



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*

January 31, 2010

Mr. Richard Kaplan, Superintendent  
New Brunswick Board of Education  
268 Baldwin Avenue  
New Brunswick, NJ 08903-2683

Dear Mr. Kaplan:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **New Brunswick 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 November 15, 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 New Brunswick 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/New Brunswick BOE Cover Letter  
Enclosures

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**NEW BRUNSWICK BOARD OF EDUCATION**  
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**American Recovery & Reinvestment Act 2009**  
*New Jersey K-12 Education*

**ARRA MONITORING REPORT  
JANUARY 2011**

**District:** New Brunswick Board of Education  
**County:** Middlesex  
**Dates On-Site:** November 16 and 17, 2010  
**Case #:** ARRA-053-09

**FUNDING SOURCES**

Program	Funding Award
State Fiscal Stabilization Fund - Education Stabilization Fund	\$16,771,305
State Fiscal Stabilization Fund - Government Services Fund	649,242
ARRA - IDEA Basic	2,060,484
ARRA - IDEA Preschool	73,992
<b>Total ARRA Funds</b>	<b>\$19,555,023</b>
IDEA Basic	2,198,992
IDEA Preschool	73,567
<b>Total Non-ARRA Funds</b>	<b>\$2,272,559</b>
<b>Total Funding</b>	<b>\$21,827,582</b>

**NEW BRUNSWICK SCHOOL DISTRICT  
ARRA MONITORING REPORT  
JANUARY 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 New Brunswick 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); IDEA Basic; IDEA Preschool; ARRA-IDEA Basic; and ARRA-IDEA Preschool for the period July 1, 2009 through November 15, 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 November 15, 2010:

- ESF salary expenditures totaling \$4,611,405 were reviewed;
- GSF salary expenditures totaling \$150,968 were reviewed;
- ARRA-IDEA Basic expenditures totaling \$612,998 were reviewed;
- ARRA-IDEA Preschool expenditures were not reviewed;
- IDEA Basic expenditures totaling \$531,828 were reviewed; and
- IDEA Preschool expenditures totaling \$49,225 were reviewed.

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

**ARRA-IDEA Basic and ARRA-IDEA Preschool**

The district utilized the ARRA-IDEA Preschool funds to contract with the Middlesex Regional Educational Services Commission (MRESC) to provide related services and support for preschool disabled students attending integrated preschool programs. The ARRA-IDEA Basic funds were expended on FY 2010 contractual increases for special education teachers beyond the 2008-2009 contractual amounts. This enabled the district to keep all their special education teachers and save approximately 20 full-time positions. Without the funds the district would have to reduce staff and increase class size beyond optimum levels. Funds were also expended on Coordinated Early Intervening Services (CEIS) to improve instruction. The CEIS services includes an after school program for at-risk students identified through Intervention and Referral Services (I&RS). The program will operate at each elementary school for 55 days. Level Readers was purchased to supplement the My Sidewalk Intervention Kits. The district is also contracting with Behavior Therapy Associates to conduct functional behavioral assessments on at-risk students identified through the I&RS process in order to develop positive behavioral improvement plans. The ARRA-IDEA Basic nonpublic funds were used to contract with the MRESC to provide resource center instruction, in-class support, supplemental instruction, speech and language services, counseling, teacher assistants and instructional materials.

**Expectations and Benefits**

The district plans to utilize the following in the measurement of student progress/impact due to ARRA funds:

- Maintaining student to teacher ratio at an optimum level.
- Providing each special education classroom program with a paraprofessional.
- Increased test scores on all assessments.
- Benchmarks and data provided by the “Performance Matters” Assessment System.

**IDEA Basic and Preschool**

The district utilized the IDEA Preschool funds to contract with MRESC for speech therapy, occupational and physical therapy services for integrated programs not located in public schools. The MRESC is also contracted to provide Preschool and Basic nonpublic services. The IDEA Basic Coordinated Early Intervening Services funds were used to pay for literacy specialists to provide services to at-risk students. The services included additional in-class support, an extended day program and summer school program. Funds were also expended for program supplies. The IDEA Basic funds were used for out-of-district tuition, instructional supplies, non-instructional software and conference and workshop registration for staff and child study team members.

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**Expectations and Benefits**

The district plans to utilize the following in the measurement of student progress/impact due to IDEA funds:

- Tuition students are monitored by in-district case managers that provide quarterly reports in addition to the progress reports provided by the private school.
- Literacy Coaches will use Side Walk Intervention Kits allowing for the collection of data and tracking of students in need of academic support.
- Targeted students attending the CEIS summer school program will have pre and post tests to assess growth in both reading and mathematics.
- Performance Matters is used throughout the district. This internet based student assessment provides teachers with data to drive instruction.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**ARRA-IDEA Basic and ARRA-IDEA Preschool and IDEA Basic and IDEA Preschool**

**Finding 1:**

**Condition:** The district's plan narrative on the Electronic Web Enabled Grant (EWEG) system for ARRA-IDEA Basic does not reflect the actual expenditures for services provided to students. The plan does not reference preschool expenditures or nonpublic expenditures at all. Additionally, the use of Coordinated Early Intervening Services activities are identified in the plan but not described.

**Citation:** 34 CFR § 300.1 §300.202.

**Required Action:** The ARRA-IDEA plan must be revised to reflect expenditures allowable under ARRA-IDEA. The actual expenditures for basic, preschool and nonpublic programs that should be included in the plan narrative are; new out-of-district tuition for students with disabilities; salaries; instructional supplies; and non instructional supplies. The plan must be revised to include contracted preschool related services with the MRESC for nonpublic expenditures that reflect the grant and service plans for both ARRA-IDEA Preschool and ARRA-IDEA Basic nonpublic services contract with MRESC.

**Finding 2:**

**Condition:** The ARRA-IDEA Consolidated Grant for Nonpublic Verification of Child Find Activities has not been acknowledged for zero preschool students parentally placed in nonpublic schools and determined eligible for special education and related services. In addition, the grant

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does not list the schools that received consultation for students served under the Basic proportionate share with an affirmation of this consultation.

**Citation:** 34 CFR § 300.130-300.144.

**Required Action:** The district must revise the grant to reflect confirmation of zero preschool students parentally placed in nonpublic schools and determined eligible for special education and related services. Nonpublic schools must be identified in the grant and verify that affirmation of consultation has been received.

**Finding 3:**

**Condition:** The district provided a list of students that are eligible for both IDEA Basic nonpublic services and ARRA-IDEA nonpublic services. The list of nonpublic services did not match the service plans. The service plans did not specify the services provided by a separate funding source for ARRA-IDEA nonpublic proportionate share.

**Citation:** IDEA Regulations 34CFR §300.130-300.144.

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

**Finding 4:**

**Condition:** The district's ARRA-IDEA and IDEA Basic and Preschool nonpublic expenditures under the 200-300 account indicate "Consultants Professional, Technical" rather than "Agreements with approved contract providers." When the information is provided on the correct line a text box will open allowing the district to list the agency used for nonpublic services and any administrative costs.

**Citation:** EDGAR 80.20.

**Required Action:** The district's ARRA=IDEA and IDEA Basic and Preschool nonpublic expenditures under the 200-300 account must be revised to reflect "Agreements with approved contract providers" and the associated agency, contracted services and administrative costs must be documented in the text box.

**Finding 5:**

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

**Citation:** 34CFR §300.111.

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

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**Finding 6:**

**Condition:** The district's ARRA-IDEA and IDEA Basic nonpublic tracking procedures for purchased technology were not operating as intended. The list provided by the district titled the Technology Inventory for New Brunswick Board of Education/IDEA-B and Title Funds, did not identify IDEA Basic nonpublic technology expenditures and the list did not include ARRA-IDEA nonpublic technology expenditures.

**Citation:** 34CFR §300.111.

**Required Action:** The district must implement the tracking procedures for purchased nonpublic schools technology equipment. The district must be able to at anytime locate all the equipment that was purchased with ARRA-IDEA and IDEA Basic nonpublic funds.

**Financial Management and Reporting**

The review in this area yielded no findings or recommendations.

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](mailto:ronald.fisher@doe.state.nj.us).