



State of New Jersey
DEPARTMENT OF EDUCATION
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Governor

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DAVID C. HESPE
Commissioner

May 20, 2015

Mr. Vahit Sevinc, School Lead
Passaic Arts and Science Charter School
7 St. Francis Way
Passaic, NJ 07055

Dear Mr. Sevinc:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Passaic Arts and Science Charter School**. The funding sources reviewed include titled programs for the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2013 through December 31, 2014. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Consolidated Monitoring Reports will be posted on the department's website at <http://www.state.nj.us/education/finance/jobs/monitor/consolidated>.

Utilizing the process outlined in the attached "Procedures for Charter Schools Response, Corrective Action Plan and Appeal Process," the Passaic Arts and Science 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:Passaic Arts and Science Charter School CM Cover Letter
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
MAY 2015**

District: Passaic Arts Charter School
County: Passaic
Dates On-Site: January 29 and 30, 2015
Case #: CM-035-14

FUNDING SOURCES

| Program | Funding Award |
|----------------|-------------------------------|
| Title I | \$ 354,624 |
| IDEA Basic | 93,954 |
| IDEA Preschool | 2,592 |
| Total Funds | <hr/> <hr/> <u>\$ 451,170</u> |

**PASSAIC ARTS AND SCIENCE CHARTER SCHOOL
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 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 Passaic Arts and Science 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); and IDEA Basic and Preschool for the period July 1, 2013 through December 31, 2014.

The scope of work performed included the review of documentation including grant applications, program plans and needs assessments, grant awards, annual audits, board minutes, payroll records, accounting records, purchase orders, a review of student records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEPs), a review of student class and related service schedules, interviews of child study team members and speech-language specialists and an interview of the program administrator regarding the IDEA grant, as well as current school policies and procedures. The monitoring team members also conducted interviews with school personnel, reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews.

EXPENDITURES REVIEWED

The grants that were reviewed included Title I and IDEA Basic and Preschool from July 1, 2013 through December 31, 2014. A sampling of purchase orders and/or salaries was taken from each program reviewed.

**PASSAIC ARTS AND SCIENCE CHARTER SCHOOL
CONSOLIDATED MONITORING REPORT
MAY 2015**

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

Title I Projects

Title I funds were used to support teacher salaries and benefits. Title I funds were also used for an after school program, classroom technology and professional development.

IDEA Projects (Special Education)

IDEA funds were utilized to offset the salaries of paraprofessionals and provide professional development for staff.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The use of Title I funds for the salary and benefits of the Curriculum Supervisor housed at the central office is unallowable for the following reasons:

- Not in the Schoolwide Plan;
- The school is required to provide curriculum guidance and oversight;
- Duplication of responsibilities with curriculum supervisor at the Middle School; and
- Supervising areas outside Title I such as Special Education as indicated on the school's published organization chart.

Title I Schoolwide Programs, services and expenditures must be reflected in the approved Schoolwide Plan in order to be considered allowable. To meet the intent and purpose of the Title I legislation, expenditures must be used for programs/services that are "necessary and reasonable" to address issues identified in the school's comprehensive needs assessment.

Citation: ESEA §1111-1127: Improving the Academic Achievement of the Disadvantaged; 34 CFR 200.25: Schoolwide Programs in general; ESEA §1120A(b)(1): Federal Funds to Supplement, Not Supplant, Non-Federal Funds.

Required Action: The school must reverse the Title I expenditures for the salary benefits for the Curriculum Supervisor and allocate state/local funds for those costs. The school must provide evidence of the journal entry to reverse the expenditures to the NJDOE for review.

Finding 2: The school did provide evidence of convening the annual Title I parent meeting. However, the meeting was held on December 18, 2014 which is late in the project period and well beyond the recommended October 15th date.

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

**PASSAIC ARTS AND SCIENCE CHARTER SCHOOL
CONSOLIDATED MONITORING REPORT
MAY 2015**

Required Action: In the future, the school must hold the annual Title I parent meeting in the beginning of the year, no later than mid-October. The school must retain evidence of these meetings (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) as documentation of its compliance with this legislative requirement. In addition, the school must provide the NJDOE with a copy of all supporting documentation for the FY 2015-2016 Title I parent meeting.

Finding 3: Despite ongoing technical assistance provided by the NJDOE, the school's Title I Schoolwide Plan did not meet ESEA legislative requirements. Title I Schoolwide designated schools must submit a current and complete comprehensive plan (Schoolwide Plan) that reflects how the Schoolwide program will implement strategies to meet the intent and purpose of the Title I legislation.

Citation: ESEA §1114(2): Schoolwide Programs; OMB Circular A-87.

Required Action: The school must provide the NJDOE with a revised FY 2014-2015 Title I Schoolwide Plan to include, at a minimum:

- Use of the correct FY 2014-2015 Title I Schoolwide Plan template;
- Complete Fiscal Critical Overview Elements page; and
- Test data for the FY 2013-2014 tested grades.

Finding 4: There was a lack of consistency between the priority problems identified in the Schoolwide Plan submitted to the NJDOE and those identified in the needs assessment of the NCLB Consolidated Application in the Electronic Web Enabled Grants (EWEG) system. All Title I expenditures must align with the priority problems and needs assessment identified in the Schoolwide Plan and match the needs assessment in the NCLB Consolidated Application submission.

Citation: ESEA §1114(2): Schoolwide Programs; OMB Circular A-87.

Required Action: The school must compare the Schoolwide Plan and current NCLB application in EWEG and reconcile the two documents. The business office must reconcile all accounts to reflect the expenditures which coincide with the priority problems and needs assessments reflected in the Schoolwide Plan and EWEG and provide the NJDOE with an accurate reconciliation report.

Finding 5: The use of Title I funds to support a program that charges a tuition fee for students to access services is unallowable. In a Title I Schoolwide Program, all students must have access to Title I funded programs and services. The school's Saturday Academy is identified as a Title I funded program because Title I funds are used to pay teacher stipends and purchase supplies. However, students regardless of income, must pay a \$50 fee to participate in the program. The fee is refunded to parents at the end of the year if their child has perfect attendance; however, if perfect attendance is not achieved the fee is forfeited and applied to an end of year trip to Dorney Park for those students achieving perfect attendance. The school representative indicated that, if

**PASSAIC ARTS AND SCIENCE CHARTER SCHOOL
CONSOLIDATED MONITORING REPORT
MAY 2015**

a parent could not afford the fee it was waived. However, the fee waiver information is not prominently displayed in information advertising the Saturday Academy, which may deter parents from accessing this Title I service for their children.

Citation: ESEA §1114: Schoolwide Programs; 34 CFR 200.25: *Schoolwide Programs in general*; GEPA §427 Ensuring Equitable Access.

Required Action: The school cannot charge a fee for students to access Title I programs. Therefore, the school must reverse all expenditures and allocate state/local funds rather than using Title I funds to support the Saturday Academy. The school must provide evidence of the adjusting journal entry to reverse the expenditures to the NJDOE for review, as well as copies of the revised flyer/letter of notification/invitation to parents.

Finding 6: The use of Title I funds to provide stipends for teachers not meeting the highly qualified (HQ) requirements is an unallowable expenditure. Two teachers employed in the Saturday Academy did not meet the HQ requirements to teach either English language arts/literacy or Mathematics.

Citation: ESEA 1119: Qualifications for Teachers and Paraprofessionals.

Required Action: The school must reverse the Title I funds used for the stipends of the two teachers working in the Saturday Academy, and provide evidence of the adjusting journal entry to the NJDOE for review. In addition, the school must identify teachers who meet the HQ requirements in English language arts/literacy and Mathematics to replace the teachers who do not meet the HQ requirements.

IDEA (Special Education)

Finding 7: The school did not consistently provide parents of students referred and/or eligible for special education and related services and students referred and/or eligible for speech-language services notice of a meeting for identification, eligibility, reevaluation planning and IEP team meetings.

Citation: N.J.A.C. 6A:14-2.3(k)3,5; 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

Required Action: The school must provide parents notice of a meeting in writing 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 speech-language specialists 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 the provision of notice of a meeting for meetings conducted between June 2015 and October 2015, and to review the oversight procedures.

**PASSAIC ARTS AND SCIENCE CHARTER SCHOOL
CONSOLIDATED MONITORING REPORT
MAY 2015**

Finding 8: The school did not consistently conduct identification meetings within 20 calendar days of receipt of a written request for evaluation for special education and related services and for speech-language services to determine if an evaluation was warranted.

Citation: N.J.A.C. 6A:14-2.5(b)6; 3.3(e) and 3.6(b).

Required Action: The school must ensure identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation from meetings conducted between June 2015 and October 2015, and to review the oversight procedures.

Finding 9: The school did not consistently 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 school must ensure a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining a written 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 school must conduct training for speech-language specialists 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 referred for speech-language services between June 2015 and October 2015, and to review the oversight procedures.

Finding 10: 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 and for students referred for speech-language services. Initial evaluation reports did not contain a teacher interview, 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 speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. The school is referred to the sample

**PASSAIC ARTS AND SCIENCE CHARTER SCHOOL
CONSOLIDATED MONITORING REPORT
MAY 2015**

report form for speech-language evaluations which is located at: www.state.nj.us/education/specialed/form. Monitors from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students evaluated between June 2015 and October 2015, and to review the oversight procedures.

Finding 11: The school did not consistently document all required considerations and statements in the IEPs of students eligible for special education and related services and students eligible for speech-language services.

IEPs developed did not consistently include:

- student's strengths, and how the students disability affect his/her progress in general education;
- results of most recent evaluation (speech-language services only);
- statement of how parents will be informed of student's progress (speech-language services only);
- statement of supports for school personnel (speech-language services only);
- participation in district wide assessments; and
- approved accommodations and modification on district wide assessments.

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 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 the revised IEPs, along with a sample of IEPs for students whose annual review meetings were conducted between June 2015 and October 2015, and to review the oversight procedures. For assistance with correction of noncompliance, the school is referred to the state IEP sample forms which are located at: www.state.nj.us/education/specialed/form.

Finding 12: The school did not consistently convene identification meetings with required participants for students referred and/or eligible for special education and related services and for students referred and/or eligible for speech-language services.

Citation: N.J.A.C 6A:14-2.3(k)1(i-vii), 2(i-x); 3.3(e); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

Required Action: The school must ensure all meetings are conducted with required participants and documentation of participation is maintained in students' records. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists and develop an oversight

**PASSAIC ARTS AND SCIENCE CHARTER SCHOOL
CONSOLIDATED MONITORING REPORT
MAY 2015**

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 June 2015 and October 2015, and to review the oversight procedures.

Finding 13: The school did not obtain written parental consent to evaluate prior to conducting assessments as part of an initial evaluation of students referred for speech-language services.

Citation: N.J.A.C. 6A:14-3.4 (a)3(b).

Required Action: The school must ensure it obtains parental consent to evaluate prior to conducting assessments for initial evaluations. In order to demonstrate correction of noncompliance, the school 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 documentation of written parental consent for assessments conducted between June 2015 and October 2015, and to review the oversight procedures.

Finding 14: The school does not employ child study team members who are employees of a local education agency. Primary 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 or contracts with child study members in accordance with the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff and review documentation that demonstrates inclusion of a learning disabilities teacher consultant and a school psychologist on the child study team.

Finding 15: The school did not consistently provide written notice following identification meeting to parents of students referred for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(f-i); 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

Required Action: The school must ensure that parents are provided written notice of a meeting that contains all required components within 15 calendar days of the meeting. In order to demonstrate correction of noncompliance, the school must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review copies of written notice provided to parents following meetings conducted between June 2015 and October 2015, and to review the oversight procedures.

Finding 16: The school did not consistently ensure that students were found eligible for speech-language services in accordance with the criteria set forth for each disability category found in

**PASSAIC ARTS AND SCIENCE CHARTER SCHOOL
CONSOLIDATED MONITORING REPORT
MAY 2015**

N.J.A.C. 6A:14. Specifically, the school did not document in either the initial IEP or in eligibility documentation the criteria used to determine eligibility for speech-language services.

Citation: N.J.A.C. 6A:14-3.5(a-c) and 3.6(a-c).

Required Action: The school must ensure students found eligible for special education and related services and speech-language services meet the criteria for one or more of the disability categories as defined in N.J.A.C. 6A:14-3.5(c) and 3.6(a-b) and that the criteria used to determine eligibility is maintained in the initial IEP or eligibility documentation. In order to demonstrate correction of noncompliance, the school must conduct training for speech-language specialists 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 from meetings conducted between June 2015 and October 2015, and to review the oversight procedures.

Administrative

Finding 17: The school charged several expenditures for equipment to the incorrect general ledger accounts. Asset purchases in excess of \$2,000 must be charged to equipment and not supplies.

Citation: *Uniform Minimum Chart of Accounts (Handbook 2R2);* EDGAR, PART 80-*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Required Action: The school should ensure that expenditures are charged to the appropriate general ledger account in accordance with the Uniform Minimum Chart of Accounts.

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.