



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

May 27, 2011

Dr. Gary R. Bowen, Superintendent
South Plainfield Board of Education
125 Jackson Avenue
South Plainfield, NJ 07080

Dear Dr. Bowen:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **South Plainfield 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 South Plainfield 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/South Plainfield BOE Cover Letter
Enclosures

Distribution List

Christopher D. Cerf
Barbara Gantwerk
Yut'se Thomas
Alan Guenther
Suzanne Ochse
Glenn Forney
Anne Corwell
Patricia Gray
John Worthington
Ronald Fisher
Samuel Stewart
Stephen M. Eells

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

SOUTH PLAINFIELD BOARD OF EDUCATION
125 JACKSON AVENUE
SOUTH PLAINFIELD, NJ 07080
PHONE: (908) 754-4620



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

ARRA MONITORING REPORT
MAY 2011

District: South Plainfield Public Schools
County: Middlesex
Dates On-Site: February 14 and 15, 2011
Case #: ARRA-074-09

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund - Education Stabilization Fund	\$1,244,064
State Fiscal Stabilization Fund - Government Services Fund	48,160
ARRA-IDEA Basic	885,619
ARRA-IDEA Preschool	31,979
ARRA-Title I	-
Total ARRA Funds	<u>\$2,209,822</u>
Title I	\$162,255
Title I SIA	10,000
Title II - Part A	88,427
Title II - Part D	3,198
Title III	16,231
Title IV	7,580
IDEA Basic	825,307
IDEA Preschool	29,921
Total Non-ARRA Funds	<u>\$1,142,919</u>
Total Funding	<u>\$3,352,741</u>

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

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 South Plainfield Public School's 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 Parts A and D; Title III; Title IV; IDEA Basic; IDEA Preschool; 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 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 June 30, 2010:

- ESF salary and benefit expenditures totaling \$468,212 were reviewed;
- GSF expenditures totaling \$21,934 were reviewed;
- ARRA-IDEA Basic expenditures totaling \$496,105 were reviewed;
- ARRA-IDEA Preschool expenditures totaling \$18,899 were reviewed;
- Title I expenditures totaling \$46,231 were reviewed;
- Title I SIA expenditures were not reviewed;
- Title II, Part A expenditures totaling \$23,184 were reviewed;
- Title II, Part D expenditures totaling \$447 were reviewed;
- Title III expenditures totaling \$5,404 were reviewed;

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

- Title IV expenditures totaling \$4,500 were reviewed;
- IDEA Basic expenditures totaling \$70,976 were reviewed; and
- IDEA Preschool expenditures totaling \$4,780 were reviewed.

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

Title I, Part A

The Title I Part A funds were utilized for a Basic Skills program in grades 3-4, which focused on individualizing the instructional strategies teachers employed with students. An analysis of state assessments, as well as students' grades per marking period, revealed a significant number of students who did not make proficiency gains in mathematics and reading, and were at risk of failure at their grade level. Specifically, this analysis identified students who would be served best by a more self-directed Basic Skills program, allowing the students to perform ongoing self-assessments, while receiving immediate feedback from their teachers. In addition, the analysis revealed a group of students who would benefit from an after school program that provided additional instructional services.

In order to assist the Basic Skills teachers in the development of new instructional strategies and the enhancement of classroom management techniques, thereby making the Basic Skills program more student directed, a portion of the Title I, Part A funds was utilized for professional development services. These professional development services provided training in the areas of differentiated instruction, classroom management strategies, data analysis approaches to teaching and learning, positive behavior support, and project-based learning.

The Title I, Part A funds were also used to support and implement an after school program that provided additional instructional services in the content areas of mathematics and language arts literacy and reading. This after school program was offered from 3:00 p.m. – 4:15 p.m. for students at risk of failure. Although instruction was centered on mathematics and language arts literacy and reading, students also were provided instruction in problem solving skills, organizational management, social skill development, and writing across the curriculum.

Gains in achievement were assessed through multiple measures that included the following: continual data analysis across grades and curricular areas, state and local assessments, benchmark assessments, class grades, teacher observations, collaborative teacher planning, and student and parent feedback.

Title I SIA, Part A

The district utilized the Title I SIA, Part A funds to provide an after school program for students at risk of failure in the content areas of mathematics and language arts literacy and reading. Students were tested in cycles in order to determine their level of need. Based on the analysis of this testing data, students were identified for participation in this after school program. Gains in academic achievement were monitored and measured using data from state assessments, local benchmark assessments, teacher observations, and classroom assignments.

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

In addition, the Title I SIA, Part A funds were utilized to provide professional development opportunities offered through the Rutgers Institute for Improving Student Achievement. The professional development topic areas included: integration of formative assessments in daily instructional practices, analysis of data as an instructional tool, incorporation of technology into the classroom, and writing across the curriculum. The district measured the success of these professional development opportunities by having the teachers fully integrate these new instructional strategies and practices in their daily lesson plans, which were reviewed by the assistant superintendent for curriculum and instruction, as well as the building principals.

ARRA-IDEA Basic and ARRA-IDEA Preschool

The ARRA-IDEA Basic funds were utilized to replace a handicapped accessible ramp for non-ambulatory students and purchase renovation updates to bring bathrooms up to Americans with Disabilities Act standards for disabled students. A special education secretary, assistive technology, augmentative communication devices, instructional and support supplies were also funded. The district obtained special education support for community-based instruction and job development to facilitate transition programs and services for special education students. Additionally, the district utilized funds for curriculum and assessments to improve special education services, non-instructional equipment included computer hardware and two transportation vehicles for both ambulatory and non-ambulatory special education students.

ARRA-IDEA Basic Student and Program Evaluative Criteria

The district programs and services are designed to bring students back to district and provide students already in district with the Least Restrictive Environment (LRE). The following are the district's objectives, expectations and evaluation methods.

Objectives

- In-class resource center explored as the LRE for students;
- Increase in supplemental instruction;
- Supplementary aides and services provided in class;
- More individual delivery of services;
- In-class and pull out combination delivery of services; and
- Augmentative communication devices for students with limited communication skills will be utilized to assist students in their ability to communicate. This will allow students to remain in district, return to the district and maximize time in regular education programs.

Expectations

- District moving toward inclusion;
- Differentiated instruction and behavioral management support for students in inclusive settings;
- Improvement of scores on standardized tests; and
- Increase of instructional and support staff in classrooms.

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

Evaluation

- Quarterly Progress Reports;
- Increased time in general education; and
- Improved test scores on all assessment.

The ARRA-IDEA Preschool funds were utilized for instructional equipment, software and supplies and curriculum development. Additionally, a behaviorist working with staff to develop and implement behavior intervention plans and professional development of classroom skills was funded.

The ARRA-IDEA Preschool funded program objectives and evaluative criteria are increased student performance as measured by staff observations, student assessments relating to individual plan and program objectives and daily program participation.

IDEA Basic and IDEA Preschool

The IDEA Basic funds were utilized for out-of-district tuition for students eligible for special education and related services. The district contracts with the Middlesex Regional Educational Services Commission for nonpublic services. Contracted services include in-class support, instructional materials, counseling, occupational and physical therapy.

The IDEA Preschool funds were utilized for out-of-district tuition for preschool disabled students.

The IDEA Basic and Preschool funded services evaluative criteria is based on student participation and performance as measured through service provider reports, observation of student in out-of-district setting and the determination if this placement is still the LRE for the student.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I and NCLB

Finding 1:

Condition: The district did not consult with the nonpublic schools outside the district boundaries in which district students were enrolled, as required under Title I, Part A.

Citation: *NCLB §1120 and 9501 Participation of Children Enrolled in Private School.*

Required Action: The district must establish policies and procedures to ensure that the consultation process with those nonpublic schools that enroll district students who reside within the boundaries of the district's eligible school attendance areas meets all requirements as stipulated in the Title I, Part A regulations. The district must also ensure that the consultation requirements continue throughout the implementation and assessment of activities under Title I, Part A. The district must submit these policies and procedures to the NJDOE for review.

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

Finding 2:

Condition: The district's notification to inform parents of students attending Grant Elementary School that the school was designated as a school in need of improvement (SINI), with accompanying sanctions, did not contain the following Title I legislative requirements:

- Comparison of schools to others in district and state;
- District's and state's actions to address the problems; and
- Parent's actions to address the problems.

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

Required Action: The district must revise its SINI letter to meet the Title I legislative requirements. The revised letter must be distributed to parents and a copy of the letter must be submitted to the NJDOE for review.

Finding 3:

Condition: The district did not include a comprehensive list of providers who serve the nearby geographical area, as well as those providers who offer Web-based services, with its Supplemental Educational Services (SES) letter to parents. The letter to parents of eligible students provided only the Web-site through which parents could obtain the complete list of SES providers.

Citation: NCLB §1116(b)(6): *Academic Assessment and Local Educational Agency and School Improvement*.

Required Action: The district must revise its SES notification letter to parents to include the complete list of state approved SES providers, including those in the geographic area, as well as online providers. The district must submit a copy of the revised letter to the NJDOE for review.

Finding 4:

Condition: The district expended Title I, Part A funds for activities that did not benefit the Title I, Part A instructional program. These expenditures totaled \$325 and included the following activities:

- Registration for participation in the NJSIAA Girls and Boys Basketball Clinic;
- Registration for a Kean University workshop entitled "I Have to Say What? Getting Comfortable Teaching Difficult Words in Sex Education"; and
- Registration for participation in the New Jersey Music Education Annual Conference.

Citation: NCLB Section 1120A(b) *Fiscal Requirements, Federal Funds To Supplement, Not Supplant, Nonfederal Funds*.

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

Required Action: The district must reverse the expenditure transactions for these non-allowable Title I, Part A expenditures and charge an appropriate funding source. The district must submit this fiscal information to the NJDOE for review.

ARRA-IDEA Basic and ARRA-IDEA Preschool

Finding 5:

Condition: The ARRA-IDEA Electronic Web Enabled Grant (EWEG) system application did not reflect the district's summer program activities as approved by the NJDOE county office. The ARRA-IDEA Basic and ARRA-IDEA Preschool planned expenditures were not separately identified in the plan narrative. In addition, nonpublic services and providers were not provided in the ARRA plan narrative.

Citation: IDEA Regulations 34 CFR § 300.1 §300.200.

Required Action: The district must revise the ARRA plan to include all approved summer application activities and separately identify preschool and basic expenditures. The ARRA plan must also identify the nonpublic services and the agency providing the nonpublic services.

Finding 6:

Condition: The ARRA-IDEA funded summer activities included training from the Developmental Studies Center on Being a Writer and professional development for 25 general and special education staff from grades five and six. ARRA-IDEA funds may only be expended on activities that directly benefit students with disabilities.

Citation: IDEA Regulations 34 CFR §300.202.

Required Action: The district must amend the grant to reflect split funding for special education and general education staff participating in the training and professional development.

Finding 7:

Condition: The ARRA-IDEA summer program expenditures included the purchase of the Naglieri Nonverbal Ability Test (Multilevel Form 2) that has been validated for the assessment and identification of gifted minority students. The assessment was administered to both general and special education students attending the district's summer program.

Citation: IDEA Regulations 34 CFR §300.202.

Required Action: The district must reverse expenditures from ARRA-IDEA funds for the purchase of the Naglieri Nonverbal Ability Test and charge state or local funds. ARRA-IDEA funds may only be expended on activities that directly benefit students with disabilities.

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

Finding 8:

Condition: The district recorded ARRA-IDEA Basic and IDEA Basic planned expenditures for nonpublic service providers on the “Consultants Professional and Technical” line. The correct line classification for those services is “Agreements with approved contract providers.” When the information is recorded on the correct line a text box will open allowing the district to list the agency(s) used for nonpublic services and any administrative costs.

Citation: EDGAR 80.20.

Required Action: The ARRA-IDEA Basic and IDEA Basic nonpublic planned expenditures must be revised to reflect “Agreements with approved contract providers” and identify the agency, contracted services and administrative costs in the text box.

Finding 9:

Condition: The list of IDEA Basic and ARRA-IDEA Basic funded nonpublic students and services did not match the service plans and did not identify separate funding sources for the IDEA and ARRA-IDEA nonpublic proportionate share.

Citation: IDEA Regulations 34 CFR §300.130-300.144.

Required Action: The individual service plans must be revised to reflect all funding sources and services.

Finding 10:

Condition: The district did not consistently obtain affirmation of consultation for nonpublic services for both IDEA Basic and ARRA-IDEA Basic funds.

Citation: IDEA Regulations 34 CFR §300.130-300.144.

Required Action: The district must develop and implement procedures to consistently obtain affirmation of consultation for nonpublic services for both IDEA Basic and ARRA-IDEA Basic funds.

IDEA Basic and IDEA Preschool

Finding 11:

Condition: The district was not able to produce documentation of completed Child Find activities.

Citation: 34CFR §300.111.

**SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011**

Required Action: The district must implement the board approved Special Education Policy for Child Find activities and maintain documentation of completed activities.

Title II, Part A and D

Finding 12:

Condition: The district's approved EWEG application includes a nonpublic school allocation of Title II, Part D for the New Life Christian School. The district could not provide any documentation or evidence to demonstrate that the funds were expended.

Citation: NCLB Title II, Part D § 2401 to 2441.

Required Action: The district is required to amend the application to reflect actual activity if the nonpublic school was not served.

Title III

The review in this area yielded no findings or recommendations.

Title IV

Finding 13:

Condition: The district was unable to provide sufficient written documentation to support the coordination of funded programs with other federal, state and local programs as specified in the approved EWEG application.

Citation: NCLB § 4114.

Required Action: The district must generate and maintain the documentation required to verify this requirement. This can be accomplished by establishing procedures to maintain a file of the following: correspondence to partner agencies and organizations, collection of agendas, meeting notes and attendance sheets.

Finding 14:

Condition: The district was unable to provide sufficient written documentation to verify that initial and ongoing consultations with parents had occurred. Additionally, no evidence of input from parents in the development and implementation of Title IV programs, services and activities were able to be provided.

Citation: NCLB § 4115.

Required Action: The district must generate and maintain the documentation required to verify this requirement. This can be accomplished by establishing procedures to maintain a file of the

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

following: invitational letters or other correspondence, agendas, sign in sheets, meeting notes, recommendations made and actions taken.

Finding 15:

Condition: The district was unable to provide sufficient written documentation to verify the implementation of program evaluations to assess the effectiveness of funded programs for refining, improving and strengthening the programs and performance targets as needed.

Citation: NCLB § 4114-4115.

Required Action: The district must generate and maintain the documentation required to verify this requirement. This can be accomplished by establishing procedures to maintain a file of the following: correspondence, program evaluations, outcome data and process data.

Financial Management and Reporting

Finding 16:

Condition: Our testing of expenditure transactions for ARRA-IDEA Basic funds disclosed two expenditures totaling \$10,026.25 for software products and a maintenance support agreement that are unrelated to special education students. This use of ARRA-IDEA Basic funds for services for regular education students is an unallowable use of funds.

Citation: IDEA Regulation 34 CFR 300.208 (Permissive Use of Funds) and 34 CFR § 300.1, § 300.144 § 300.202.

Required Action: The district must reimburse the ARRA-IDEA Basic account the amount of \$10,026.25 from the general fund.

Finding 17:

Condition: An expenditure totaling \$179,786 for two 54 passenger buses, which were used to transport regular education students, was charged to the ARRA-IDEA Basic funds. This use of ARRA-IDEA Basic funds for regular education students is an unallowable use of funds. Additionally, the district purchased two 25 passenger buses from the General-Capital Outlay Fund which included modifications for the transportation of ambulatory and non-ambulatory special education students. The 25 passenger buses were utilized to transport special education students and were included in the approved ARRA-IDEA Basic plan and cost a total of \$120,195.

Citation: IDEA Regulation 34 CFR 300.208 (Permissive Use of Funds) and 34 CFR § 300.1, § 300.144 § 300.202.

SOUTH PLAINFIELD PUBLIC SCHOOLS
ARRA MONITORING REPORT
MAY 2011

Required Action: The district must reimburse the ARRA-IDEA Basic account the amount of \$59,591, which equals the difference in the two amounts noted above, from the current year general fund.

Recommendation 1:

Under the New Jersey's Public School Contracts Law (PSCL) districts are not required to advertise for bids or competitively contract the provision of goods and services by 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 Ronald Fisher at (609) 777-3723 or via email at ronald.fisher@doe.state.nj.us.