



State of New Jersey

DEPARTMENT OF EDUCATION

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TRENTON, NJ 08625-0500

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*Acting Commissioner*

February 11, 2011

Dr. Dolores Szymanski, Superintendent  
Burlington County Vocational School District  
Westampton Campus  
695 Woodlane Road  
Westampton, NJ 08060-9614

Dear Dr. Szymanski:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Burlington County Vocational School District**. 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 August 31, 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 Burlington County Vocational School District 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:Burlington County Voc. Sch. District Cover Letter ARRA  
Enclosures

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

ARRA MONITORING REPORT  
FEBRUARY 2011

**District:** Burlington County Vocational School District  
**County:** Burlington  
**Dates On-Site:** January 13 and 14, 2011  
**Case #:** ARRA-017-09

**FUNDING SOURCES**

Program	Funding Award
State Fiscal Stabilization Fund – Education Stabilization Fund	\$2,366,269
State Fiscal Stabilization Fund – Government Services Fund	91,602
ARRA-Title I	91,085
ARRA-IDEA Basic	476,898
<b>Total ARRA Funds</b>	<b>\$3,025,854</b>
Title I	\$ 524,985
IDEA Basic	440,810
Title IIA	60,775
Title IID	5,229
Title IV	8,740
<b>Total Non-ARRA Funds</b>	<b>\$ 1,040,539</b>
<b>Total Funds</b>	<b>\$4,066,393</b>

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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 Burlington County Vocational School District 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-IDEA Basic; Title I; IDEA; Title IIA; Title IID; and Title IV for the period July 1, 2009 through August 31, 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 salaries of \$2,366,269;
- GSF expenditures for salary of \$91,602;
- ARRA-IDEA Basic expenditures of \$168,428;
- ARRA-Title I expenditures of \$91,085;
- Title I expenditures of \$524,985;
- IDEA Basic expenditures of \$115,810;
- Title IIA expenditures of \$36,775;
- Title IID expenditures of \$5,229; and
- Title IV expenditures of \$8,740.

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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 and Title I Projects**

The district's Comprehensive Needs Assessment, as documented in the 2009-2010 Electronic Web Enabled Grants (EWEG) system, identified Language Arts Literacy and Reading and Mathematics as the two priority areas to be addressed utilizing Title I and ARRA-Title I resources. The district operates one targeted assistance program in the Westampton campus which is also identified as a School in Need of Improvement (SINI). Title I funds were used to meet the needs of identified at-risk students through the following funded activities:

- Read 180 literacy program and Core Plus Mathematics, ALEKS Program for mathematics to assist at-risk students in a separate class of instruction.
- Pearson Benchmark testing program for language arts literacy and mathematics in addition to Pearson Inform data analysis program.
- After-School Language Arts Literacy Program and a Summer Mathematics Program.
- Pride Student Recognition Program.
- Professional development in Professional Learning Teams, Technology Integration, Delaware Valley Minority Student Achievement Consortium, Burlington County Curriculum Consortium, Professional Development Network at The College of New Jersey, the Lenape Regional Consortium and the Rigor Relevance Framework.
- Parent involvement organized through the Parent Advisory Committee, Freshman Orientation, Back-to-School; and parent communication through the Global Connect and Parent Portal of the Student Information System.

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

**ARRA-IDEA Projects**

The ARRA-IDEA funds were used to expand extended day and extended year services to support students with disabilities in academic and vocational – career instructional programs. The district has tried to identify students with disabilities who would be at high risk for dropping out of school prior to graduation and provide supplemental support to maintain their enrollment. Some of these efforts have included broader social skills and character education programs beyond the standard curriculum. Funds were also used to purchase dedicated supplemental supplies and materials to be used in inclusive classes and pull-out resource classes.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**SFSF Funds**

**Finding 1:** The district's cash management report did not reconcile to the specific periods. The early draw downs of funds could result in the payment of interest.

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**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 implement better controls over cash management..

**Finding 2:** The district's computation of data for the 1512 report for jobs created and jobs retained was not consistent with the federal guidance.

**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 better controls over computing jobs created and jobs retained for the Education Jobs funding.

**Title I**

**Finding 3:** The district's Title I Targeted Assistance program is neither clearly identifiable nor based on scientifically based research. The current program is designed to pull students out of elective classes.

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

**Required Action:** The district must organize the components of its Title I program to reflect the operation of a Title I Targeted Assistance program that is supplemental and scientifically based.

**Finding 4:** The district was identified as a District In Need of Improvement (DINI) for 2009-2010, but did not reserve funds for professional development in its grant application.

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

**Required Action:** The district must amend its FY 2009-2010 application to have the required set-a-side for professional development and submit page 4 of the Title I eligibility page to show the mandatory reserve to the NJDOE for review.

**Finding 5:** The district did not inform parents of its Title I program exit criteria in their parent notification letter.

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

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**Required Action:** The district must revise its parent notification letter to include the required legislative components and distribute the revised letter to the parents of its Title I students. The district must provide a copy of the revised parent notification letter to the NJDOE for review.

**Finding 6:** The district did not have a mechanism to track mandatory reserves (including school-level reserves and SES per pupil costs) in its accounting system to ensure the accuracy of the final reports.

**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 track its restricted reserves to ensure and verify spending of restricted amounts. The district must submit a list of account numbers being used for this purpose with a description of the accounts to the NJDOE for review.

**Finding 7:** The district is supplanting state/local funds to operate its program by spending grant funds on costs that do not meet the intent of the Title I program or are not allowable expenditures. Some of the unallowable expenses include:

- Circus Time entertainment;
- Gift cards with no detail tracking of who received them and the school funding the Pride Program with local funds;
- Scholastic Lexile assessment being used at the funded and non-funded schools;
- Genesis student information system for all parents (attendance and grade system); and
- Professional development for areas such as special education, physical education, clerical staff, human resource classes. All professional development must be related to low-performing areas. The district was given technical assistance in this area during the visit.

**Citation:** NCLB §1120A(b): Fiscal Requirements (*Federal Funds to Supplement, Not Supplant, Non-Federal Funds*). OMB Circular A-87, Attachment B, Section 14: *Cost Principles for State, Local and Indian Tribal Governments (Entertainment Costs)*.

**Required Action:** The district must review all professional development charges for SINI and DINI and submit a list of the updated professional development by content area and staff attending, including the allowable out-of-district training for funded staff and identified as either SINI or DINI. The district must also review all other charges and back out unallowable amounts based on technical assistance provided by the monitoring team and provide a list of the items that are being removed to the NJDOE for review.

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**IDEA**

**Finding 8:** The district did not have the required supporting documents to verify the activity of ARRA-IDEA funded staff as required by federal law.

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

**Finding 9:** The district did not have detailed equipment inventory for items purchased with ARRA-IDEA funds and other federal grants. The missing items included the cost and date of purchase.

**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 have formal tracking of equipment purchased with federal grants. Although the state threshold for reporting equipment is \$2,000 in the EWEG system, the district may have its own lower threshold. The district must track any amount that is less expensive to track than it is to replace. All inventoried items should include tag number, cost, location, date of purchase, and item description.

**Finding 10:** The district budgeted for a climbing wall to be installed in the school gym within line 100- 600 of the ARRA-IDEA grant. This expenditure is a non-allowable capital improvement project and should have been submitted for review by the NJDOE as a proposed renovation project.

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

**Required Action:** The district must review the ARRA spending plan, determine revisions to be made in order to reallocate the federal funds released by removing this project from the grant budget, and, if appropriate, create a grant application amendment in the EWEG system.

**Finding 11:** The district budgeted expenditures for instructional aides in 200-100 that should have been budgeted in 100-100 for instructional services.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.



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**Finding 12:** The district solicited bids for the purchase of school buses for the IDEA program, but did not include the Stevens Amendment in the request for bids.

**Citation:** Stevens Amendment, Section 8136 of Department of Defense Appropriations Act (P.L. 100-463).

**Required Action:** The district must include the Stevens Amendment in all bid specifications for federal grants and must include this in their Standard Operating Procedure (SOP) manual. The district changes to the SOP must be included in the corrective action plan.

**Title IIA**

There were no findings in Title IIA.

**Title IID**

There were no findings in Title IID.

**Title IV**

**Finding 13:** The district did not have the supporting documents to verify the activity of ARRA-IDEA funded staff, as required by federal law.

**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 FY 2009-2010 Title IV funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

**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 prepare a formal board policy concerning the reimbursement of grant funds and submit it 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).