



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

July 21, 2011

Mr. John Petrelli, Interim Superintendent
West Milford Township Board of Education
46 Highlander Drive
West Milford, NJ 07480-1511

Dear Mr. Petrelli:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **West Milford Township 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 West Milford Township 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:West Milford Twp. Board of Education Cover Letter
Enclosures

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**STATE OF NEW JERSEY
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TRENTON, NJ 08625-0500**

WEST MILFORD TOWNSHIP BOARD OF EDUCATION
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American Recovery & Reinvestment Act 2009
New Jersey K-12 Education

**ARRA MONITORING REPORT
JULY 2011**

District: West Milford Township Board of Education
County: Passaic
Dates on-Site: June 6 and 7 2011
Case #: ARRA-085-09

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	\$1,858,760
State Fiscal Stabilization Fund – Government Services Fund	71,955
ARRA - Title I	272,703
ARRA - Title I SIA	1,876
Total ARRA Funds	<u>\$2,205,294</u>
Title I	497,848
Title I SIA	-
Total Non-ARRA Funds	<u>\$497,848</u>
Total Funding	<u>\$2,703,142</u>

WEST MILFORD TOWNSHIP PUBLIC SCHOOLS
ARRA MONITORING REPORT
JULY 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 West Milford Township 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; ARRA-Title I; and ARRA-Title I SIA 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 100% of expenditures totaling \$1,858,760 were reviewed;
- GSF 100% of expenditures totaling \$71,955 were reviewed;
- Title I 71% of expenditures totaling \$368,648 were reviewed;
- ARRA-Title I 92 % of expenditures totaling \$28,390 were reviewed; and
- ARRA-Title I SIA 93% of expenditures totaling \$1,876 were reviewed.

**WEST MILFORD TOWNSHIP PUBLIC SCHOOLS
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GENERAL DISTRICT OVERVIEW OF USES OF TITLE I FUNDS

Title I Projects

The district received \$497,848 in Title I, Part A funds; the district also received an additional \$272,703 in ARRA-Title I, Part A funds. The district operates targeted assistance programs in five of its eight schools. The district's funded Title I schools have not been designated as Schools in Need of Improvement (SINI).

The district's Comprehensive Needs Assessment has identified the following areas as its priority problems: 1) Closing the Achievement Gap - for all students, 2) Language Arts Literacy - for all students and economically disadvantaged students, 3) Technology Literacy - for all students, and 4) Mathematics - for all students.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1:

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 for its identified Title I students (before/after school program, week-ends, summer or transitional program). The district must submit a detailed description of its updated Title I program which 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 2:

Condition: The district is required to inform parents of its Title I program exit criteria, how the child will be able to exit the Title I program based upon multiple measures, and the course of action that the school has determined to remediate the child. All of these elements must be included in the notification letter to parents about their child's participation in the Title I program.

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

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Required Action: The district must include clearly defined exit criteria based upon multiple measures to exit their identified Title I students from the program in its parent notification letters. The district must provide a copy of its revised parent notification letter to the NJDOE for review.

Finding 3:

Condition: The district could not provide documented evidence that it distributed its written parental involvement policy to the parents/guardians of identified Title I students.

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

Required Action: The district must ensure that it provides documented evidence as to how it distributed its written parent involvement policy to parents/guardians of eligible Title I students.

Finding 4:

Condition: The district could not provide documented evidence (sign in sheets and meeting minutes) 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 the agenda from this meeting to the NJDOE for review.

SFSF Funds

Finding 1:

Condition: The district could not provide all required documentation to support the reporting of jobs created and jobs retained for ESF and GSF funding. The list of employees charged to ESF and GSF provided by the district did not agree to their jobs retained calculation as reported on the quarterly 1512 report. In addition, the district did not maintain copies of all quarterly 1512 and cash management reports. The NJDOE Office of Education Data provided a letter confirming the number of employees that the district reported as retained relative to each of the ARRA categories.

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 and supported by detailed documentation. Copies of all quarterly ARRA reports should be retained by the district.

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Financial Management and Reporting

Finding 1:

Condition: The district charged an equipment purchase to the incorrect general ledger account. A Smart board purchased with a total unit cost in excess of \$2,000 was improperly charged to supplies. New Jersey regulations and district policy require that equipment with a unit cost greater than \$2,000 be charged as equipment.

Citation: Uniform Minimum Chart of Accounts for New Jersey Public Schools, EDGAR, PART 80—*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

Required Action: The district should comply with existing regulations and district policy and charge all equipment purchases of \$2,000 or greater to an equipment account.

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.