

February 23, 2010

Mr. John Rodecker, Superintendent
Perth Amboy Board of Education
178 Barracks Street
Perth Amboy, NJ 08861-4302

Dear Mr. Rodecker:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Perth Amboy 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 January 4, 2010. The resulting report is enclosed. Please provide a copy of the report to each board member.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Perth Amboy 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/tc:Perth Amboy Board of Education Cover Letter
Enclosures

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

ARRA MONITORING REPORT
FEBRUARY 2010

District: Perth Amboy Board of Education
County: Middlesex
Case #: ARRA-009-09

FUNDING SOURCES

Program	Funding Award
State Fiscal Stabilization Fund - Education Stabilization Fund	\$19,689,591
State Fiscal Stabilization Fund - Government Services Fund	762,213
Title I	3,411,079
Title I SIA	0
ARRA -Title I	1,898,681
ARRA - Title I SIA	178,518
IDEA - Basic	2,382,390
IDEA - Preschool	50,575
ARRA - IDEA - Basic	2,797,879
ARRA - IDEA - Preschool	100,421
Total Funding	<u>\$31,271,347</u>

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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 Perth Amboy 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 onsite 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; 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 January 4, 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 January 4, 2010:

- Education Stabilization Fund (ESF) salary and benefit expenditures totaling \$ 1,336,809 were reviewed;
- Government Services Fund (GSF) salary expenditures totaling \$299,422 were reviewed;
- Title I salary expenditures totaling \$210,800 were reviewed;
- ARRA Title I had not been expended at the time of the monitoring visit;
- ARRA Title I SIA had not been expended at the time of the monitoring visit;
- IDEA Basic salary expenditures totaling \$278,814 were reviewed;
- IDEA Preschool had not been expended at the time of the monitoring visit;

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- ARRA IDEA Basic had not been expended at the time of the monitoring visit; and
- ARRA IDEA Preschool had not been expended at the time of the monitoring visit.

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

ARRA Title I Projects

The Title I *ARRA* funds will be utilized to develop and implement a district wide program for the integration of technology into the classroom as a way to enhance the learning and achievement of all students throughout the district. Specifically, the Perth Amboy School District will utilize the Title I *ARRA* funds to purchase hardware and software materials and supplies, as well as provide professional development opportunities for teachers on various ways in which to integrate technology in the classroom.

In the comprehensive planning process for the 2009-2010 school year, the Perth Amboy School District staff examined district wide data on the existing use of technology in the classroom and ways in which this usage was helping more students reach proficiency levels on the state assessments. From this data analysis, the Perth Amboy staff identified the enhanced use of technology throughout the district as one of its major needs/priorities for the 2009-2010 school year.

To address the integration of technology into instructional practices, staff examined existing technology usage and ways to expand this usage to address all New Jersey Core Curriculum Content Standards (NJCCCS) for all students, with enhanced emphasis on working with the population of students identified as limited English proficient (LEP).

The technology materials and supplies to be purchased with the Title I *ARRA* funds include, but are not limited to the following items: Apple Macbook, HP Scanners, SmartBoards, IPOD Touch Carts, and Smart Tables.

The district will assess gains in achievement through multiple measures to include the following: state assessments, teacher observations, student work, classroom and benchmark assessments, student grades, report cards, and walk-through evaluations as recommended by the district's administration.

ARRA Title I SIA Projects

The Title I SIA Part (a) *ARRA* funds will be utilized to implement an academic and intervention wrap around program for the 7th and 8th grade students who attend both the Samuel Shull and McGinnis Middle Schools. In addition, an academic preparation project entitled "High School Proficiency Assessment Program" will be implemented for 9th grade students.

The 7th and 8th grade program will operate from 2:00 p.m. – 6:00 p.m., with students receiving academic instruction in the NJCCCS, as well as wrap around services such as behavior support,

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counseling, and psychological and social work services. The “High School Proficiency Assessment Program” will operate after school, from 3:00 p.m. – 5:00 p.m., and will focus on academic instruction in each of the NJCCCS.

In examining student data from the 7th, 8th, and 9th grades, the Perth Amboy staff identified that the 7th and 8th grade students who experienced academic difficulties continued to experience the same academic difficulties when moving into the 9th grade. In fact, an analysis of first quarter grades for the 9th grade students revealed that 225 students failed in mathematics and 163 students failed in Language Arts Literacy and Reading. Consequently, the above-mentioned academic support and enhancement programs will focus predominately on mathematics and Language Arts Literacy and Reading. Emphasis will be given also to science and social studies. The Perth Amboy School District will measure the success of both programs by achieving at least a 25% decrease in student failures in Language Arts Literacy and Reading and mathematics by the end of the 2009-2010 school year.

Title I Projects

The Perth Amboy School District will utilize FY 2010 *NCLB* Title I funds to fund the following projects:

- **The LEADS Program – (Literacy is Essential to Adolescent Development Success)**

- This is an academic program traditionally provided in the summer for middle school students (7th and 8th grades) who are in the lowest 20% of students in reading. For the 2009-2010 school year, the district is looking at expanding the program for 9th grade students, as well. The approach to instruction is based on the concept of Universal Design for Learning, and involves a multiple senses approach to learning (i.e., teacher read aloud, student think aloud, project-based activities). Students are recommended for the program by teacher referrals, parent referrals, and state and local assessment scores. Gains in student learning and achievement will be determined through portfolio-based assessment, performance-based assessment, and student scores on state and local assessments.

- **The New Jersey Institute of Technology – Early College Preparatory Program**

- This program has been offered in partnership with the New Jersey Institute of Technology (NJIT) for the past 10 years. The NJIT Center for Pre-College Programs offers a series of summer programs for students from post-fourth to post-eleventh grades. The focus of the program is to encourage and prepare students to succeed in the fields of science, technology, engineering, and mathematics.

Students are recommended to the program based on the following criteria: student scores on standardized assessments, student grades in mathematics and science, teacher recommendations, and student interest. Since the inception of this partnership, the Perth Amboy School District has seen a direct correlation between

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students who participate in this program and students who receive perfect scores on the NJ ASK.

- **The Middlesex County College Project**
 - This program is offered in conjunction with the Middlesex County Community College (MCCC). The Perth Amboy 8th grade students are offered opportunities to participate in college-level mathematics classes in Algebra I and Algebra II on the MCCC campus.
 - The secondary math supervisor, in conjunction with all secondary mathematics teachers, will evaluate students for the program based on the following criteria: state and local assessment scores, classroom grades, and student interest. It is anticipated that more than fifty (50) students will participate in the program during the summer 2010. The Perth Amboy School District will evaluate the benefit of this program by increased scores on state assessments.

ARRA IDEA Projects Basic & Preschool

The District is using their ARRA-IDEA grant to enhance the services for students with disabilities. Various academic areas will be addressed by the teachers and the paraprofessional receiving professional development, materials, and texts. Professional development topics include:

- Math coaching for special education staff from grades K-12. This will be provided through Professional Development, direct support and consultation.
- A consultant to provide direct services to co-teaching pairs through research-based practices in inclusion, differentiated instruction, co-teaching models, positive behavioral supports and consultation in all areas of need.
- Students with disabilities that are also English language learners (ELL) will be the focus of professional development to staff and parents to support these students. This will include workshops in methodologies, teaching practices, data collection, and assessment of ELL students with disabilities. Monitoring and consultation will be provided to teachers, child study teams and parents. Resource materials for staff are also included.
- Training will be provided to staff in remedial reading programs grades K – 12 to strengthen and develop the literacy of students with disabilities. System 44, Read 180, Lexia, and Wilson Reading will be utilized.
- Professional development for staff on the utilization of purchased technology and the incorporation of the technology into the curriculum and classroom will be provided. Lesson plans and classroom observations will be utilized to ensure that all technology is

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used on a regular basis. Purchase of technology that includes, laptop computers, desktop computers, Smart Boards, I-Pods, printers, headsets, Clicker and SB Systems that will enhance the delivery of services and the acquisition of knowledge for students with disabilities.

- Training for all staff on the development of Functional Behavioral Assessments and intervention plans for students with disabilities, and the utilization of Positive Behavioral Supports. This will include individual and group counseling for students with disabilities and will be written into the IEP.

Additional IDEA-ARRA expenditures include the purchase of augmentative evaluations and devices for students with limited communication skills. These devices will be utilized to assist students in their ability to communicate and to remain in-district or assist students to return to district. Instructional supplies and texts will be purchased. They will reflect and augment what is utilized in the general education programs and enhance learning for students with disabilities. Purchase of technology that includes, laptop computers, desktop computers, Smart Boards, I-Pods, printers, headsets, Clicker and SB Systems that will enhance the delivery of services and the acquisition of knowledge for students with disabilities.

The district is using their IDEA ARRA-Preschool funds for non-instructional materials and instructional equipment.

IDEA Projects Basic & Preschool

The IDEA-B Basic is being used for support services including four psychologists, two social workers, four speech therapists, two learning consultants, and three other (crisis) positions and benefits for each position. The funds are also being used for professional technical/technical services and professional development to support district initiatives. Non-instructional materials and supplies will also be purchased.

The IDEA Preschool grant reflects the expenditures for a preschool teacher and benefits. There is a “zero” proportionate share for the preschool nonpublic allocation.

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DETAILED FINDINGS AND RECOMMENDATIONS

ARRA Title I Findings and Recommendations

Finding 1:

Condition: The Perth Amboy School District did not correctly complete the Eligibility section of the Title I Part A – *ARRA* Consolidated Application. The district allocated 5% of the 20% SES reserve for Public School Transportation for Schools in Need of Improvement when the district does not offer the Choice option.

Citation: *NCLB* §1116 Academic Assessment and Local Educational Agency and School.

Required Action: The Title I Part A – *ARRA* Consolidated Application will be reopened to allow the district to revise the above information in the Eligibility Step 4 section. Upon completion of this data entry, the district will resubmit the application.

Finding 2:

Condition: The combined per-pupil amounts as shown in the Title I Part A – *ARRA* Eligibility Step 4 and in the FY 2010 Title I Part A Eligibility Step 4 are not listed in rank order. Consequently the individual school allocations are not calculated correctly based on low-income poverty percentages.

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

Required Action: The Title I Part A – *ARRA* Consolidated Application will be reopened to allow the district to revise the above information in the Eligibility Step 4 screen. Upon completion of this data entry, the district will resubmit the application.

FY 2010 TITLE I Findings and Recommendations

Finding 1:

Condition: The Perth Amboy School District did not correctly complete the Eligibility portion of the Title I Part A section of the FY 2010 *NCLB* Consolidated Application. The district allocated 5% of the 20% SES reserve for Public School Transportation for Schools in Need of Improvement when the district does not offer the Choice option.

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

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Required Action: The FY 2010 *NCLB* Consolidated Application will be reopened to allow the district to revise the above information in the Title I Part A Eligibility Step 4 section. Upon completion of this data entry, the district will resubmit the application.

Finding 2:

Condition: The combined per-pupil amounts as shown in FY 2010 Title I Part A Eligibility Step 4 and in Title I Part A - *ARRA* Eligibility Step 4 are not listed in rank order. Consequently the individual school allocations are not calculated correctly based on low-income poverty percentages.

Citation: *NCLB* §1113 Eligible School Attendance Area.

Required Action: The FY 2010 *NCLB* Consolidated Application will be reopened to allow the district to revise the above information in the Title I Part A Eligibility Step 4 section. Upon completion of this data entry, the district will resubmit the application.

Finding 3:

Condition: In the district's SES notification to parents, the district instructed parents to contact a Perth Amboy designated employee in order to receive the State approved SES Vendors list. The current SES guidance requires that a complete list of State approved SES vendors including those in the geographic area, as well as online providers, be included in the SES notification information distributed to parents.

Citation: Title I, Section 1116(e) of the *No Child Left Behind Act (NCLB)*.

Required Action: The district must ensure that a complete list of State approved SES vendors is made available to all parents of students attending Perth Amboy Public Schools.

Finding 4:

Condition: The district did not provide sufficient documentation to verify that an initial consultation meeting occurred with all eligible nonpublic school officials.

Citation: *NCLB* §1120 and §9501 and §200.63 of the Title I regulations.

Recommend Action: In order to ensure ongoing, timely, and meaningful nonpublic school consultation, it is recommended that the district institute steps to enhance its record keeping of its initial contact, as well as its ongoing contact, with nonpublic school officials. This is to be accomplished by establishing procedures to track nonpublic school

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contact via letters sent by certified mail, telephone logs, and e-mail logs, as well as to include meeting agendas and sign-in sheets in the district's internal nonpublic audit files.

Finding 5:

Condition: The district's letter to nonpublic school officials regarding the type of information to be collected on eligible low-income nonpublic school students asked for the nonpublic school officials to provide the names of the eligible students.

Citation: *NCLB* §1120(c)(1)(B) Participation of Children Enrolled in Private Schools.

Required Action: In future communications with nonpublic school officials, the Perth Amboy School District cannot request the name of the income eligible nonpublic school student. The Perth Amboy School District must use the results of a survey, which to the extent possible, protect the identities of the families of nonpublic school students. The survey information can only be **address-specific** and any follow-up notifications from the Perth Amboy School District cannot request the name of the income eligible nonpublic school student. For the 2009-2010 school year, the district must remove the names of any income eligible nonpublic school students, if provided by the nonpublic school officials, from the district's nonpublic school audit files.

Finding 6:

Condition: The district notification to parents on the status of highly qualified teachers in the district's schools did not contain up-to-date information. The notification that was uploaded to the FY 2010 *NCLB* application must be revised to include current information.

Citation: *NCLB* §1111 State Plans.

Required Action: The FY 2010 *NCLB* application will be reopened, to allow the district to upload the revised, highly qualified teacher status notification. The district must send this revised notification to all parents, indicating that the initial notification from September 2009 did not include all pertinent information.

Finding 7:

Condition: The Title I Unified Plan for the Samuel E. Shull Middle School did not contain the required Action Planning Information.

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

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Required Action: The FY 2010 *NCLB* Application will be reopened, to allow the district to upload a revised Title I Unified Plan for the Samuel E. Shull Middle School that contains the required Action Planning Information. The district is instructed to rename this revised file by including an “as of” date in the file name.

Finding 8:

Condition: The Title I Unified Plan for the Perth Amboy High School did not contain the required, SINI Year 6 and Above Restructuring Implementation information.

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

Required Action: The FY 2010 *NCLB* Application will be reopened, to allow the district to upload a revised Title I Unified Plan for the Perth Amboy High School that contains the required SINI Year 6 and Above Restructuring Implementation information. The district is instructed to rename this revised file by including an ”as of” date in the file name.

ARRA IDEA B and Preschool Findings and Recommendations

Finding 1:

Condition: The ARRA Preschool plan did not specify the ARRA Preschool expenditures. The district did not select the Early Intervening Services in the IDEA Basic award option but the plan indicated expenditures for “at-risk students in the preschool award.”

Citation: IDEA Regulations 34CFR §300.202.

Required Action: The ARRA Preschool plan must be revised to include ARRA Preschool expenditures for non-instructional materials and instructional equipment. The plan must also be amended to remove services to at-risk students.

Finding 2:

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

Citation: IDEA Regulations 34CFR §300.202.

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Required Action: The district must have a plan for the evaluation of each activity specified in the ARRA Plan. The district can consider individual progress towards IEP goals and objectives, pre and post test scores, report cards and classroom observations. They may also consider data to track math and reading scores using the purchased programs.

Finding 3:

Condition: The district was not in compliance with services to nonpublic schools with regard to their contract with an outside provider and communication of how the requested services are handled. The list of students and services did not match the services listed in the grant. The contract was for multiple school years.

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 establish a separate contract with the nonpublic provider for ARRA nonpublic services and revise their current contract for IDEA-B nonpublic to include payments paid on services provided. The district must also develop procedures to capture consultation specifically for ARRA services and obtain confirmation of consultation. The district must develop separate lists of students and services under IDEA and ARRA and revise the service plans for these lists. The grant must be amended to reflect the services. The updated contract should be submitted to NJDOE for review.

Finding 4:

Condition: The district budgeted beyond the allowable amount as per the School Wide Program funding formula.

Citation: IDEA Regulations 34 CFR §300.206 (School wide programs under Title I of the ESEA).

Required Action: The district must revise the IDEA-B budget not to exceed the allowable amount based on the School Wide Program formula.

IDEA B and Preschool Findings and Recommendations

The review in this area yielded no finding or recommendations.

Financial Management and Reporting Findings and Recommendations

The review in this area yielded no findings or recommendations.

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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 Ronald Fisher at (609) 777-3723 or via email at Ronald.Fisher@doe.state.nj.us.