EXECUTIVE SUMMARY

DEPARTMENT OF EDUCATION
SCHOOL DISTRICT ADMINISTRATIVE COSTS

We found the department’s controls over school district administrative costs to be adequate and financial data to be recorded properly in the department’s accounting systems. We also found the department to be in compliance with applicable laws, rules, and regulations, with the exception of the appointments of executive county superintendents. In making these determinations, we observed opportunities for cost savings from potential school district consolidation. We also observed a need for clarifying the definition of “teaching” as it relates to full-time teacher schedules.

AUDIT HIGHLIGHTS

The governor is required by NJSA 18a:7-1 to appoint “for each county” a suitable person to be the executive county superintendent (ECS). Since January 2011, most ECSs have each been responsible for more than one county. Over calendar years 2011, 2012, and 2013, an average of 3 ECSs were responsible for one county each, while 6 ECSs were responsible for 2 counties each, and 2 ECSs were responsible for 3 counties each. The department maintains that NJSA 18A:7-2 allows the commissioner to designate another suitable person to exercise the powers and perform the duties of the ECS during periods of vacancy. However, this provision is for a temporary replacement. Several of the ECSs covering multiple counties have done so for more than a year, and five have done so for at least three years in a row.

All but one ECS told us that having more than one county under their purview has, or would have, a negative impact on their job performance. Additionally, they indicated they could perform their duties, but would be able to do a better job if they could devote all of their time to one county. While district administrative costs have been well controlled overall, 176 of 545 regular districts (32%) saw administrative costs increase at least 5 percent, of which 66 had an increase of at least 10 percent in fiscal year 2012 over fiscal year 2011.

Additionally, high turnover is an issue for the ECS positions. Just eight of New Jersey’s twenty-one counties had the same ECS for the entire 2012 and 2013 calendar years and six counties had at least three different ECSs during that two-year period.

The department is in the early stages of a pilot program that restructures the county offices of Atlantic, Cape May, Cumberland, Gloucester, and Salem counties into one regional office. The regional office is led by an executive regional superintendent. The executive regional superintendent will perform the duties of the executive county superintendent, but will not hold that title.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click here.