



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

May 23, 2011

Dr. Nathan Parker, Superintendent
Summit City Board of Education
14 Beekman Terrace
Summit, NJ 07901-2545

Dear Dr. Parker:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Summit 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 April 30, 2011. 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 Summit 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 Roseann Lozinski at (609) 292-4452.

Sincerely,

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

RJC/LDM/tc:Summit City BOE Cover Letter
Enclosures

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

ARRA MONITORING REPORT
MAY 2011

District: Summit City Board of Education
County: Union
Dates on-Site: May 9 and 10, 2011
Case #: ARRA-076-09

FUNDING SOURCES

Program	Funding Award
ARRA-IDEA Basic	\$1,114,436
ARRA-IDEA Preschool	40,297
Total ARRA Funds	<u>\$1,154,733</u>
IDEA Basic	\$909,054
IDEA Preschool	33,878
Total Non ARRA Funds	<u>\$942,932</u>
Total Funds	<u>\$2,097,665</u>

**SUMMIT CITY BOARD OF EDUCATION
ARRA MONITORING REPORT
MAY 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 Summit 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: IDEA Basic; IDEA Preschool; ARRA-IDEA Basic; and ARRA-IDEA Preschool for the period July 1, 2009 through April 30, 2011.

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 April 30, 2011:

- IDEA Basic expenditures totaling \$400,965.05 were reviewed;
- IDEA Preschool expenditures totaling \$28,688.00 were reviewed;
- ARRA-IDEA Basic expenditures totaling \$522,336.45 were reviewed; and
- ARRA-IDEA Preschool expenditures totaling \$40,297.00 were reviewed.

GENERAL DISTRICT OVERVIEW OF USE OF IDEA AND ARRA-IDEA FUNDS

IDEA Projects

The district has 487 classified students. Forty-one of these students are placed in out-of-district placements.

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The district submitted an IDEA and ARRA-IDEA grant for Basic and Preschool that was developed by school administrators, staff and based on data driven student scores. The funds were intended to be used to increase performance in the areas of deficiency noted in the special education sub group Adequate Yearly Progress data. Preschool funding was utilized for related services through a contracted approved agency.

Basic funds were utilized to purchase two vehicles for students with disabilities. One van was purchased for transportation for the structured learning experience program. In addition, a bus was purchased with wheelchair accessibility for physically disabled students. The funds were also utilized for salaries for three instructional facilitators for the elementary, middle school and the high school levels. A full time social worker position was funded for two years. Summer school staff for programs that included students with disabilities was also funded.

DETAILED FINDINGS AND RECOMMENDATIONS

IDEA

Finding: The district does not have the supporting documents to verify the activity of 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 IDEA grant. The district must submit a list of 2009-2010 funded staff, salaries, funding percentages and time sheets to date, to the NJDOE for review (including administrative staffing).

Financial Management and Reporting

Recommendation: Monitors reviewed purchase orders that did not identify the program (i.e., IDEA, ARRA-IDEA) from which the school purchased the goods or services.

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 has plans in place to identify the program on purchasing documents but it was not always implemented. Additional staff training should take place to ensure the grant is always identified on purchasing documents.

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.

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If you have any questions, please contact Roseann Lozinski at (609) 292-4452 or via email at roseann.lozinski@doe.state.nj.us.