



State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER D. CERF
Commissioner

August 15, 2013

Dr. Philip Guenther, Superintendent
Atlantic County Vocational Board of Education
5080 Atlantic Avenue
Mays Landing, NJ 08330

Dear Mr. Guenther:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Atlantic County Vocational Board of Education**. 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, 2011 through March 26, 2013. 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 Atlantic County Vocational 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 Anthony Hearn at (609) 633-2492.

Sincerely,

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

RJC/AH/dk:Atlantic County Vocational BOE Cover Letter/consolidated monitoring
Enclosures

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
AUGUST 2013**

District: Atlantic County Vocational School District
County: Atlantic
Dates On-Site: March 26 and 27, 2013
Case #: CM-001-12

FUNDING SOURCES

| Program | Funding Award |
|--------------------|-------------------|
| Title I | \$ 282,052 |
| IDEA Basic | 129,135 |
| Title IIA | 15,433 |
| Race to the Top | 15,407 |
| Carl D. Perkins | 112,163 |
| Total Funds | \$ 554,190 |

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BACKGROUND

The Elementary & Secondary Education Act (ESEA) and the Individuals with Disabilities Act (IDEA) 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 (ESEA, IDEA, and Race to the Top). 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 Atlantic County Vocational School District 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: Race to the Top, Title I, Part A (Title I); Title IIA; Carl D Perkins and IDEA for the period July 1, 2011 through March 26, 2013 and planned expenses for the current year (2012-2013).

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, a review of student records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEP), a review of student class and related service schedules, interviews of child study team members and speech-language specialists and an interview of the program administrator regarding the IDEA grant, as well as 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 grants that were reviewed included Race to the Top; Title I, Part A; Title II, Part A; Carl D. Perkins and IDEA from July 1, 2011 through March 26, 2013. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

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**GENERAL DISTRICT OVERVIEW OF USES OF TITLE I, IDEA, CARL D. PERKINS
AND RACE TO THE TOP FUNDS**

Title I Projects

The district used its FY 2012-2013 Title I, Part A funds to implement targeted assistance programs in all its schools. Primarily, the district provides extended day and extended year programs, as well as in-class support.

IDEA Projects (Special Education)

IDEA FY 2012-2013 funds were used for the salaries of highly qualified teaching staff to deliver in-class support and specialized departmental instruction. Additionally, funds were used to provide students with disabilities a summer program in basic skills, and itinerant Child Study Team services on an as needed basis.

Carl D. Perkins

The district's FY 2011-2012 Perkins grant was utilized to obtain career and technical supplies and equipment, upgrade technology, provide student tutoring and support professional development activities. The district's FY 2012-2013 Perkins grant is intended to support similar items for Career and Technical Education programs.

Race to the Top

All of the FY 2012-2013 Race to the Top grant was utilized to support the teacher the evaluation system using the Danielson model.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: In the notification letter to parents of Title I students, the district did not include the entrance criteria or the exit criteria for students in the Title I program. Without this information, parents are unable to understand the reasons for their child being selected to participate in the Title I program, and the performance levels needed for their child to exit the program.

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

Required Action: In the notification letter to families of students in the Title I program, the district must include the multiple measures it uses to identify students for eligibility. The letter must also include the reason for identification, as well as clearly defined exit criteria. The district's notification letters must be updated for FY 2013-2014 to include the detail entrance and exit criteria. The revised letter must be submitted to the NJDOE for review before the district issues it to parents.

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Finding 2: The district's use of Title I funds to operate replacement mathematics and language arts programs for identified Title I students supplants state and local funds. The district must use its state/local funds to provide core courses that are required under the district's curriculum. The district may not use state/local funds for non-Title I students to assess a core course and federal funds for Title I students to assess the same core course. The operation of a replacement program does not give the Title I students services above and beyond what non-Title I students receive.

Citation: NCLB §1115(c) *Targeted Assistance Programs, Components of a Targeted Assistance Program*; USDE Policy letter October 6, 2008.

Required Action: The district must revise its FY 2013-2014 Title I program to provide services to Title I students in language arts that are in addition to the core curricular requirement, and above and beyond services provided to non-Title I students. The district must provide a description of its revised Title I program to the NJDOE for review.

Finding 3: The district purchased six laptop computers and 44 Chrome Books in the current year, but is unable to articulate how these purchases are being used to provide services to Title I students that are above and beyond the services that non-Title I students receive. If the district decides to integrate the laptops and Chrome Books into its Title I program, it must submit a formal plan to show how they will be used exclusively by the Title I students.

Citation: OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments*. NCLB §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

Required Action: This district must provide a plan that explains how the laptop computers and Chrome Books will be restricted for the use of Title I students. The plan must also document how the laptops and Chrome Books are supplemental to other district initiatives.

Finding 4: The district does not have a comprehensive equipment inventory for items purchased with Title I funds. The inventory is necessary to ensure that grant-funded equipment is identifiable and readily available for the use of Title I students only.

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 develop a system to track equipment purchased with federal grants. Although the state threshold for reporting equipment is \$2,000 in the Electronic Web Enabled Grant (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. The inventory must include a list of all items with the corresponding tag number, cost, location, purchase date, grant source that funded the purchase and a

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description of the item. The district must submit a comprehensive inventory of all equipment purchased to the NJDOE for review.

Title IIA

A review of the expenditures for the Title IIA grant yielded no findings.

IDEA (Special Education)

Finding 5: The district did not consistently provide parents of students eligible for special education and related services notice of a meeting containing all required components for reevaluation planning, determination of continued eligibility and IEP team meetings. Additionally, the district's notices of meetings did not consistently inform the parent of all intended purposes of the meeting when a meeting was conducted for more than one purpose.

Notice of meeting did not consistently:

- Inform the parent of their right to invite others with expertise;
- Document meeting participants; and
- Document all intended purposes of the meeting when the meeting was conducted for more than one purpose.

Citation: N.J.A.C. 6A:14-2.3(k) 3.5; 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

Required Action: The district must ensure parents are provided notice of a meeting that contains all required components, early enough to ensure the parents have an opportunity to attend. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. The district must implement an oversight mechanism to regularly review the district's special education data system to ensure parents are provided notice of a meeting with all required information included. A monitor from the NJDOE will conduct an on-site visit to interview staff, review copies of notices of reevaluation planning, redetermination of eligibility and IEP team meetings to be conducted between August 2013 and December 2013 and the oversight procedures.

Finding 6: The district did not have a special education parent advisory group.

Citation: N.J.A.C. 6A:14-1.2 (h).

Required Action: The district must ensure a special education parent advisory group is available in the district. In order to demonstrate correction of noncompliance, the district must convene a parent advisory group to gather input. A monitor from NJDOE will conduct an on-site visit to interview staff and review the list of members of the special education parent advisory group and any agendas for meetings held subsequent to the monitoring visit.

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Finding 7: The district did not consistently convene IEP, reevaluation, and eligibility meetings with required participants for students eligible for special education and related services. Special education and general education teachers were not consistently in attendance.

Citation: N.J.A.C. 6A:14-2.3(k)1(i-vii); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

Required Action: The district must ensure IEP, reevaluation planning and eligibility meetings are conducted with required participants and documentation of attendance or written parental consent to excuse a member of the team are maintained in student records. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and building administrators regarding the procedures for implementing the requirements in the citation listed above. The district must implement an oversight mechanism to ensure required participants are in attendance at meetings and that attendance is maintained in the student record. A monitor from the NJDOE will conduct an on-site visit to interview staff, review meeting documentation, including the sign in sheets, for IEP, reevaluation planning and eligibility meetings conducted between August 2013 and December 2013 and the oversight procedures.

Finding 8: The district did not consistently document all required considerations and statements in each IEP for students eligible for special education and related services. Specifically, IEPs did not consistently include:

- consideration of special factors including behavioral, communication, language, visual, and auditory needs, and need for assistive technology;
- measurable goals aligned with the common core standards;
- identification of the Pathways program, when applicable, as a special education pullout resource program; and
- identification of courses/content areas in which the student will receive instruction while in the Pathways program.

Citation: N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f) N.J.A.C. 6A:14-4.10(a); 20 U.S.C. §1414(d)(3)(A)(B); and 34 CFR §300.324(a)(1)(2).

Required Action: The district must ensure each IEP contains all required components. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding district procedures for implementing the requirements in the citation listed above. To demonstrate the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for specific students whose IEPs were identified as noncompliant. At the next IEP meeting for all other students, the district must ensure IEPs contain required consideration and statements. The district must implement an oversight mechanism to ensure all required considerations and statements are included in each IEP. A monitor from the NJDOE will conduct an on-site visit to interview staff and review the revised IEPs, the IEPs for students whose IEP meetings were held

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between August 2013 and December 2013 and the oversight procedures. Names of the students with IEPs that were identified as noncompliant will be provided to the district by the monitor.

Finding 9: The district did not consistently document in the IEPs of students removed from the general education setting for more than 20 percent of the school day, consideration of placement in the least restrictive environment (LRE). Specifically, IEPs did not consistently include:

- the supplementary aids and services considered;
- an explanation of why the supplementary aids and services were rejected;
- a comparison of the benefits provided in the regular class and the benefits provided in the special education class; and
- the potentially beneficial or harmful effects which a placement in the general education setting may have on the students with disabilities or other students in the class.

Citation: N.J.A.C. 6A:14-4.2 (a) 8(i),(ii) and (iii).

Required Action: The district must ensure when determining the educational placement of a child with a disability, the IEP team considers the general education class first and all required decisions regarding the placement are documented in the IEP for each student removed from general education for more than 20 percent of the school day. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the district's procedures. To demonstrate the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for specific students with IEPs that were identified as noncompliant. The district must implement an oversight mechanism to regularly review IEPs to ensure inclusion of documentation of consideration of placement in the LRE. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, the IEPs of students removed from the general education setting for more than 20 percent of the school day whose IEP meetings will be conducted between August 2013 and December 2013 and the oversight procedures. Names of the students with IEPs that were identified as noncompliant will be provided to the district by the monitor.

Finding 10: The district did not consistently follow procedures for amending an IEP when the IEP team determined that a specific service was no longer required.

Citation: N.J.A.C. 6A:14-3.7 (d).

Required Action: The district must ensure amendments to student IEPs are made following district procedures. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding district procedures for implementing the requirements in the citation listed above. The district must implement an oversight activity to ensure amendments to the IEP are made in accordance with required procedures. A monitor from NJDOE will conduct an on-site visit to

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interview staff, review IEPs amended between August 2013 and December 2013 and the oversight procedures.

Finding 11: The district did not consistently conduct reevaluations within three years of the previous classification date for students eligible for special education and related services.

Citation: N.J.A.C. 6A: 14-3.7(i) and 14-3.8(a) and 20 U.S.C. §1414(a)(2)(B)(ii) and (d); and 34 CFR §300.324(b)1.

Required Action: The district must ensure reevaluations are conducted within required time lines with required participants in attendance. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. The district must implement an oversight mechanism to regularly review the special education data base to ensure reevaluations of students eligible for special education and related services are scheduled within three years of the previous classification date. A monitor from NJDOE will conduct an on-site visit to interview staff, review evidence of determination of continued eligibility for students reevaluated between August 2013 and December 2013 and the oversight procedures.

Carl D. Perkins

Finding 12: The district has not established separate advisory boards for each approved CTE Program or Program of Study.

Citation: Perkins: P.L. 109-270§134 (b) (5) and N.J.A.C. 6A:19-3.1 Program Requirements.

Required Action: The district must establish an advisory board for each approved CTE program. The advisory board must have membership representation as indicated in the New Jersey Administrative Code cited above and the program approval applications. Each advisory board must meet at least twice per project period. Once the advisory boards have been established the district must submit a copy of the advisory board minutes to their NJDOE Perkins program officer. Programs without evidence of a functioning advisory board may not be considered approved programs and potentially ineligible for Perkins funding.

Finding 13: Computers (Macs, Dell etc.) and iPads were purchased with warranties (Applecare and Dell) with coverage beyond the one-year grant cycle. The additional coverage (beyond the grant cycle) is considered a non-allowable cost.

Citation: Perkins§135 (a)&(b)1-12, Perkins One Year Grant Application Guidelines July 1, 2011-June 30, 2012 page 46.

Required Action: The cost of one year's worth of coverage must be calculated and included in the Perkins grant while the remaining period of coverage must be paid for

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from district or other funds. In the upcoming grant cycles, each remaining year of coverage may be included in the applications one year at a time. The FY 2013 Perkins Final Report should reflect only the cost of one year warranty coverage for each of these items as funded by the Perkins grant.

Race to the Top

A review of the expenditures for the Race to the Top grant yielded no findings.

Administrative

Finding 14: The district has internal control policies and procedures to prevent contracting with disbarred vendors, but there was no evidence of implementation.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

Required Action: The district must update its procedures to demonstrate implementation of the internal control policies to prevent errors from potentially occurring.

Finding 15: The district does not have formal written policies for requesting reimbursement from the EWEG or System for Administering Grants Electronically systems. However, the monitoring team did verify the district's practice for requesting reimbursement through inquiries about 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.

Required Action: The district must have a formal board policy concerning the reimbursement of grant funds. The district must submit a copy of its written policy to the NJDOE for review.

Finding 16: The district has no evidence of competitively contracting for the provision of goods and services by vendors. In accordance with the Public School Contracts Law (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 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, these federal regulations require districts to competitively contract or bid all goods and services under 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.

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Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

Required 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.

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.