



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

July 17, 2015

Mr. Ken Schultz, School Lead
Newark Legacy Charter School
823 South 16th Street
Newark, NJ 07108

Dear Mr. Schultz:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Newark Legacy Charter 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, 2013 through December 31, 2014. 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 Charter Schools Response, Corrective Action Plan and Appeal Process," the Newark Legacy Charter School Board of Trustees 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 school'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/dk:Newark Legacy Charter School CM Cover Letter
Enclosures

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David Hesper
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PO BOX 500
TRENTON, NJ 08625-0500**

**NEWARK LEGACY CHARTER SCHOOL
823 SOUTH SIXTEENTH STREET
NEWARK, NEW JERSEY 07108
PHONE: (973) 642-7000**



New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
JULY 2015**

District: Newark Legacy Charter School
County: Essex
Dates On-Site: February 4 and 5, 2015
Case #: CM-018-14

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 385,368
Title II, Part A	5,058
IDEA Basic	72,431
IDEA Preschool	594
Total Funds	<hr/> <hr/> \$ 463,451

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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 school 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 LEAs are using the funds for their intended purpose and achieving the overall objectives of the funding initiatives.

INTRODUCTION

The NJDOE visited the Newark Legacy Charter School to monitor the school's use of federal funds and the related program plans, where applicable, to determine whether the 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 IDEA Basic and Preschool for the period July 1, 2013 through December 31, 2014.

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 (IEPs), 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 school policies and procedures. The monitoring team members also conducted interviews with school 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 and IDEA Basic and Preschool from July 1, 2013 through December 31, 2014. 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 AND IDEA FUNDS

Title I Projects

The school uses Title I funds to support teacher salaries and benefits. Funds are also used to purchase instructional supplies.

IDEA Projects (Special Education)

In both the 2013-2014 and 2014-2015 grant years, the school utilized IDEA Basic and Preschool funding for the provision of speech-language services to students with disabilities.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The school did not have a Title I parental involvement program that reflected the requirements of the Title I legislation. The Title I parental involvement policy the school provided was missing pages and did not indicate when the Title I parental involvement policy was last reviewed and/or adopted by the Board of Trustees. In addition, the school did not provide evidence that its parental involvement policy and the school-parent-student compact were developed in conjunction with Title I parents/guardians. The exclusion of parents/guardians in the development of these documents does not offer them the opportunity for full participation in their child's educational program.

Citation: ESEA §1118(a)(2): *Parental Involvement (Local Educational Agency Policy)*; ESEA §1118(d): *Parental Involvement (Shared Responsibilities for High Student Academic Achievement)*.

Required Action: The school must provide evidence that Title I parents/guardians and other associated stakeholder groups are included in the development of the parental involvement policy and school-parent-student compact. The school must provide the NJDOE with evidence of the development of these documents with parent/guardian input (e.g., meeting announcements, meeting notes, sign in sheets). Additionally, the school must submit the complete Title I parental involvement policy reflecting current review and board adoption to the NJDOE for review.

Finding 2: The school provided evidence of conducting the FY 2013-2014 Title I annual meeting, but not for the FY 2014-2015 Title I annual parent meeting. The Title I annual meeting is limited to parents of Title I students and needs to occur in the beginning of the school year, preferably before the end of October 2015. During this meeting the Title I parents are informed of the legislation and program design. The school must maintain documentation to include invitational letter/flyer, sign in sheets, agenda, minutes and/or PowerPoint of presentation.

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

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Required Action: The school must convene the FY 2015-2016 annual Title I meeting for the parents/guardians of its identified Title I students in the beginning of the year, no later than the end of October 2015. The school must submit evidence of the convening of this meeting (e.g., include invitational letter/flyer, agenda, meeting minutes, PowerPoint presentation, sign in sheets) to the NJDOE for review.

Finding 3: The school did not provide Title I parental notification letters that included the Title I entrance and exit criteria, Title I interventions and the option for the Title I parents/guardians to opt-out of the program. Without this information, parents were unable to understand the reasons for their child being selected to participate in the Title I program, the Title I interventions being provided, and what is needed for their child to exit the program.

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

Required Action: The school must develop a Title I parental participation letter informing parents of Title I students of the Title I entrance and exit criteria, interventions and option to opt-out. The school must provide a copy of its FY 2015-2016 Title I participation letter to the NJDOE for review.

Finding 4: The school provided a listing of Title I students with insufficient data for Title I student identification based on the multiple measures that the school established for Title I services. Additionally, the information provided included free lunch or free and reduced lunch as a criteria for Title I services. Poverty measures are not acceptable entrance criteria for Title I services. Without sufficient and consistent information, the monitors were unable to verify that the entrance and exit criteria were consistently applied to determine which students were eligible to receive Title I services, and that the school was actually serving its lowest performing students and that all students receiving services actually met the eligibility criteria.

Citation: ESEA §1115: Targeted Assistance Schools.

Required Action: The charter school must establish a system to ensure and document that students receiving Title I services meet each of the established entrance criteria, not to include poverty measures, and the exit criteria necessary to exit the program.

Finding 5: The school did not have supporting documents to verify the activity of Title I paid personnel as required by federal law. The documentation must reflect what the staff is doing, when and where they are working and it must match their funded percentage as stated on their time sheets. This documentation is necessary to verify that funded staff and the portion of Title I funding supports only allowable grant activities and activities required of all staff (i.e., recess/lunch duty, prep time). The time sheets did not include the percentage of time allotted to the Title I program, allowing the monitors to ascertain whether or not the staff was fully or partially funded with Title I funds.

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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 school must submit a list of FY 2014-2015 Title I funded staff along with the associated salaries, funding percentages, corresponding time and activity reports and job descriptions to the NJDOE for review.

Finding 6: The school's use of FY 2014-2015 Title I funding for the salaries of a music teacher and the teacher assistants/academic support personnel assigned to the self-contained special education classes was not in accordance with the Needs Assessment in the FY 2014-2015 ESEA-NCLB Consolidated Subgrant Application and/or supplanted state/local funds. As such, any Title I expenditures associated with these salaries and benefits must be reversed and paid for with local/state funds.

Citation: ESEA §1112: *Local Educational Agency Plans*; ESEA §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*; N.J.A.C. 6A:14-4: Special Education (Programs and Instruction).

Required Action: The school must reverse the Title I costs for the aforementioned positions. The school must allocate state/local funds for these costs and provide evidence of the journal entries to reverse the expenditures to the NJDOE for review.

Title II

Finding 7: For FY 2013-2014, the school targeted teacher assistants (paraprofessionals) to receive supplemental professional development materials (guided reading books). The sampling of four teacher assistants/paraprofessionals requirements found that officials did not have supporting documents to verify the status of one paraprofessional. According to ESEA, a paraprofessional is: an individual with instructional duties, is a non-certified instructional staff person, does not hold the position of teacher but assists in the classroom under the guidance of a teacher. Individuals who work solely in non-instructional roles are not considered paraprofessionals (i.e. cafeteria or playground supervision) for Title I purposes.

Moreover, the school is responsible for maintaining a record of completed portfolios. Paraprofessionals should also maintain a copy for their records. For FY 2014-2015, at the time of the consolidated monitoring, the district did not expend Title II funds.

Citation: ESEA §1119: *Qualifications for Teachers and Paraprofessionals*; NCLB: *Improving Teacher Quality State Grants: ESEA Title II, Part A Non-Regulatory*.

Required Action: For FY 2014-2015, the school must ensure that all paraprofessionals who receive supplemental, professional development training and materials related to professional development, funded with Title II, are assigned to instructional duties for which they meet the paraprofessional requirements. Also, the school must verify the paraprofessional requirements of those individuals. The school must submit a list of the

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paraprofessionals for FY 2014-2015 and verification of their compliance with the requirements in ESEA §1119 to the NJDOE for review.

IDEA (Special Education)

Finding 8: The school did not consistently provide notice of a meeting to parents of students referred and/or eligible for special education and related 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 school 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 school must conduct training for child study team members 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 September 2015 and January 2016, and to review the oversight procedures.

Finding 9: The school did not consistently convene meetings with required participants for students referred and/or eligible for special education and related services.

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 school 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 school must conduct training for child study team members 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 September 2015 and January 2016, and to review the oversight procedures.

Finding 10: The school did not employ a child study team consisting of the three required members: social worker, school psychologist and learning disabilities teacher consultant. The school does not employ a school psychologist.

Citation: N.J.A.C. 6A:14-3.1(b) and 5.1(a)1, 2 and 3.

Required Action: The school must ensure that it employs child study members in accordance with N.J.A.C. 6A:14-3.1(b). In addition, all contracted services must be provided in accordance with N.J.A.C. 6A:14-5.1(a)1, 2 and 3. A monitor from the NJDOE will conduct an on-site visit to interview staff and review documentation that demonstrates the complete child study team is employed by the school.

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Finding 11: The school did not consistently provide written notice of a meeting to parents of students referred and/or eligible for special education and related 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 school 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 school must conduct training for child study team members 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 September 2015 and January 2016, and to review the oversight procedures.

Finding 12: The school 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. Specifically, evaluations did not include observations outside of testing and a review of prior interventions.

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).

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

Finding 13: The school 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. Specifically, IEPs did not contain:

- results of the most recent evaluations; and
- participation in schoolwide assessments and approved accommodations and modifications.

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 school must ensure each IEP contains the required considerations and statements. In order to demonstrate correction of noncompliance, the school 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

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citation listed above. To demonstrate the school has corrected the individual instances of noncompliance, the school 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 September 2015 and January 2016, and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the school by the monitor.

Finding 14: The school did not consistently conduct reevaluation meetings within three years of the previous classification date for students eligible for special education and related services. In addition, the school did not consistently conduct annual review meetings within the required one year time line for students eligible for speech-language services.

Citation: N.J.A.C. 6A: 14-3.8(a) and 20 U.S.C. §1414(a)(2).

Required Action: The school must ensure reevaluations and annual reviews are conducted within required time lines. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members 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 annual review and reevaluation time lines for selected students whose meetings were held between September 2015 and January 2016, and to review the oversight procedures.

Finding 15: The school does not have a policy for the provision of accommodations and modifications or, when appropriate, an alternate assessment for students with disabilities participating in district wide assessments.

Citation: 34 CFR §300.160.

Required Action: The school must revise policies and procedures to ensure students with disabilities participate in district wide assessments and each IEP contains a statement of any individual modifications to be provided to the student in the administration of district wide assessments. The policy must include the provision of accommodations and modifications and the provision of alternate assessments for those children who cannot participate in the regular assessment. If the school reports publicly on the district wide assessment, the school must also report with the same frequency and in the same detail as it reports on the assessment of non-disabled children. A monitor from the NJDOE will conduct an on-site visit to review the policy.

Administrative

Finding 16: The school failed to formally appoint all individuals charged to the federal programs by board resolution.

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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: All staff charged to federal grants should be reappointed annually by board resolution.

Finding 17: On several occasions, the school failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). School 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: Purchase orders should be issued to all vendors prior to goods or services being provided.

Finding 18: The school is comingling IDEA Basic and IDEA Preschool expenditures in their general ledger. Both are being recorded under program code 250.

Citation: Uniform Minimum Chart of Accounts (Handbook 2R2); 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 school must account for IDEA Basic and Preschool funds separately in their general ledger. Separate program codes must be used in accordance with the Uniform Minimum Chart of Accounts.

Recommendation Title I: The school's Title I Parents' Right-to-Know Highly Qualified Teacher (HQT) information was presented as a fact sheet posted on the school's website. No evidence was provided that a hard copy was distributed to parents/guardians. Limiting the Parents' Right-to-Know HQT information to an electronic medium did not allow parents/guardians without access to electronic devices to be informed of their right to ask about the qualifications of their child's teachers.

Citation: ESEA §1111(h)(6): *State Plans: Reports (Parents' Right-to-Know)*.

Recommended Action: For FY 2015-2016, the Parents' Right-to-Know HQT information should be distributed through a letter or via a general medium such as a parent handbook in addition to being posted on the school's website.

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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.