



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

May 20, 2015

Dr. Richard Brockel, Interim Superintendent  
Hoboken Public Schools  
158 4<sup>th</sup> Street  
Hoboken, NJ 07030

Dear Dr. Brockel:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Hoboken 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 31, 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 Hoboken 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/dk:Hoboken BOE CM Cover Letter  
Enclosures

Distribution List

David C. Hesper  
Robert Bumpus  
Susan Martz  
Michael Yapple  
Karen Campbell  
Lisa McCormick  
Peggy McDonald  
Kimberly Murray  
Steven Hoffmann  
Monica Tone  
Stephen M. Eells

**STATE OF NEW JERSEY  
DEPARTMENT OF EDUCATION  
PO BOX 500  
TRENTON, NJ 08625-0500**

**HOBOKEN BOARD OF EDUCATION  
158 4<sup>th</sup> STREET  
HOBOKEN, NJ 07030  
PHONE: (201) 356-3600**



*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
MAY 2015**

**District:** Hoboken Public Schools  
**County:** Hudson  
**Dates On-Site:** February 18, 19 and 20, 2015  
**Case #:** CM-023-14

**FUNDING SOURCES**

Program	Funding Award
Title I, Part A	\$ 914,932
IDEA Basic	894,208
IDEA Preschool	20,055
Title II, Part A	436,858
Title III	37,690
Title III Immigrant	10,359
Total Funds	<hr/> <b>\$ 2,314,102</b> <hr/>

**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

**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 Hoboken 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 I, Part A (Title I); Title II, Part A (Title II); Title III; Title III Immigrant; and IDEA Basic and Preschool for the period July 1, 2013 through January 31, 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 I, Title II, Title III, Title III Immigrant, and IDEA Basic and Preschool from July 1, 2013 through January 31, 2015. A sampling of purchase orders and/or salaries was taken from each program reviewed.

**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

**GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS**

**Title I Projects**

Approximately 50 percent of the district's Title I grant allocation is schoolwide blended, proportionately distributed to each of the district's Title I programs. Title I funds are also used to support after school, weekend and summer programs, as well as program administration costs.

**IDEA**

The majority of the FY 2014-2015 IDEA Basic funds are being 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 are also being used for consultants for the provision of services to students with disabilities. Nonpublic funds are used to provide services through a contract with Catapult Learning LLC (Catapult).

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** In FY 2014-2015, the district did not have the required supporting documents to verify the time and activity for the teachers whose salaries are supported with Title I funds, as required by federal law. The documentation must reflect what the staff is doing, when, where and must match their funded percentage and be signed by the staff member and supervisor.

**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 verify the time and activity of staff charged to the grant to reflect the actual time allotted to Title I activities with staff and supervisor signatures. The district must submit a list of FY 2014-2015 Title I funded staff, salaries, funding percentages and appropriate time sheets to the NJDOE for review.

**Finding 2:** In FY 2014-2015, the district utilized Title I Priority/Focus Intervention reserve funds to pay for the salary and benefits of an inclusion specialist to provide services that are state mandated. As such, the portion of Title I funding expended for the inclusion specialist supplanted state/local funding.

**Citation:** ESEA §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

**Required Action:** Title I funding can be used only for salaries and benefits to support staff salaries and benefits performing interventions that supplement not supplant state/local funding. The district must reverse the Title I salary and benefit expenditures for the inclusion specialist. The district must allocate state/local funds for these costs, as

**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

well as provide evidence of the journal entry to reverse the expenditures to the NJDOE for review. Additionally, the district must contact the Regional Achievement Center to revisit and possibly revise Thomas G. Connors Elementary School's School Improvement Plan (SIP) accordingly.

**Finding 3:** The district's Title I Schoolwide Plans (SWP) for Hoboken High School, Wallace School Number 6, and Salvatore R. Calabro School Number 4 did not fulfill some of the ESEA legislative components for Schoolwide programs. All of the SWPs reviewed were lacking key fiscal information on the Critical Overview Elements page. Additionally, the Schoolwide Stakeholder Engagement Committees at the schools were missing at least one community representative who is not affiliated with the district's board of education, and a student representative on the high school's committee. Detailed written analysis of each SWP was discussed and given to the district at the time of the monitoring visit.

**Citation:** ESEA §1114(b): Schoolwide Programs (Components of a Schoolwide Program).

**Required Action:** The district's Title I schools must expand their Title I Schoolwide Stakeholder Committees to include at least one community representative who is not affiliated with the board of education, and one student representative at the high school. The schools must also revisit and revise their SWP to address the analysis given at the monitoring visit and submit the revised plans to the NJDOE for review.

**Finding 4:** The Title I Parental Involvement Reserve indicated on Title I Eligibility - Step 4 of the district's amended FY 2014-2015 ESEA-NCLB Consolidated Application was not itemized at the school-level on the Parent Involvement – School Allocations tab. Not including the school-level amount(s) did not allow for verification that 95 percent of the district reserve is budgeted and expended at the school-level.

**Citation:** ESEA §1112: Local Educational Agency Plans; ESEA §1118(a)(3): Parental Involvement (Local Educational Agency Policy).

**Required Action:** The district must include the amount(s) budgeted for school-level Title I parental involvement activities on the Parent Involvement – School Allocations tab in the NCLB Consolidated Application to accurately reflect 95 percent of the Parental Involvement Reserve on Title I Eligibility - Step 4.

**Finding 5:** For FY 2013-2014, some of the parental involvement activities paid for with Title I funds did not align with the identified academic needs. Therefore, these activities were not necessary and reasonable for proper and efficient performance and administration of the district's Title I program. As a result, expenditures such as field trips, school banners (\$540), and a Bingo drum (\$225) are unallowable.

**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

**Citation:** ESEA §1118: Parental Involvement; OMB Circular A-87, Attachment B, Section 14: *Cost Principles for State, Local and Indian Tribal Governments (Entertainment costs)*.

**Required Action:** The district must allocate state/local funds rather than using Title I funds to support these expenditures. The district must provide evidence of the adjusting accounting entry for the expenditures to the NJDOE for review.

**Finding 6:** The district's Title I schools did not provide evidence of school-level parental involvement policies that reflected the requirements of the Title I legislation. Both the district and the school-level parental involvement policies must be developed in conjunction with parents. The annual review and current board adoption of the district parental involvement policy and the school-level parental involvement policies allow parents/guardians of Title I students to impact the parental involvement process and identify the unique needs of each Title I served school.

**Citation:** ESEA §1118(a)(2): Parental Involvement (Local Educational Agency Policy); ESEA §1118(b): Parental Involvement (School Parental Involvement Policy).

**Required Action:** The district's Title I schools must develop school-level parental involvement policies with input from the parents/guardians of Title I students. The schools must document the process with meeting agendas, sign in sheets and minutes. The district must submit copies of the school-level parental involvement policies to the NJDOE for review.

**Finding 7:** The district did not provide consistent nonpublic school documentation or evidence of district follow-up to the initial outreach when the nonpublic school(s) were nonresponsive. The district gave the monitors affirmation of consultation forms for the March consultation meeting, but no agendas or meeting minutes. In addition, the district scheduled a separate meeting for April 29, 2014 for nonpublic schools outside the district boundaries that did not occur due to lack of response and/or follow-up.

**Citation:** ESEA §1120: Participation of Children Enrolled In Private School.

**Required Action:** For FY 2015-2016, the district must submit documentation of its consultation efforts to include follow-up to nonpublic schools that do not respond in a timely manner. Additionally, the district should make an effort to have one consultation meeting for all the nonpublic schools, both in and outside the attendance area, and provide the invitation letter, agenda, sign in sheets and minutes to the NJDOE for review.

**Finding 8:** In FY 2013-2014, the district's contract with Catapult, a third-party provider, did not include the per service amounts. In addition, the district could not provide supporting documentation needed to verify dates of services and student attendance. The Catapult representative did not sign the FY 2014-2015 contract and the contract did not specify the academic services that Catapult would provide in addition to the counseling services.

**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

Additionally, nonpublic services started late (February 2014) instead of coinciding with the timing of services for the Title I public school students.

**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:** The district must revisit and revise the contract with Catapult and send copies of the revised executed contracts to the NJDOE for review.

**Finding 9:** In FY 2013-2014, the district purchased two Smart Boards with Title I funds. A site visit was conducted to check the Smart Boards for proper placement and tags. It was reported that one of the two Smart Boards purchased was damaged when it arrived. The district was unable to document the return of the original Smart Board and its replacement could not be located.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

**Required Action:** The district must develop a formal tracking system for equipment purchased with federal grants. Although the state threshold for reporting equipment is \$2,000 in the Electronic Web Enabled Grant system, the district may have its own lower threshold. The district must track any amount that is less expensive to track than it is to replace. All inventoried items must include tag number, cost, location, date of purchase, grant that funded the purchase and item description. The district must locate the missing Smart Board and submit a comprehensive inventory of all equipment purchased with Title I funds to the NJDOE for review.

## **Title II**

**Finding 10:** For FY 2013-2014 and FY 2014-2015, the district could not provide evidence of approved professional development plans and approved implementation of professional development activities. According to New Jersey State regulations as of July 1, 2013, all school districts must continue to create district level professional development plans.

**Citations:** ESEA §1112, §1119, §2122-§212; .N.J.A.C. 6A:9-15.6 District-level Professional Development Planning Requirements.

**Required Action:** The district must submit a district-level professional development plan for FY 2014-2015 that complies with New Jersey District-level Professional Development Planning requirements to the NJDOE for review.

**Finding 11:** In FY 2014-2015, there were inconsistencies of explicit evidence to verify the consultation services rendered (PO number 14151466, \$2,400, April 13, 2015), during



**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

classroom visits with mathematic teachers and mathematic coaches. (i.e., topics, sign in documentation of teachers).

**Citations:** ESEA §1112, §1119, §2122-§2123.

**Required Action:** The district must submit evidence of consultation services rendered to mathematic teachers and coaches to the NJDOE for review. Specifically, a description and summary of consultation services and sign in sheets must be obtained and copies maintained at the school and district-level as evidence of compliance.

**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 12:** The district's FY 2013-2014 and FY 2014-2015 contract with Catapult for services to nonpublic students with disabilities is based on the total amount of IDEA funding received by the district. The contract should be based on the type and quantity of services to be provided to students in nonpublic schools. In addition, the contract with Catapult does not contain a schedule of activities with associated rates; therefore, the invoices could not be verified.

**Citation:** N.J.A.C. 6A:14-6.3; 20 U.S.C. §1412(a)(10)(A)(vii); 34 CFR §300.130-144.

**Required Action:** The district must revise the current contract with Catapult to include the type of services provided and associated rates. Additionally, the district should request detailed invoices from Catapult that include specific dates of service and type of service provided. The district must implement an oversight mechanism to ensure contracts support the specific services provided to students in nonpublic schools. A monitor from the NJDOE will conduct an on-site visit to review the revised contract.

**IDEA Program**

**Finding 13:** The district did not consistently maintain documentation of the description, frequency, duration and effectiveness of the interventions provided in the general education setting through the Intervention and Referral Service (I&RS).

**Citation:** N.J.A.C. 6A:14-3.3(b); 20 U.S.C. §1413(f)(2); and 34 CFR §300.226(b).

**Required Action:** The district must ensure when the I&RS team identifies interventions to meet the needs of a struggling learner that the team maintains documentation of the

**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

nature, description, frequency, and duration of the interventions and measures the effectiveness. In order to demonstrate correction of noncompliance, the district must conduct training for administrators and I&RS staff 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 I&RS team members and teachers, review documentation for students who were provided interventions in general education between September 2015 and December 2015, and to review the oversight procedures.

**Finding 14:** The district 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 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 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 December 2015, and to review the oversight procedures.

**Finding 15:** 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. Specifically, IEPs did not consistently include:

- the supplementary aids and services considered;
- an explanation of why the supplementary aids and services were rejected;
- a comparison of benefits in the general education setting and the special education setting;
- 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

**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

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 regarding the district's procedures 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 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 September 2015 and December 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 16:** The district did not consistently document required statements and considerations in the IEPs of students eligible for special education and related services and for students eligible for speech-language services.

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

- how the student's disability effects involvement and progress in the general education setting;
- results of initial or most recent evaluations;
- other academic and functional needs that result from the student's disability; and
- documentation of participation in statewide assessments and district wide assessments and accommodations and modifications provided for those assessments.

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

- documentation of participation in district wide assessments and accommodations and modifications provided for those assessments.

**Citation:** N.J.A.C. 6A:14-3.7(c)3, (e)1(i), (c) (4-9), and 3.7(c)1.

**Required Action:** The district must ensure that IEPs include all considerations and required statements. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists and child study team members 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 September 2015 and December 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.

**HOBOKEN PUBLIC SCHOOLS  
CONSOLIDATED MONITORING REPORT  
MAY 2015**

**Finding 17:** The district does not have a policy for the provision of students with disabilities participating in district wide assessments.

**Citation:** 34 CFR §300.160 Participation in Assessments.

**Required Action:** The district must revise its policies and procedures to ensure that students with disabilities participate in 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 district reports publicly on the district wide assessment, the district 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 this policy revision.

**Administrative**

**Finding 18:** 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:** Purchase orders should be issued to all vendors prior to goods or services being provided.

**Finding 19:** The district was not tagging all applicable equipment purchases as being purchased with federal funds.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

**Required Action:** Equipment purchased with federal funds should be labeled as such.

**Finding 20:** The district contracts with Catapult to provide various services including counseling services funded by Title I and special education and related services funded by IDEA. A review of payments to Catapult revealed that the amounts billed by Catapult were not in agreement with the supporting documentation (time sheets) provided by Catapult. Efforts to resolve the differences at the time of the monitoring were unsuccessful.

**Citation:** EDGAR, PART 80-*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

**HOBOKEN PUBLIC SCHOOLS**  
**CONSOLIDATED MONITORING REPORT**  
**MAY 2015**

**Required Action:** The district should review all payments made to Catapult during FY 2013-2014 and FY 2014-2015. All amounts billed by the vendor should be supported by appropriate supporting documentations. Billing adjustments should be made if any of the billings are determined to be erroneous. The district must send the results of the payment analysis to the NJDOE for review.

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).