



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

CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

DAVID C. HESPE  
Commissioner

August 7, 2015

Mr. Ronald Lee, Superintendent  
Orange Board of Education  
451 Lincoln Avenue  
Orange, NJ 07050

Dear Mr. Lee:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Orange 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, 2013 through April 15, 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 Orange 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. Cicchino, Director  
Office of Fiscal Accountability and Compliance

RJC/SH:Orange BOE CM Cover Letter  
Enclosures

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

**CONSOLIDATED MONITORING REPORT  
AUGUST 2015**

**District:** Orange Public Schools  
**County:** Essex  
**Dates On-Site:** June 10, 11 and 12, 2015  
**Case #:** CM-017-14

**FUNDING SOURCES**

Program	Funding Award
IDEA Basic	\$ 1,303,499
IDEA Preschool	43,622
Title II, Part A	336,199
Title III	163,711
Title III Immigrant	95,560
Total Funds	<hr/> <hr/> <b>\$ 1,942,591</b>

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**BACKGROUND**

The Elementary and 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 and IDEA). 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 City of Orange Public Schools 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 II, Part A (Title II); Title III; Title III Immigrant; and IDEA Basic and Preschool for the period July 1, 2013 through April 30, 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, 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 reviewed included Title II, Title III, Title III Immigrant, and IDEA Basic and Preschool from July 1, 2013 through April 30, 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 IDEA FUNDS**

**IDEA Projects**

The majority of the 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. Funds were also used for related service providers, professional development, and supplies/materials for students receiving special education and related services.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title II**

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

**Title III**

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

**Title III Immigrant**

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

**IDEA (Special Education)**

**Finding 1:** The district did not consistently provide notice of a meeting to parents of students referred and/or eligible for special education and related services and for students referred and/or eligible for speech-language services.

**Citation:** N.J.A.C. 6A:14-2.3(k)3 and 5; 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

**Required Action:** The district must provide parents notice of a meeting in writing that contains all required components, early enough to ensure they have an opportunity to attend. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review copies of notice provided for meetings conducted between December 2015 and February 2016, and to review the oversight procedures.

**Finding 2:** The district did not consistently convene meetings with required participants for students referred and/or eligible for special education and related services and for students referred and/or eligible for speech-language services.

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**Citation:** N.J.A.C. 6A:14-2.3(k)1-2; 3.3(e); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

**Required Action:** The district must ensure meetings are conducted with required participants and documentation of participation is maintained in students' records. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review meeting documentation, including the sign in sheets, for meetings conducted between December 2015 and February 2016 and to review the oversight procedures.

**Finding 3:** The district did not consistently provide written notice of a meeting to parents of students referred and/or eligible for speech-language services.

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

**Required Action:** The district must ensure that parents are provided written notice of a meeting that contains all required components within 15 calendar days of the meeting. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review copies of written notice provided to parents following meetings conducted between December 2015 and February 2016 and to review the oversight procedures.

**Finding 4:** The district did not conduct meetings within 20 calendar days of receipt of a written request for evaluation for students referred for special education and related services and for students referred for speech-language services.

**Citation:** N.J.A.C. 6A:14-3.3(e).

**Required Action:** The district must ensure a meeting is conducted within 20 calendar days of receipt of a written request for evaluation to determine if an evaluation is warranted. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation from identification meetings conducted between December 2015 and February 2016 and to review the oversight procedures.

**Finding 5:** The district did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students referred for special education and related services and for students referred for speech-language services.

**Citation:** N.J.A.C. 6A:14-3.4(f)4(i and iii); 20 U.S.C. §1414(b)(4) and (5); and 34 CFR §300.306(c)(i).

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**Required Action:** The district must ensure all components of the functional assessment are conducted as part of all initial evaluations. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students evaluated between December 2015 and February 2016 and to review the oversight procedures.

**Finding 6:** The district did not consistently conduct multidisciplinary initial evaluations for students referred for speech-language services by obtaining an educational impact statement from the classroom teacher.

**Citation:** N.J.A.C. 6A:14-2.5(b)6.

**Required Action:** The district must ensure that a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining a statement from the general education teacher that details the educational impact of the speech problem on the student's progress in general education. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to review initial evaluation reports for students referred for speech-language services whose eligibility meetings were held between December 2015 and February 2016, and to review the oversight procedures.

**Finding 7:** 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, including students placed in separate settings, consideration of placement in the least restrictive environment. IEPs did not consistently include:

- an explanation of why the supplementary aids and services were rejected;
- the potentially beneficial or harmful effects which a placement in general education may have on the students with disabilities or other students in the class; and
- for those students placed in separate settings, activities to transition the student to a less restrictive environment.

**Citation:** N.J.A.C. 6A:14-4.2 (a)8,(ii) and (iii) and 3.7(k).

**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 that 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. The district must also ensure that for students placed in separate settings, the IEP team identifies activities to transition the student to a less restrictive environment and document them in each IEP. In order to demonstrate correction of noncompliance, the

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district must conduct training for child study team members regarding the district's procedures and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. To demonstrate that 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. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, a random sample of additional IEPs developed at meetings conducted between December 2015 and February 2016 and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

**Finding 8:** The district did not consistently ensure that students were found eligible for speech-language services in accordance with the criteria set forth in N.J.A.C. 6A:14. Specifically, the district did not document in either the initial IEP or in eligibility documentation, the criteria used to determine eligibility for speech-language services.

**Citation:** N.J.A.C. 6A:14-3.5(a-c) and 3.6(a-c).

**Required Action:** The district must ensure students found eligible for speech-language services meet the criteria as defined in N.J.A.C. 6A:14-3.5(c) and 3.6(a-b) and that the criteria used to determine eligibility is maintained in the initial IEP or eligibility documentation. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation of eligibility from meetings conducted between December 2015 and February 2016 and to review the oversight procedures.

**Finding 9:** The district did not consistently include required considerations and statements in each IEP for students eligible for special education and related services and for students eligible for speech-language services.

**Citation:** N.J.A.C. 6A:14-3.7(c)3,(e)3,7&8 and 4.3(c); and 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 the required considerations and statements. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with 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. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs along with a random sample of IEPs developed between December 2015 and February 2016, and to review the oversight procedures. The names of the students



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whose IEPs were identified as noncompliant will be provided to the district by the monitor.

**Administrative**

**Finding 10:** On several occasions, the district failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). District policy and state regulations require that a properly executed purchase order be issued prior to the purchase of goods or the rendering of 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. N.J.S.A. 18A:18A(2)(v) Public School Contracts Law.

**Required Action:** The district must issue purchase orders to all vendors prior to goods or services being provided.

**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.

**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 the required 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 264; 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).