



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

CHRIS CHRISTIE
Governor

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Lt. Governor

DAVID C. HESPE
Commissioner

September 25, 2015

Mr. Nestor Collazo, Chief School Administrator
Academy for Urban Leadership Charter High School
612 Amboy Avenue
Perth Amboy, NJ 08861

Dear Mr. Collazo:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Academy for Urban Leadership Charter High 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 April 22, 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 Academy for Urban Leadership Charter High School Board 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 Kathryn Holbrook at (609) 292-0198.

Sincerely,

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

RJC/KH/dk:Academy for Urban Leadership Charter High School Cover Letter /consolidated monitoring
Enclosures

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612 AMBOY AVENUE
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
SEPTEMBER 2015**

District: Academy for Urban Leadership Charter High School
County: Middlesex
Dates On-Site: March 25, 2015
Case #: CM-030-14

FUNDING SOURCES

Program	Funding Award
Title I	\$ 365,377
Title II	2,192
IDEA Basic	68,068
Total Funds	<u>\$ 435,637</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 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 Academy for Urban Leadership Charter High School to monitor the school's use of federal funds and the related program plans, where applicable, to determine whether the school'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 for the period July 1, 2013 through March 25, 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, and current school policies and procedures. The monitoring team members reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews, as well as conducted interviews with program administrators and other school personnel as required. Additionally, the IDEA grant review included 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, and interviews of child study team members and speech-language specialists.

EXPENDITURES REVIEWED

The grants that were reviewed included Title I and IDEA Basic for the period July 1, 2013 through March 25, 2015. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

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

Title I

The school operates a targeted assistance program. The school identified English language arts and mathematics for all students as its priority problems.

Title II

The school did not expend the FY 2014-2015 Title II funds (\$2,192.00). The school refused the FY 2013-2014 Title II funds (\$61.00).

IDEA (Special Education)

The school used the FY 2014-2015 IDEA funds for the salary and benefits of two special education resource teachers.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The school's use of Title I funds for the following expenditures supplanted state/local funds:

Item	Description	Amount
1	CDW Government (PO #P201500049)	\$105,586.00
2	Middlesex Regional (PO #P20140495)	\$1,135.00
3	Middlesex Regional (PO #P201400702)	\$5,780.00
4	Premier (PO #P20151400499)	\$1,431.01
	Total	\$113,932.01

For schools operating a targeted assistance Title I program, services must benefit only targeted students who meet the established criteria defined by the school. Services funded by Title I cannot benefit the entire school. Rather, funds must be used to supplement the existing educational program of the school by devising programs and services to bolster the academic performance of low-achieving students.

Citation: ESEA §1120A: *Fiscal requirements (Federal funds to supplement, not supplant, non-federal funds).*

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

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Finding 2: The school was unable to provide documentation that it issued notification letters to the parents/guardians of identified Title I students. The school was also unable to provide a list of Title I eligible students to include identification measures, documentation related to areas of deficiency in English language arts and mathematics, documentation of services provided to Title I students, and a list of Title I funded teachers. In a targeted assistance program, schools must ensure that there are mechanisms in place to provide supplemental instruction to students who are academically at-risk of not meeting the state academic standards

Citation: ESEA §1115(b)(1)(B): *Targeted assistance schools (Eligible children from eligible population).*

Required Action: For FY 2015-2016, the school must develop and distribute the parental notification letters listing clearly defined entrance and exit criteria to include provision of service. The school must also submit a list of Title I eligible students, a description of its Title I program and a list of all funded Title I staff to the NJDOE for review.

Finding 3: The school could not provide documentation that one of its paraprofessionals met the highly qualified (HQ) requirements. In a targeted assistance Title I program, any paraprofessional whose salary is supported in whole or in part with Title I funds must meet the HQ requirements stipulated for paraprofessionals.

Citation: ESEA §1119(c)(1)(A-C): *Qualifications for teachers and paraprofessionals (New paraprofessionals).*

Required Action: The school must immediately provide the supporting HQ documentation, reassign the paraprofessional to a non-instructional role, or use state/local funds for the salary of the paraprofessional. The school must submit evidence of the above to the NJDOE for review.

Finding 4: The school was unable to provide documentation of when its Title I written parental involvement policy was distributed. Per the legislative requirement, parents/guardians have a right to be involved in the development of the written parental involvement policy and how they can further engage themselves in the academic performance and achievement of their children.

Citation: ESEA §1118(b): *Parental involvement (School parental involvement policy).*

Required Action: For FY 2015-2016, the school must distribute its written parental involvement policy to all parents/guardians of identified Title I students. The school must submit evidence of distribution to the NJDOE for review.

Finding 5: The school was unable to provide evidence of developing and issuing school-parent compacts. Title I schools must provide a mechanism to ensure that parents/guardians of participating students are informed of the roles and responsibility of the school,

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parents/guardians, and students in achieving academic success. The exclusion of parents in the development of these documents did not offer them the opportunity for full participation in their child's educational program.

Citation: ESEA §1118(d): *Parental involvement (Shared responsibilities for high student academic achievement).*

Required Action: For FY 2015-2016, the school must develop and distribute the Title I school-parent compacts to participating students and their parents/guardians. The compacts must reflect the legislative requirements by including how the school, parent, and students will share in the responsibility for improved student academic achievement. The school must provide a copy of the distributed school-parent compact to the NJDOE for review.

Finding 6: The school was unable to provide documentation of convening the annual Title I parent meeting. In a targeted assistance program, all parents/guardians of participating students must be informed about the school's Title I program(s), the legislative requirements, and how they can become actively engaged in helping their child/children succeed academically.

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

Required Action: For FY 2015-2016, the school must convene the annual Title I parent meeting for the parents/guardians of its Title I students no later than mid-October. The school must submit evidence of the meeting (invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Title II

Finding 7: The school did not spend its Title II funds and is in jeopardy of having to return unused funds to the NJDOE. As of March 25, 2015 the school had not expended any portion of its FY 2014-2015 federal award.

Citation: 34 C.F.R. §80.20: Standards for financial management systems.

Required Action: The school must spend FY 2014-2015 Title II funds before the end of the contract period or carry over any unused FY 2014-2015 funds at the end of the project period. The school must identify and implement the necessary programs to support teacher and principal professional development and use its Title II funds accordingly. The school must ensure that internal controls are in place to prevent future lapsed funds in all program areas.

Finding 8: A school-level professional development plan was not available for review. Title II and the NJDOE require schools to have a current professional development plan.

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Citation: ESEA §2122: Local Applications and Needs Assessment. N.J.A.C. 6A:9-15.5: Requirements for school-level professional development planning and implementation.

Required Action: The school must complete a professional development plan as prescribed by ESEA §2122 and N.J.A.C. 6A:9-15.5 and have it available for future review. The plan should be completed annually on a timely basis to align with the school-level planning process. The professional development plan should be seen as a living document and can be revised whenever educator practice and/or student achievement data indicate the need.

Finding 9: The school did not post appropriations for the Title II grant in its accounting system. The proper appropriation of the NJDOE Electronic Web-Enabled Grant System (EWEG) approved budgets is essential for the expenditure of federal awards.

Citation: 34 C.F.R. §80.20: Standards for financial management systems. N.J.A.C. 6A:23A-16.2: Principles and directives for accounting and reporting.

Required Action: The school must implement a process to ensure all federal awards are recorded appropriately in its financial records. The school must submit a copy of the accounting records demonstrating the appropriation of Title II funds to the NJDOE for review.

IDEA (Special Education)

Finding 10: The school did not consistently maintain documentation of the 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(c).

Required Action: The school must ensure that I&RS documentation includes the description, frequency, duration and effectiveness of the interventions provided in the general education setting. In order to demonstrate correction of noncompliance, the school must conduct training for I&RS team members and administrators and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to review documentation for students referred to the child study team who were provided interventions in general education between December 2015 and February 2016, and to review the oversight procedures.

Finding 11: The school did not consistently document all required considerations and statements in each IEP for students eligible for special education and related services. Specifically, the Present Levels of Academic Achievement and Functional Performance statement in IEPs did not document the student's strengths; the manner in which the student's

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disability affects the student's involvement and progress in the general curriculum; and the results of the most recent evaluations.

Citation: N.J.A.C. 6A:14-3.7(e)1-17, and (f);20 U.S.C. § 1414(d)(3)(A)(B); 34 C.F.R. § 300.324(a)(1)(2).

Required Action: The school must ensure each IEP contains all required components. 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 IEPs for specific students whose IEPs were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to review the revised IEPs, a sample of IEPs for students whose annual review meetings were conducted between December 2015 and February 2016, and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the school by the monitor.

Finding 12: The school did not consistently provide parents of students eligible for special education and related services notice of a meeting for reevaluation planning, eligibility determination and IEP team meetings.

Citation: N.J.A.C. 6A:14-2.3(k); 20 U.S.C. §1414(b)(1);34 C.F.R. § 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 notice of a meeting provided to parents for meetings conducted between December 2015 and February 2016, and to review the oversight procedures.

Finding 13: 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, evaluation reports did not consistently include the observation of the student in other than a testing setting.

Citation: N.J.A.C. 6A:14-3.4(f)4(i-vi);20 U.S.C. §§ 1414(b)(1)-(3) and 1412(a)(6)(b);34 C.F.R. 300.304(b)(1).

Required Action: The school must ensure that all components of the functional assessment are conducted as part of the initial evaluation process. 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

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requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports developed between December 2015 and February 2016, and to review the oversight procedures.

Administrative

Finding 14: The school did not post grant related expenditures when the costs are incurred. Instead, journal entries were posted to reallocate expenditures from state/local funds to federal awards, typically on June 30, the last day of the project period and occasionally throughout the grant year. As a result, the monitoring team was unable to adequately review FY 2014-2015 grant expenditures.

Citation: 34 C.F.R. §80.20: Standards for financial management systems.

Required Action: The school must post expenditures to its federal grants as they are incurred, and must ensure the ability to trace those expenditures to a level deemed adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

Finding 15: The school did not have board meeting minutes approving the salaries of employees fully and partially paid by federal funds. The board minutes must reflect the staff members' names, salaries, percentages of salary funded by the federal award and the applicable federal grant(s).

Citation: 34 C.F.R. §80.20: Standards for financial management systems.

Required Action: The school must ensure the board minutes evidencing appointments of federally funded personnel include the requisite information.

Finding 16: The school did not obtain the necessary board approvals for its FY 2013-2014 and FY 2014-2015 federal awards. The Title II grant was not approved or accepted for either period in the board meeting minutes, nor were the Title I and IDEA grants accepted. The ESEA requires each local education agencies (LEA) to "submit an application to the state education agency (SEA) at such time, in such manner, and containing such information as the SEA may reasonably require." The NJDOE requires each LEA to go before its board to obtain approval for submission of the application, as well as, the acceptance of the grant funds, upon the subsequent approval of the application.

Citation: ESEA §2122: Local Application and Needs Assessment.

Required Action: The school must obtain the necessary board resolutions to ensure conformity with applicable federal and state requirements.

Finding 17: The time and activity reports furnished for school personnel paid with federal funds did not contain all of the required information. Each form must reflect what the staff is doing,

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when and where, and the portion of time devoted to grant activities and it must accurately match the grant funded percentage. Employees whose salaries are funded 100 percent by a federal program must complete a semi-annual certification attesting to their performance of grant related duties. Staff members whose salaries are partially paid with a federal grant must prepare monthly personal activity reports. These documents are necessary to verify that funded staff are actually performing allowable grant activities.

Citation: 2 C.F.R. §225 (OMB Circular A-87), Appendix B, Section 8(h): *Compensation for personal services (Support for salaries and wages).*

Required Action: The school must verify the time and activity of staff charged to federal grants. The school must submit a list of FY 2014-2015 federally funded personnel, salaries, funding percentages and appropriate time sheets to date 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 Kathryn Holbrook via phone at (609) 292-0198 or via email at kathryn.holbrook@doe.state.nj.us.