



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

March 19, 2015

Dr. Patrick McAleer, Superintendent
Pitman School District
420 Hudson Avenue
Pitman, NJ 08071-1014

Dear Dr. McAleer:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Pitman 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 January 14, 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 Pitman 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 Frank Basso at (609) 984-5909.

Sincerely,

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

RJC/FB/dk: Pitman BOE Cover Letter /consolidated monitoring
Enclosures

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David C. Hesse
Robert Bumpus
Susan Martz
Michael Yapple
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Frank Basso
Peggy Nicolosi
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DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500**

PITMAN SCHOOL DISTRICT
420 HUDSON AVENUE
PITMAN, NJ 08071
PHONE: (609) 589-2145



New Jersey K-12 Education

**PITMAN SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
March 2015**

District: Pitman School District
County: Gloucester
Dates On-Site: January 14 and 15, 2015
Case #: CM-021-14

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 157,785
Title II, Part A	55,745
IDEA Preschool	14,013
IDEA Basic	380,438
Total Funds	<hr/> <hr/> \$ 607,981

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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, 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 Pitman 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); and IDEA Basic and Preschool for the period July 1, 2013 through January 14, 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 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, IDEA Basic and Preschool from July 1, 2013 through January 14, 2015. A sampling of purchase orders and/or salaries was taken from each program reviewed.

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GENERAL OVERVIEW OF USES OF TITLE I, TITLE II AND IDEA FUNDS

Title I Projects

The district is using its FY 2014-2015 Title I funds to implement targeted assistance programs in all three of its elementary schools and the middle school. Primarily, the district provides tutoring services through in-class support and pullout programs. Title I funds in previous project periods were spent on similar programs.

Title II Projects

The district is using its FY 2014-2015 Title II funds to provide professional development to teachers in Common Core, with an emphasis on English language arts, mathematics and integration of technology into the curriculum. This is being achieved through various professional development providers such as Standard Solutions. In addition, the district dedicated a portion of its Title II funds for new teacher mentoring. Professional development activities were found to be in accordance with the District Professional Development Plan.

IDEA Projects (Special Education)

The district is using its FY 2015 IDEA Basic funds to reduce district tuition expenditures for students receiving special educational services in private schools for students with disabilities. The IDEA Preschool funds are being used for a classroom assistant for the preschool program.

DETAILED FINDINGS AND RECOMMENDATIONS

Finding 1: The schools' Title I parental notification letter did not include detailed entrance and exit criteria used for Title I student identification; the remediation actions the schools are using and the option for parents to decline Title I services for their child. This information is necessary for parents to understand the reasons their child was selected to participate in the Title I program and what is needed for their child to exit the program.

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

Required Action: Each school must revise its Title I participation letter to include the multiple, educationally related, objective criteria used to identify students for Title I services, and the criteria used to exit students from the Title I program. The letter must also include an opportunity for parents to opt out of services. The district must provide copies of each school's revised FY 2014-2015 Title I participation letter to the NJDOE for review.

Finding 2: The district did not provide evidence that its Title I schools consistently applied the established entrance and exit criteria to determine Title I student eligibility. The monitors were unable to verify the process used to select and serve Title I students.

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Citation: ESEA §1115: *Targeted Assistance Programs.*

Required Action: The district must ensure its Title I schools establish a tracking mechanism for proper Title I student identification. This mechanism must include documentation of the use of multiple, educationally related, objective criteria to identify students for eligibility to receive Title I services.

Finding 3: The district did not provide sufficient evidence its Title I schools convened an annual Title I parent meeting. Evidence was not provided that the Back-to-School nights that occurred fulfilled the legislative requirements. Not conducting an annual meeting to explain the Title I legislation and the district's Title I programs does not allow parents of Title I students to be informed and vested in the Title I process.

Citation: ESEA §1118(c)(1) and (2): *Parental Involvement.*

Required Action: Each 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. The district must submit evidence of each school's meeting (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Finding 4: There was no evidence that the district's parental involvement policy and the school-parent compact were developed in conjunction with Title I parents/guardians. The exclusion of parents/guardians in the development of these documents does not offer parents/guardians the opportunity for full participation in their child's educational program. Additionally, there was no evidence that the district policy was reviewed for the current school year. The annual review and current board adoption allow parents and other stakeholders to impact the parental involvement process and identify the unique needs of the Title I schools and Title I parents.

Citation: ESEA §1118(a)(2): *Parental Involvement (Written Policy)*; ESEA §1118(c)(1) and (2): *Parental Involvement.*

Required Action: The school must provide evidence of inclusion of the associated stakeholder groups in the development of the parental involvement policy and school-parent compact, and evidence of the involvement of parents and families in the development and annual review process. The school must provide the NJDOE with evidence of the development of these documents with parents/guardians of the Title I students for the 2015-2016 school year.

Finding 5: The district did not provide school-level Title I parental involvement policies for all four Title I schools.

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

Required Action: The district should provide technical assistance to its schools in the development of school-level parental involvement policies and ensure that its schools

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work with their stakeholder groups to develop the policies and review them annually. The district must also submit evidence of engaging parents in the development and review of the school-level policies (meeting agendas, sign in sheets, minutes).

Finding 6: The district's parents' web page does not contain the required annual notifications for parental involvement.

Citation: ESEA §1111(h)(2)(E): *Public Dissemination*.

Required Action: The district must review and update its parental involvement web page containing required annual notifications and documents to meet the broader ESEA dissemination requirement. The district must submit the link for the updated web page to the NJDOE for review.

Finding 7: There was no evidence that the district distributed the Parents' Right-to-Know Highly Qualified Teacher (HQT) letter to all parents for the current school year. The issuance of this letter informs all parents 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)*.

Required Action: Annually, the district must distribute the Parents' Right-to-Know HQT letter to the parents of all students who attend district Title I Schools. A template of the letter can be found at <http://www.state.nj.us/education/title1/hqs/rtk.htm>.

Finding 8: The district's Title I program does not provide an educationally sound approach to student remediation. The district provides academic interventions through pullout/replacement programs. However, removing students from core courses creates increased gaps in the skills and knowledge of academically at-risk students.

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

Recommendation: The district should revise its Title I program to provide services to Title I students in English language arts and mathematics that do not remove students from their core courses. Primary consideration should be given to providing students extended learning time opportunities, such as before and after school, and summer programs.

Finding 9: The district failed to provide evidence that it held consultation meetings with nonpublic schools that enroll resident students. Per the legislative requirement, the district must ensure that it performs due diligence in meeting with the nonpublic school officials to ensure that eligible students from its attendance areas receive appropriate Title I services. During the consultation meeting, the district must discuss the following items: collection of poverty data, student identification, and services for eligible students, parents, and teachers.

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

Required Action: For FY 2015-2016, the district must formalize its nonpublic consultation process. The district must retain signed/certified receipts of its correspondence to nonpublic schools, copies of Affirmation of Consultation signed by all consulted parties, and Refusal forms. The district must also provide copies of meeting agendas, minutes, and sign in sheets to the NJDOE for review.

Finding 10: The district did not track expenditures by attendance areas to ensure the expenses for Title I schools are consistent with each attendance area's allocation on the Eligibility Page, Step 4 of the FY 2014-2015 ESEA-NCLB Consolidated Application. Tracking of expenditures is an internal control to ensure each school is receiving programs and services up to the amount of funding generated by each school.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems; ESEA §9306(a)(5): *Other General Assurances (Assurances).*

Required Action: The district must track Title I school-level allocations reflected in the FY 2014-2015 ESEA-NCLB Consolidated Application for Title I funds (Eligibility Page, Step 4). The district must submit a schedule showing the budget matches the allocations to the NJDOE.

Finding 11: The district did not have the required supporting documents to verify the activity of staff charged to the Title I and IDEA grants. The documentation must reflect what the staff is doing and when (time slots), and must match their funded percentage. This documentation is necessary to ensure that grant funded staff are actually performing grant related responsibilities. The district had alternative documentation that helped support the funding.

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 must identify staff members whose salaries are supported in whole or in part with Title I funds and verify the time and activity of staff charged to the grant. The district must submit sample sheets for FY 2014-2015 to the NJDOE for review. Prior to this, the district should consult the Department's December 2012 guidance on *Time and Effort Reporting for Title I Funded Staff* (located at: <http://education.state.nj.us/broadcasts/2012/DEC/18/8649/Time%20and%20Activity%20Reporting.pdf>) as a resource.

Finding 12: The district's use of Title I funds for library books supplanted state/local funds.

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

Required Action: The district must reverse the expenditure of Title I funds for these activities and identify state/local funds for the abovementioned items. The district must send documentation of the adjusting journal entry to the NJDOE for review.

Finding 13: The district was unable to provide evidence of using a competitive process to contract with vendors for the provision of goods and services. 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.

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.

Title II

Finding 14: The district used a portion of its Title II funds for stipends to support new teacher mentoring activities. As new teacher mentoring is a mandated activity, Federal funds cannot be used for this activity. This expenditure supplanted state/local funds.

Citation: ESEA §2123 (b): *Supplement not Supplant*.

Required Action: The district pays the new teacher mentors at the end of the year; hence, funds have not yet been dispensed for this activity. The district must amend its Title II application, use state/local funds to support this program and repurpose the Title II funds dedicated for new teacher mentoring for program(s) that are consistent with approved Title II activities. The district must send documentation of the adjusting journal entry to the NJDOE for review.

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IDEA (Special Education)

Finding 15: The district included student names on purchase orders for students educated in tuition placements, violating student confidentiality.

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

Required Action: The district must revise procedures to ensure that confidentiality of student information is maintained and that only persons having educational responsibility for those students have access to this information. Revised procedures must be submitted to the NJDOE for review.

Finding 16: The district did not provide written notice of graduation to students eligible for special education and related services within required time lines.

Citation: N.J.A.C. 6A:14-4.11(b).

Required Action: The district must ensure that parents or adult students are provided with written notice prior to graduation. In order to demonstrate correction of noncompliance, the district 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 written notice of graduation for students with disabilities who will graduate at the conclusion of the current school year, and to review the oversight procedures.

Finding 17: The district did not document all required considerations and statements in each IEP.

IEPs for students eligible for special education and related services did not include:

- documentation of transition assessments for students age 16 and older.

IEPs for students eligible for speech-language services did not include:

- criteria for mastering speech-language goals and objectives.

Citation: N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f); 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 citations listed above. In addition, to demonstrate correction of

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individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for the 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 and a random sample of additional IEPs developed at meetings conducted between May 2015 and September 2015, 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. For assistance with correction of noncompliance, the district is referred to the state IEP sample form which is located at: www.statenj.us/education/specialed/forms.

Finding 18: The district did not consistently document in the IEPs of students placed in separate settings, consideration of placement in the least restrictive environment. Specifically, IEPs did not consistently include:

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

Citation: N.J.A.C. 6A:14-4.2 (a)8(i),(ii) and (iii); and N.J.A.C. 6A:14-4.2 (a)4.

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 placement are documented in the IEP for each student removed from general education for more than 20 percent of the school day, including students in separate settings. The district must also ensure 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 district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citations 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 the specific students that were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff, review revised IEPs, review a random sample of additional IEPs developed at meetings conducted between May 2015 and September 2015, 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 19: The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed.

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Citation: N.J.A.C. 6A:14-2.3(k)2x; and 34 CFR §300.322.b(2) .

Required Action: The district must ensure each student with an IEP age 14 or above is provided with a written invitation to any IEP meeting where transition to adult life will be discussed. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review student invitations for transition IEP meetings conducted between May 2015 and September 2015, and to review the oversight procedures.

Finding 20: The district did not 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 and 3.6(b).

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 citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports developed between May 2015 and September 2015, and to review the oversight procedures.

Administrative

Finding 21: The district does not currently have formal written internal control policies and procedures to prevent contracting with disbarred vendors.

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 internal control policies to prevent errors from potentially occurring.

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 Frank Basso via phone at (609) 984-5909 or via email at frank.basso@doe.state.nj.us .

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