



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

July 15, 2010

BRET SCHUNDLER  
*Commissioner*

Dr. Maryann Banks, Superintendent  
Vineland City Board of Education  
625 E. Plum Street  
Vineland, NJ 08360

Dear Dr. Banks:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Vineland 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 June 9, 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 Vineland City 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 Anthony Hearn at (609) 633-2492.

Sincerely,

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

RJC/LDM/tc:Vineland City Board of Education Cover Letter  
Enclosures

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PO BOX 500  
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VINELAND CITY BOARD OF EDUCATION  
625 E. PLUM STREET  
VINELAND, NJ 08360  
PHONE: (856) 794-6700



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

ARRA MONITORING REPORT  
JULY 2010

**District:** Vineland City Board of Education  
**County:** Cumberland  
**Dates On-Site:** June 9, 10 and 11, 2010  
**Case #:** ARRA-081-09

**FUNDING SOURCES**

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	14,788,960
State Fiscal Stabilization Fund – Government Services Fund	572,503
ARRA - Title I	3,126,358
ARRA – Title I SIA	61,904
ARRA – IDEA Basic	2,898,682
ARRA – IDEA Preschool	104,246
Total ARRA Funds	<hr/> \$21,552,653
Title I	4,318,928
Title I SIA	160,386
Title I SIA G	66,088
IDEA Basic	3,216,135
IDEA Preschool	99,519
Total Non-ARRA Funds	<hr/> 7,861,056
Total Funds	<hr/> <hr/> \$29,413,709

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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 Vineland 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; ARRA-IDEA Preschool; Title I; Title I SIA and SIA G; IDEA and IDEA Preschool for the period July 1, 2009 through June 9, 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:**

Elements comprising the review included the following:

- ESF expenditures for salary of \$9,587,007;
- GSF expenditures for salary of \$289,635;
- ARRA - IDEA Basic expenditures of \$1,715,683;
- ARRA - IDEA Preschool expenditures of \$7,922;
- ARRA - Title I expenditures of \$ 2,097,229;
- ARRA - Title I SIA \$60,866;
- Title I expenditures of \$2,247,840;
- Title I SIA expenditures of \$45,057;

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- Title I SIA-G expenditures of \$87,264;
- IDEA expenditures of \$1,540,822; and
- IDEA Preschool expenses of \$93,709.

In addition, the team reviewed the district's plans for spending the balance of the funding.

**GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS**

**ARRA - Title I Projects**

The district is using ARRA-Title I funds to support the Children's Literacy Initiative with extensive professional development, professional development with LL Teach for Math and to support their Read 180 program and the respective professional development. The district also used over \$500,000 for 30 new computers per building to infuse more technology into the classroom. In addition, the district ran an extensive afterschool program for 25 weeks at the elementary and middle school levels.

**ARRA - IDEA Projects**

The district is using ARRA-IDEA funds to continue staff development efforts in the areas of language arts literacy and basic math instruction. Consultants are providing group training, instructional coaching services and helping to establish model special education classrooms to enhance the quality and efficacy of instruction within resource and self contained programs. The district is also purchasing supplies for self help/daily living skills programs at the middle school and two elementary school buildings. Space is being renovated at the high school to open a self-contained life skills program. The Maintenance of Effort flexibility option is moving tuition expenditures into the grant so that released funds can be used to purchase school buses. The grant is also supporting a CEIS program targeted at students identified to be at-risk for referral due to behavioral issues at the secondary level. Staff is being trained in positive behavioral supports and preventive intervention strategies for dealing with students demonstrating behavioral concerns. Technology devices, such as computers and augmentative communication devices for use by students with disabilities, have also been purchased with these funds. Supplies and equipment are being purchased so that sensory interventions can be incorporated into the programs delivered to students on the autism spectrum.

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**DETAILED FINDINGS AND RECOMMENDATIONS**

**SFSF Funds**

**Finding 1:** The district is using hourly employees to perform certain jobs for Title I; however, the 1512 report shows zero jobs created and jobs saved. The district needs to convert the hours worked by these hourly employees to full-time equivalents in order to accurately show the number of jobs created and jobs saved for the 1512 Report.

**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 have formal tracking of SFSF funding and the necessary backup documentation to support that the information submitted is consistent with the federal guidance recently issued on jobs created and jobs saved. The district must submit updated information with detailed staffing data through June 30, 2010 to the NJDOE for review.

**Finding 2:** The district is charging the contribution to the Public Employees' Retirement System for non-certificated staff that includes maintenance workers which is not an allowable expenditure for ARRA.

**Citation:** American Recovery & Reinvestment Act, Section 14003.

**Required Action:** The district must remove non-allowable costs for noneligible staff from the SFSF charges.

**Title I**

**Finding 3:** The Title I Unified Plans and ARRA Plans do not specify activities that are being funded and some of the expenditures are not identified in the schools' Comprehensive Needs Assessment. In general, all populations in a schoolwide program should be identified and not just specific subgroups. Examples of expenses that would be allowable if noted in the plans include technology expenses and ELMOS.

**Citation:** *NCLB §1114(b)(2): Schoolwide Program*, CFR §200.26: *Core elements of a schoolwide program*.

**Required Actions:** The district must provide technical assistance to its schools in need of improvement as they revise their 2010-2011 Title I Unified Plans and ARRA Plans to ensure that all items that are being charged to the grant are identified needs in the plans. The revised plans must be uploaded to the district's FY 2011 Title I application on the Electronic Web Enabled Grant (EWEG) system.

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**Finding 4:** The district cannot provide evidence of convening the Title I annual meeting for parents to inform them of the school's participation in Title I and the Title I parent involvement requirements and rights.

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

**Required Action:** The district must submit the invitational letter/flyer, meeting notes, sign-in sheets, and the agenda from the 2009-2010 meeting and dates for the 2010-2011 meeting to the NJDOE for review.

**IDEA**

**Finding 5:** The general education students who are identified as being at-risk for referral due to behavioral concerns have not been identified on a Coordinated Early Intervening Services intervention log.

**Citation:** IDEA Regulation 34 CFR 300.226 (*Early Intervening Services*).

**Required Action:** The district must identify at-risk students who are being served by staff who participated in the behavioral management training and record and track the efforts to intervene with these students for two years.

**Finding 6:** The district did not submit the necessary documents to the Office of Special Education Programs for a ramp construction project prior to contracting for services related to this project.

**Citation:** 2 CFR Part 225, Appendix B, 15.b.

**Required Action:** The district must submit a renovation project certification to the Office of Special Education Programs prior to undertaking any renovation or construction projects to be paid for using ARRA - IDEA funds. This form can be located at <http://www.state.nj.us/education/arra/se/>.

**Administrative**

**Recommendation 1:** The district's internal controls should be updated to include policies and procedures to prevent non-allowable costs from being charged to grants, prevent contracting with disbarred vendors and perform competitive contracting.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.



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**Recommended Action:** The district should update internal control policies to prevent these errors from recurring.

**Recommendation 2:** The district does not have formal written policies for requesting reimbursement from the EWEG system; however, the district's practice for requesting reimbursement was 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:** 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 NJDOE 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. See Local Finance Notice 2010-3 issued January 15, 2010 for more information on competitive contracting for school districts and professional development services.

**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.

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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](mailto:anthony.hearn@doe.state.nj.us).