



State of New Jersey

DEPARTMENT OF EDUCATION  
PO BOX 500  
TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
Governor  
KIM GUADAGNO  
Lt. Governor

DAVID C. HUSPE  
Commissioner

January 6, 2016

Dr. Patrick Mann, Superintendent  
East Newark Public School District  
501-11 North Third Street  
East Newark, NJ 07029

Dear Dr. Mann:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the East Newark Public School. The funding sources reviewed include titled programs for the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2014 through October 31, 2015. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Consolidated Monitoring Reports will be posted on the department's website at <http://www.state.nj.us/education/finance/jobs/monitor/consolidated>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the East Newark Public School 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 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. Cicchini, Director  
Office of Fiscal Accountability and Compliance

RJC/SH/dk: East Newark Cover Letter /consolidated monitoring  
Enclosures

[www.nj.gov/education](http://www.nj.gov/education)

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**STATE OF NEW JERSEY  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
JANUARY 2016**

**District:** East Newark Public School  
**County:** Hudson  
**Dates On-Site:** November 17 and 18, 2015  
**Case #:** CM-020-15

**FUNDING SOURCES**

Program	Funding Award
Title I, Part A	\$ 261,434
Title II, Part A	7,205
Title III	9,174
Total Funds	<hr/> <u>\$ 277,813</u>

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**BACKGROUND**

The Elementary and Secondary Education Act (ESEA) and other federal laws require local education agencies (LEAs) to provide programs and services to their districts based on the requirements specified in each of the authorizing statutes. 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 East Newark Public School to monitor the district's use of federal 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: Title I, Part A (Title I); Title II, Part A (Title II); and Title III for the period July 1, 2014 through October 31, 2015.

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 and purchase orders. 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 grants reviewed included Title I, Title II, and Title III from July 1, 2014 through October 31, 2015. A sampling of purchase orders and/or salaries was taken from each program reviewed.

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

**Title I Projects**

The district is using its FY 2015-2016 Title I funds to implement a targeted assistance program in its school. Primarily, the district provides supplemental instructional opportunities through in-class support and extended learning.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** For FY 2015-2016, the district did not develop and distribute the Title I participation letter stating both entrance and exit criteria, remediation and the option for parents to opt-out of Title I services for their child. Without this information, parents are unable to understand the reasons their child was selected to participate in the Title I program, and what is needed for their child to exit the program.

**Citation:** §1115: *Targeted Assistance Program*; ESEA §1118(c): *Parental Involvement (Policy Involvement)*.

**Required Action:** The district must immediately develop and distribute the Title I participation letter to all parents/guardians of students currently participating in the Title I program. The participation letter must include the multiple measures, entrance and exit criteria used to identify the students, as well as clearly defined exit criteria. The district must provide a copy of the FY 2015-2016 Title I participation letter(s) to the NJDOE for review.

**Finding 2:** The district did not provide evidence that multiple measures were applied to determine which students were eligible to receive Title I services. The district did not track the students or the criteria used to measure the students acceptance into the program.

**Citation:** ESEA §1115: *Targeted Assistance Programs*.

**Required Action:** The district must establish multiple measures and a tracking mechanism for proper Title I student identification. This mechanism must include documentation of which criteria were applied and how the student either met or did not meet the criteria.

**Finding 3:** The required school-parent compact for the current school year lacked the role of the student.

**Citation:** ESEA §1118(c)(1): *Parental Involvement*.

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**Required Action:** The district must ensure that its Title I school has a school-parent compact that is developed with the input of parents and distributed directly to parents of students participating in the Title I program. The district compact must have the role of the student. The district must submit copies of the school-parent compact and evidence of the involvement of parents and families of Title I students in its development to the NJDOE for review.

**Finding 4:** The district's parents web page did not contain the required annual notifications for parental involvement.

**Citation:** ESEA §1111(h)(2)(E): *Public Dissemination.*

**Required Action:** The district must review and update its parental involvement web page containing required annual notifications and documents to meet the broader ESEA dissemination requirement. The district must submit the link for the updated web page to the NJDOE for review.

**Finding 5:** The district could not provide documentation that one of its teachers met the highly qualified (HQ) requirements. In a targeted assistance Title I program, any staff whose salary is supported in whole or in part with Title I funds must meet the HQ requirements stipulated for teachers. The staff are in grades 6 to 8 that are departmentalized and are required to have content area certification.

**Citation:** ESEA §1119(a)(1): *Qualifications for teachers and paraprofessionals.*

**Required Action:** The district must immediately provide the supporting HQ documentation, reassign the staff to elementary grade level classes, or use state/local funds for the salary of the staff. The school must also submit evidence of what actions were taken to the NJDOE for review.

**Finding 6:** The district did not have the required supporting documents to verify the activity of staff charged to the Title I grant. The documentation must reflect what the staff is doing and when (time slots), and must match their funded percentage. This documentation is necessary to ensure that grant funded staff are actually performing grant-related responsibilities. However, the district had alternative documentation that helped support the funding.

**Citation:** Uniform Guidance 2 CFR 200.430, Compensation-Personal Services.

**Required Action:** The district must identify staff members whose salaries are supported in whole or in part with Title I funds and verify the time and activity of staff charged to the grant. The district must submit sample sheets for FY 2015-2016 to the NJDOE for review. Prior to this, the district should consult the Department's December 2012 guidance on *Time and Effort Reporting for Title I Funded Staff*, which is located at: <http://education.state.nj.us/broadcasts/2012/DEC/18/8649/Time%20and%20Activity%20Reporting.pdf> as a resource.

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**Finding 7:** The district did not submit a timely TPAF/FICA reimbursement report for FY 2015-2016. The report was due October 1, 2015 and to date is still not filed.

**Citation:** N.J.S.A. 18A:66-90, *Reimbursement of TPAF/FICA*, EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 23, Period of Availability of Funds.

**Required Action:** The district must file the report and pay the balance due. A copy of the report should be submitted with the Corrective Action Plan to the NJDOE for review.

**Finding 8:** The district budget did not match the grant that was submitted in the Electronic Web-Enabled Grant (EWEG) system. The district must match its EWEG budget to its accounting system to insure that only allowable items are charged to the grant.

**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 amend its district accounting software to match the function and object codes reported in the grant and submit evidence to the NJDOE for review.

## **Title II**

**Finding 9:** For the FY 2015-2016, a review of the expenditures at the time of the consolidated monitoring visit reported no Title II expenditures. However, a review of FY 2014-2015 determined the district expended Title II funds for unallowable purchases: PO# 500029, \$ 121.21 reimbursement of summer school supplies; PO# 500184, \$1,660.46 for two computers and on-site agreement fee; and PO# 500532, \$284.83 for office supplies, for a grand total of \$2,066.50 of non-allowable Title II expenditures. Title II funds may be used for only materials, supplies, and equipment related to professional development activities for teachers, principals and paraprofessionals only. Expenses for classroom materials that are for student use are not allowable under Title II. Title II funds must supplement and not supplant state/local funding.

**Citations:** ESEA §1112, §1119, §2122-§2123: *Professional Development Activities*. Supplement Not Supplant, ESEA §1120A (b): Fiscal Requirements (Federal Funds to Supplement: Not Supplant. Non-Federal Funds). EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreement to State and Local Governments*, Section 20, Standards for financial management systems.

**Required Action:** The district must refrain from using Title II funds for unallowable usages. For more information on the use of Title II funds, the district can access *Using Title II, Part A funds* on the Entitlement Grants web page which is located at: <http://www.state.nj.us/education/grants/entitlements/nclb>.

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**Finding 10:** The sampling of six instructional staff found that one teacher did not meet the requirements for classification as a HQ teacher. To meet the legislative definition of “highly qualified,” the teacher would have to possess the content certification for the core academic subject he/she currently teaches.

**Citations:** ESEA §1119, §1111, §2123: *Qualifications for Teachers and Paraprofessionals*.

**Required Action:** For the 2015-2016 school year, the district must ensure that the teacher is assigned to an instructional position for which he/she meets the HQ designation. The district must provide the NJDOE with the teacher’s schedule and assignment for the 2015-2016 school year.

**Title III**

A review of the expenditures charged to the Title III grant yielded no findings.

**Administrative**

**Finding 11:** For employees charged to federal grants, the board minutes contained some, but not all of the required information such as funding grant, account number, position, annual/funded salary and percentage charged. Title I teacher aides were not approved in the minutes.

**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 should update its internal controls to ensure that the board minutes contain accurate and complete information.

**Finding 12:** The district is charging Title II expenditures to the incorrect program code in the general ledger. Title II is being charged to Program Code 241; a code between 270 and 279 should be used for Title II.

**Citation:** Uniform Minimum Chart of Accounts for New Jersey Public Schools.

**Required Action:** The district must establish accounts using appropriate program codes in the general ledger.

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 Steven Hoffmann via phone at (973) 621-2750 or via email at [steven.hoffmann@doe.state.nj.us](mailto:steven.hoffmann@doe.state.nj.us).