



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 23, 2015

Mr. Ian Fallstich, School Lead
M.E.T.S. Charter School
211 Sherman Avenue
Jersey City, NJ 07307

Dear Mr. Fallstich:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **M.E.T.S. 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 November 30, 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 M.E.T.S. 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:M.E.T.S. Charter School CM Cover Letter
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
JULY 2015**

District: M.E.T.S. Charter School
County: Hudson
Dates On-Site: December 16 and 17, 2014
Case #: CM-025-14

FUNDING SOURCES

Program	Funding Award
Title I	\$ 333,025
IDEA Basic	89,169
Title IIA	3,286
Total Funds	<hr/> <hr/> <u>\$ 425,480</u>

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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 M.E.T.S. 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 for the period July 1, 2013 through November 30, 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 reviewed included Title I, Title IIA and IDEA Basic from July 1, 2013 through November 30, 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 used Title I funds to support teacher salaries and benefits.

IDEA Projects (Special Education)

The school used IDEA funds to offset the salaries and benefits of employees.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The Title I participation letter(s) informing parents of Title I eligible students about the Title I programs did not have clearly defined program entrance and exit criteria. Without this information, parents are unable to understand the reasons for their child being selected to participate in the Title I program, 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 revise its Title I participation letter(s) to include clearly defined criteria used for Title I student identification for and exit from the program. The school must provide a copy of its FY 2015-2016 Title I participation letter(s) to the NJDOE for review. If the school is approved to implement a schoolwide program in FY 2015-2016, the participation letter is no longer required.

Finding 2: There was no evidence the school's Title I parental involvement policy was reviewed and board adopted for the 2014-2015 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 parents of Title I students.

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

Required Action: The school must have a written district parental involvement policy evaluated annually with current board adoption. A signed copy of a recent board approved district parental involvement policy must be submitted to the NJDOE for review.

Finding 3: The school's use of FY 2014-2015 Title I funding for the parent liaison and technology specialist positions supplanted state/local funds. These positions benefitted all students, not just the lowest-performing students.

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

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Required Action: The school must reverse the Title I expenditures for the salary and associated benefits of the aforementioned positions. The school must allocate state/local funds for these costs. The school must provide evidence of the journal entries to reverse the expenditures to the NJDOE for review. Additionally, the school's FY 2014-2015 Title I Final Expenditure Report may not reflect these expenditures.

Finding 4: The READ 180 program was a replacement program for the English Lab and supplanted state/local funds. The Title I students participated in the English Language Arts class and the READ 180 class, while the non-Title I students participated in English Language Arts class and the English Lab. For the READ 180 program to not be a replacement program and be supplemental, the Title I students would need to participate in the English Lab as well.

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

Required Action: The school must reverse any Title I expenditures associated with the READ 180 program and not reflect these expenditures on the final expenditure report. The school must allocate state/local funds for these costs. The school must provide evidence of the journal entries to reverse the expenditures to the NJDOE for review.

Title II

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

IDEA (Special Education)

Finding 5: 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. Initial evaluation reports did not contain observations in a non-testing environment, a review of prior interventions documented by the teacher(s) or others who work with the student, and other informal measures.

Citation: N.J.A.C. 6A:14-3.4(f)4(i-vi); 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. A monitor from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students evaluated between October 2015 and January 2016, and to review the oversight procedures.

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Finding 6: The school 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 school must ensure that when the I&RS team identifies interventions to meet the needs of a struggling learner that the team identifies and maintains documentation of the nature, description, frequency, and duration of the interventions and measures the effectiveness. In order to demonstrate correction of noncompliance, the school must conduct training for administrators and I&RS 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 I&RS team members and teachers, review documentation for students who were provided interventions in general education between October 2015 and January 2016, and to review the oversight procedures.

Finding 7: The child study team providing services are not employees of the school. Child study team services are provided by contracted independent consultants.

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 to review documentation that demonstrates the child study team is employed by the school.

Finding 8: The school 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:

- documentation of the comparison of the benefits provided in the regular class and the benefits provided in the special education class; and
- for students in a separate setting, 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).

Required Action: The school 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 the placement are documented in the IEP for each student removed from general education for more than 20 percent of the school day. In addition, the school must ensure the full continuum of placement options is available to all students

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and that placement is based on the individual needs of the students. 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. To demonstrate that the school has corrected the individual instances of noncompliance, the school 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, along with a sample of IEPs for students whose annual review meetings were conducted between October 2015 and January 2016, and to review the oversight procedures. The names of the students with IEPs that were identified as noncompliant will be provided to the district by the monitor.

Finding 9: The school did not consistently document all required considerations and statements in the IEPs of students referred for special education and related services. IEPs developed did not consistently include:

- statement of how progress towards annual goal(s) will be measured;
- for students age 14, a description of the need for consultation with other agencies, if applicable;
- for students age 16 and older, documentation of the student's strengths and interests;
- evidence that the measurable post secondary goal(s) were based on age appropriate transition assessments;
- a statement of needed interagency linkages and responsibilities; and
- the students courses of study.

Citation: N.J.A.C. 6A:14-3.7(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 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 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 the revised IEPs, along with a sample of IEPs for students whose annual review meetings were conducted between October 2015 and January 2016, and to review the oversight procedures. For assistance with correction of noncompliance, the district is referred to the state IEP sample forms which are located at: www.state.nj.us/education/specialed/form.

Finding 10: The school did not consistently conduct reevaluations within three years of the previous classification date for students eligible for special education and related services. In addition, when assessments were conducted as part of the reevaluation process, the school did not complete assessments within 60 days of receipt of parental consent.

Citation: N.J.A.C. 6A:14-3.8(a)(e); 20 U.S.C. §1414(d); and 34 CFR §300.324(b)(1).

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Required Action: The school must ensure reevaluations are conducted within required time lines with required participants in attendance. 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 documentation of eligibility meetings held as part of the reevaluation process between October 2015 and January 2016, and to review the oversight procedures.

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.