



State of New Jersey
DEPARTMENT OF EDUCATION
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CHRISTOPHER D. CERF
Commissioner

November 8, 2013

Dr. Edward Forsthoffer, Chief School Administrator
East Windsor Regional Board of Education
25A Leshin Lane
Hightstown, NJ 08520

Dear Dr. Forsthoffer:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **East Windsor Regional 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, 2012 through June 10, 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 East Windsor Regional 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 Lori Ramella at (609) 984--0937.

Sincerely,

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

RJC/LR/dk:East Windsor Reg. Cover Letter/consolidated monitoring
Enclosures

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**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
PO BOX 500
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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
25A LESHIN LANE
HIGHTSTOWN, NJ 08520**

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
NOVEMBER 2013**

District: East Windsor Regional School District
County: Mercer
Dates On-Site: June 10 and 11, 2013
Case #: CM-025-12

FUNDING SOURCES

Program	Funding Award
Title I	\$ 555,824
IDEA Basic	1,289,003
IDEA Preschool	53,702
Title IIA	85,903
Title III	108,361
Race to the Top	35,585
Carl D. Perkins	31,067
Total Funds	<u>\$ 2,159,445</u>

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BACKGROUND

The Elementary & Secondary Education Act (ESEA) and the Individuals with Disabilities 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 (ESEA, IDEA, Race to the Top and Carl D. Perkins). 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 Windsor 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: Title I, Part A (Title I); Title II, Part A (Title II); Title III; Race to the Top; Carl D. Perkins; and IDEA for the period July 1, 2012 through June 10, 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 Title I; Title II; Title III; Race to the Top; Carl D. Perkins; and IDEA for the period July 1, 2012 through June 10, 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, TITLE II, TITLE III, RACE TO THE TOP, CARL D. PERKINS AND IDEA FUNDS

Title I Projects

The district operates targeted assistance programs at its three Title I funded schools: Grace Norton Rogers Elementary School, Melvin H. Kreps Middle School and Hightstown High School. The district has identified English Language Arts and Mathematics for Economically Disadvantaged, Limited English Proficient and Racial/Ethnic students as its identified priority problems.

Title II Projects

The majority of the Title II funds are being used for professional development in the areas of collaborative teaching, technology, and Common Core Standards.

Title III

Enriching school libraries with Spanish books and an accelerated reader system are being funded through Title III. A teacher's salary for supplemental English as a Second Language writing is funded through Title III.

Race to the Top Projects

The district is spending grant funds on professional development in the Stronge Teacher Evaluation Model, iPADS, My Learning Plan, and Oasys.

Carl D. Perkins Projects

The district supports three Career and Technical Education programs. The grant supported Sales Distribution and Marketing (CIP#521801), Management Information Systems (CIP#521201), and Accounting (CIP#520302) programs. Funding was used for instructional supplies, other professional services, and travel. No funding was used to support salaries or equipment.

IDEA Projects (Special Education)

The majority of the FY 2013 IDEA Basic funds were used to reduce district tuition costs for students receiving special educational services in other public school districts and approved private schools for students with disabilities. The district also used IDEA funds to provide in-class support, speech and other related services to students with disabilities in parentally placed schools within the district.

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DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district's use of Title I funds for the following activities supplants state/local funds:

- Consulting Services-Implementing Common Core Standards (Barbara Bamford);
- Follett Library Resources (Hightstown High School);
- ERB-Educational Records Bureau, Inc. (Word Voyage);
- At Risk Counselor - Hightstown High School; and
- Staff Developer - Grace Norton Rodgers Elementary School.

For schools operating a targeted assistance Title I program, services may benefit only those identified students who meet the established academic criteria defined by the district/school. Services funded by Title I cannot benefit the entire school. Funds must be used to supplement the existing educational program of the school, by devising programs and services to bolster the academic performance of low-achieving 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: The district must reverse the charges for these unallowable activities and allocate state/local funds, rather than Title I funds, to support these expenditures. The district must submit a revised list of staff being funded and grants funding the positions (and reverses if they are being used) to the NJDOE for review.

Finding 2: The notification letters sent to the parents/guardians of identified Title I students did not include clearly defined entrance and exit criteria. The parents/guardians of identified Title I students must be informed of the multiple educationally-related criteria used to identify their child/children for Title I services.

Citation: ESEA §1115(B): *Targeted Assistance Programs (Eligible Children from Eligible Population)*.

Required Action: The district must include in its parental notification letters clearly defined entrance and exit criteria. The district must provide a copy of its revised FY 2013-2014 parental notification letter to the NJDOE for review.

Finding 3: The district could not provide evidence as to when it's Title I parental involvement policy was distributed. Per the legislative requirement, parents/guardians of Title I students have a right to be involved in the development of the written parental involvement policy, as well be informed of ways they can further engage themselves in the academic performance and achievement of their children.

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Citation: ESEA §1118(b): *Parental Involvement (School Parental Involvement Policy)*

Required Action: For FY 2013-2014, the district must ensure all of its funded Title I schools distributes the parental involvement policy to parents/guardians of the Title I students and send a copy to the NJDOE for review.

Finding 4: The district could not provide documented evidence that Grace Norton Rogers Elementary School distributed school-parent compacts. Title I funded schools must provide a mechanism to ensure its parents/guardians are informed of the roles and responsibility of the school, parents/guardians, and students in achieving academic success. The exclusion of parents in the development and existence of these documents does not offer them the opportunity for full participation in their child's educational program.

Citation: NCLB §1118(d): *Parental Involvement (Shared Responsibilities for High Student Academic Achievement)*.

Required Action: The district must distribute its FY 2013-2014 Title I school-parent compacts to the students and parents of Grace Norton Rogers Elementary School. The compacts must reflect the legislative requirements by including how the school, parent, and students will share in the responsibility for improved student academic achievement. The district must provide a copy of the distributed school-parent compacts to the NJDOE for review.

Finding 5: The district could not provide documented evidence of convening the annual Title I parent meeting at any of its funded schools. The parents/guardians of Title I students are entitled to be informed about the school's participation in Title I, Part A programs, legislative requirements, and ways in which they can be involved in helping their child/children succeed academically.

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

Required Action: The district must convene the FY 2013-2014 annual Title I parent meeting for the parents/guardians of its identified Title I students no later than October 31, 2013. The district must provide documentation of the meeting (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Finding 6: In its FY 2012-2013 ESEA/NCLB Consolidated Application on the Electronic Web-Enabled Grant System (EWEG), the district did not report any resident students that attend nonpublic schools. Section 1120 of the Elementary and Secondary Education Act requires that districts receiving Title I, Part A funds provide equitable services to eligible resident nonpublic school students. The district is responsible for counting and entering the nonpublic enrollment numbers and the low-income counts for nonpublic students that reside in the district's attendance areas. The omission of enrollment data for nonpublic students results in inaccurate Title I school-level allocations and deprives eligible resident nonpublic students of critical services.

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Citation: ESEA §1120 (b)(E)(F): *Participation of Children Enrolled in Private Schools.*

Required Action: In preparation for the completion of the district's FY 2013-2014 ESEA/NCLB Consolidated Application, the district must develop a process to locate and document resident students who attend nonpublic schools. The district must report nonpublic enrollment data and nonpublic low-income data in the Title I portion of the district's FY 2014 Consolidated Application.

Finding 7: The district could not provide documented evidence it consulted with all nonpublic schools that enroll resident students to discuss participation in the district's Title I program. Per the legislative requirement, the district must ensure it performs due diligence in consulting with the nonpublic school officials to ensure eligible students from its attendance areas are receiving appropriate Title I services by discussing the following: poverty data collected, student identification, and services for eligible students, parents, and teachers.

Citation: ESEA §1120 (b): *Participation of Children Enrolled in Private Schools.*

Required Action: For FY 2013-2014, the district must formalize its nonpublic consultation process. The district must retain signed/certified receipts of its correspondence to nonpublic schools (e.g., copies of Affirmation of Consultation signed by all consulted parties, Refusal forms). The district must also provide copies of meeting agenda, minutes, and sign in sheets to the NJDOE for review.

Title II

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

Title III

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

Race to the Top

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

Carl D. Perkins

Finding 8: The district did not provide evidence of the opportunities it afforded students to participate in Structured Learning Experiences for the three approved programs (Sales Distribution and Marketing, Management Information Systems, or Accounting).

Citation: Perkins: P.L. 109-270 § 135 (b) (3); N.J.A.C. 6A:19-4.

Required Action: The district must offer all high school students the opportunity to explore career interests through participation in structured learning experiences linked to

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the New Jersey Core Curriculum Content Standards in all approved Career and Technical Education (CTE) programs.

Finding 9: The district did not establish advisory boards for each of their approved CTE programs.

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

Required Action: The district must establish an advisory board for each approved CTE program. 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 Perkins program officer. Programs without evidence of functioning advisory boards will not be considered approved programs and will not be eligible for future Perkins funding.

Finding 10: The district charged student transportation to function and object code 200-580 in the general ledger. Student transportation expenditures should be recorded under function and object code 200-500.

Citation: N.J.A.C. 6A:23-2.2 (f).

Required Action: The district must establish accounts using the appropriate function and object codes in the general ledger and transfer the balances from the incorrect accounts.

Finding 11: The following two expenditures, with a cost greater than \$750, were not itemized in the approved Perkins application nor in an amendment to the approved application:

- HP Designjet T520, \$1,759.99, PO Date: 5/23/13, PO #13-03399, Vendor: Staples Advantage; and
- Dell Latitude Laptop, \$1,060.61, PO Date: 10/17/12, PO #13-01254, Vendor: Dell.

Citation: EDGAR § 80.20; Perkins One-Year Grant Application Guidelines July 1, 2012-June 30, 2013, Section D.

Required Action: The district must provide justification for purchasing items that were not approved in either the original application or amendment to the application.

Finding 12: The district expended grant funds for unitemized supplies and materials that exceeded 10 percent of the total grant award. Items with a per unit cost of \$750 or more were not itemized and approved in the Perkins application, nor was an amendment to the application submitted itemizing these expenditures.

Citation: Perkins One-Year Grant Application Guidelines July 1, 2012-June 30, 2013, Section D and E.

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Required Action: The district must provide justification for not submitting an amendment to itemized expenditures in excess of the 10 percent unitemized supplies threshold.

IDEA (Special Education)

Finding 13: The district included student names on purchase orders for students educated in tuition placements which violates student confidentiality.

Citation: IDEA Regulation 34 CFR 99; N.J.A.C. 6A:32-7.

Required Action: The district must revise procedures to ensure confidentiality of student information is maintained and only persons having educational responsibility for those students have access to this information. A monitor from NJDOE will conduct an on-site visit to review the revised procedures.

Finding 14: The district charged \$1,982.25 to the FY 2012-2013 IDEA Preschool grant for computer equipment purchased in FY 2011-2012, which is an unallowable expenditure.

Citation: 34 CFR §75.703; 34 CFR §80.23.

Required Action: The district must reverse the charge for this unallowable expenditure and submit adjusting entries showing the removal to the NJDOE for review.

Finding 15: The district does not have a procedure in place to reconcile monthly nonpublic school tuition payments to the board approved contract to prevent overpayment. During the review, several occasions were noted where the district issued one purchase order to a nonpublic school for multiple students for a partial amount of the tuition contract for each student. Once the amount of the purchase order was reached, the district issued the institution another purchase order for the multiple students for another portion of the amount of the tuition contract for those students. There was no indication district personnel reconciled the multiple purchase orders to the underlying contracts. When asked how district personnel would know if or when the multiple purchase orders exceeded the underlying contracts, district personnel stated they would not.

Citation: 34 CFR §80.36 (b) (2); N.J.S.A. 18A:19-2.

Required Action: The district must reconcile nonpublic tuition payments for FY 2012-2013 to each underlying contract and submit to the NJDOE for review. The district should also update internal control policies to include procedures to ensure nonpublic tuition payments are routinely reconciled and made in accordance with the underlying contractual obligation.

Finding 16: The district's contract cost with Catapult LLC (Catapult) for nonpublic schoolchildren is based on the total amount of funding received by the district. The contract cost should be based on the type and quantity of services to be provided. In addition, the contract as

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executed did not sufficiently describe the service to be provided or specify the rate for each service.

Citation: 34 CFR 80.20 (a) (2); 34 CFR 80.36 (b) (2) and (10).

Required Action: The district must revise the current contract with Catapult to include the type of services to be received and associated rates to be provided. The updated contract should be submitted to NJDOE for review. The district should review all contracts awarded for professional services to ensure the contracts contain a detailed description of specific services to be provided, rates for the services and a maximum amount to be paid through the contract.

Finding 17: The district paid invoices with federal funds that did not have the necessary supporting documents. Monthly invoices from Catapult, reflected a lump sum amount for “Services,” “Administrative Fee,” or “Materials” without any additional information or attendance records. Additionally, all of the invoices included an administrative fee with no indication of how the fee was computed and one invoice included a charge for materials; neither of which was an agreed upon service under the terms of the district’s contract with Catapult.

Citation: 34 CFR §80.20; 34 CFR 80.36; N.J.S.A. 18A:19-2.

Required Action: The district must reverse all charges to the federal grant that were outside the scope of the contract. With regard to any remaining charges, the district must reverse all unsubstantiated charges or submit to the NJDOE for review detailed documentation supporting these charges. In addition, the district should conduct a close review of its nonpublic service providers and its contractual obligations with them, as well as establish policies and procedures to ensure accurate records are maintained and those records reflect and prove the student’s actual attendance. Such procedures should include a required attendance component in future nonpublic service provider contracts and align payment authorization with appropriate documentation.

Finding 18: The district failed to issue a purchase order to a consultant prior to services being rendered (confirming order). The district contracted with Catapult to provide special education and related service to nonpublic schoolchildren during the 2012/2013 school year at a total cost of \$69,305. Although services commenced in September 2012, the district did not enter into a contract with Catapult until October 18, 2012 or issue a purchase order to Catapult until November 30, 2012. District policy and state regulations require that a properly executed contract and purchase order be issued prior to services being rendered.

The district’s lack of internal controls which allowed issuance of a confirming order to Catapult was not an isolated incident.

Citation: CFR §80.20; 34 CFR §80.36; N.J.S.A. 18A:18A (2) (v).

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Required Action: Purchase orders should be issued to all vendors prior to goods or services being provided.

Finding 19: The district charged several expenditures to the incorrect general ledger accounts.

Citation: 34 CFR §80.20; N.J.A.C. 6A:23-2.2 (g).

Required Action: The district must be careful to charge expenditures to the appropriate general ledger account. The district should review all expenditures for FY 2013 and transfer all improperly recorded transactions to the appropriate account prior to submitting its FY 2013 Final Report.

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 Lori Ramella via phone at (609) 984-0937 or via email at lori.ramella@doe.state.nj.us.