6:

Condition: The district's Title I Parent Notification Letter did not contain all the required elements. The district is required to inform parents of its Title I program selection criteria, why the child met the selection criteria and the course of action that the school has determined to remediate the child.

Citation: NCLB §1118(c): *Parental Involvement (Policy Involvement)*.

Required Action: The district must include in its Parent Notification Letters the multiple measures used to identify the students, as well as clearly defined exit criteria. The district must provide a copy of its revised Parent Notification Letter to the NJDOE for review.

Finding 7:

Condition: The district did not complete its Title I Unified Plans; the plans submitted did not address how the school/district plans to address the pervasive priority problems that have caused its schools to be designated as SINI.

Citation: NCLB §1116(b)(3): *Academic Assessment and Local Educational Agency and School Improvement (School Plan)*.

Required Action: The district must ensure that it addresses all of the elements contained in the Title I Unified Plan. The district is also required to attend the Title I Unified training workshops sponsored by the NJDOE.

Finding 8:

Condition: The district did not provide documentation that it distributed its written parental involvement policy to the parents or guardians of identified Title I students.

Citation: NCLB §1118(a): *Parental Involvement (Local Education Agency Policy)*.

Required Action: The district must ensure that it maintains documentation as to how it distributed its written parent involvement policy to parents or guardians of eligible Title I students.

Finding 9:

Condition: The district's required Parent Notification Letters (i.e. Parent's Right-to-Know, School Choice, and AYP letters) letters did not contain key legislative requirements. The district also did not provide the appropriate translations (Spanish, Polish, and French Creole) for any of its required Parent Notification Letters.

Citation: NCLB §1111 (h) (6)(A): *State Plans (Reports)*.

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Required Action: The district must revise its Parent Notification Letters to ensure that it contains all legislative requirements. This can be achieved by using the templates provide by the NJDOE. The district must also provide the copies of all translated Parent Notification Letters. The revised letters must be distributed to parents immediately and a copy of these letters must be submitted to the NJDOE for review.

Finding 10:

Condition: The district did not provide documentation that it convened its required annual Title I parent meeting.

Citation: NCLB §1118(c)(1) (2): *Parental Involvement (Policy Involvement)*.

Required Action: The district must convene its required annual Title I parent meeting. The district must submit the required meeting minutes/notes, sign-in sheets, and agenda to the NJDOE for review.

Finding 11:

Condition: The district did not provide documented evidence (i.e. invitational letter, meeting minutes, and an agenda) that it convened its annual consultation meeting for Nonpublic Services. However, the district did present a sign-in sheet that was dated August 2009.

Citation: NCLB §1120 (b): *Participation of Children Enrolled in Private Schools*.

Required Action: The district must maintain records that provide documented evidence that it has convened its annual consultation for its Nonpublic Schools.

Finding 12:

Condition: The district did not provide a contract with the Union County Educational Service Commission; however the Educational Services Commission was paid \$16,957.00 for services rendered to nonpublic schools.

Citation: NCLB §1120 (d)(2): *Participation of Children Enrolled in Private Schools(Provision of Service)*.

Required Action: The district must provide a copy of the Union County Educational Service Commission contract containing the deliverables to the nonpublic schools it is servicing on behalf of the district.

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Title I, Part D

Finding 13:

Condition: The district did not provide the requested documentation for an Artist in Residence program.

Citation: NCLB §1415(a) Part D: *Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At-Risk: Use of Funds.*

Required Action: The district must provide the requested documentation to determine if the Artist in Residence program is an allowable expense. If sufficient documentation is not provided, the district will be required to reimburse federal funds used for unallowable costs with state and local funds.

ARRA-IDEA Basic and ARRA-IDEA Preschool

Finding 14:

Condition: The district has not established a method to provide evidence of the impact the ARRA-IDEA Basic and ARRA-IDEA Preschool funded services will have on students. They have not established expectations for success for activities included in the ARRA-IDEA Basic and ARRA-IDEA Preschool Plan.

Citation: IDEA Regulations 34CFR §300.202.

Required Action: The district must develop a plan for the evaluation of each activity specified in the ARRA-IDEA Basic and ARRA-IDEA Preschool Plan. The district can consider individual progress towards IEP goals and objectives, pre and post test scores, report cards and classroom observations.

IDEA Basic and IDEA Preschool

Finding 15:

Condition: The district does not have the required supporting documents to verify the activity of IDEA and ARRA-IDEA funded staff as required by federal regulation.

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 2009-2010 IDEA and ARRA-IDEA funded staff, salaries, funding percentages and time sheets to the NJDOE for review (including administrative staffing).

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Finding 16:

Condition: The district is not in compliance with services to nonpublic school students that reside within the district's boundaries. The district did not participate in consultation and collaborative decision-making with the nonpublic schools; did not communicate with the nonpublic schools directly regarding the delivery of services or new requests for services; and did not maintain lists of students being served or current service plans. Additionally, the contract with the service provider is not specific as to services being delivered and is structured to provide incremental payments, not reimbursement for actual services rendered.

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 ARRA-IDEA 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; maintain a specific list of students and services provided; and revise the service plans to match these lists. The district must submit its updated contract to the NJDOE for review.

Financial Management and Reporting

Finding 17:

Condition: The district does not maintain formal written policies and procedures covering periodic review of suspended/disbarred vendors and reimbursement requests for federal funds from the EWEG system.

Citation: EDGAR Part 80.20 - Standards for Financial Management Systems and New Jersey Administrative Code 6A:23A-6.6 - Standard Operating Procedures for Business Functions.

Required Action: The district must develop and maintain complete written policies and procedures which as part of internal controls provides reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and 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 Ronald Fisher at (609) 777-3723 or via email at ronald.fisher@doe.state.nj.us.