



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

September 23, 2015

Dr. Jordan Schiff, Superintendent
Hillsborough Township School District
379 South Branch Road
Hillsborough, NJ 08844

Dear Dr. Schiff:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Hillsborough Township 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, 2014 through April 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 Hillsborough Township 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 Kathryn Holbrook at (609) 292-0198.

Sincerely,

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

RJC/KH/dk: Hillsborough Twp. BOE Cover Letter /consolidated monitoring
Enclosures

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HILLSBOROUGH TOWNSHIP SCHOOL DISTRICT
379 SOUTH BRANCH ROAD
HILLSBOROUGH, NJ 08844
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
SEPTEMBER 2015**

District: Hillsborough Township School District
County: Somerset
Dates On-Site: April 13 and 14, 2015
Case #: CM-038-14

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 173,581
Title II, Part A	92,220
Title III	37,347
Title III Immigrant	18,128
IDEA Basic	1,617,303
IDEA Preschool	51,179
Race To The Top	17,694
Total Funds	<u>\$ 2,007,452</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 Hillsborough Township 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); Title III; Title III Immigrant; IDEA Basic and Preschool; and Race to the Top for the period July 1, 2014 through April 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, and current district 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 district 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, Title II, Title III, Title III Immigrant, IDEA Basic and Preschool, and Race to the Top for the period July 1, 2014 through April 14, 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, TITLE III,
TITLE III IMMIGRANT AND IDEA FUNDS**

Title I

The district operates Targeted Assistance programs in its four Title I funded schools: Sunnymead Elementary School, Woodfern Elementary School, Hillsborough Elementary School, and Triangle Elementary School. The district identified English Language Proficiency, English Language Arts, and Mathematics for Limited English Proficient and all students as priority problems.

Title II

The district used Title II funds to fund a variety of on-site, off-site and Professional Learning Communities (PLC) professional development opportunities that align with the identified needs in the district professional development plan. Some uses of these funds included payment to teachers to be trained to teach Family Mathematics and Science concepts and strategies to parents; “You and Me and the PLC” Summer Institute; Teachers as Scholars at Princeton University; and the Next Generation Science Standards Summer Institute.

Title III

The district used Title III funds for summer school for English language learners and professional development.

Title III Immigrant

The district used Title III Immigrant funds to provide parents of English language learners with family mathematics and science activities.

IDEA (Special Education)

The district used a majority of FY 2014-2015 IDEA funds to pay salaries of professionals who worked with students with disabilities and to reduce district tuition expenditures for students receiving special educational services in approved private schools for students with disabilities. IDEA funds were also allocated for instructional supplies and materials for students with disabilities. The remainders of the IDEA funds were allocated to support students who attend nonpublic schools located within the district.

Race to the Top

The district used Race to the Top funds for the implementation of the Common Core State Standards and professional development to support transition to the standards.

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DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The notification letters sent to the parents/guardians of identified Title I students did not include clearly defined entrance and exit criteria. The parents/guardians of identified Title I students must be informed of the multiple educationally related and developmentally appropriate criteria used to identify their child/children for Title I services.

Citation: ESEA §1115(b)(B): *Targeted Assistance Schools (Eligible Children from Eligible Population)*.

Required Action: The district's Title I schools must revise their parental notification letters to include clearly defined entrance and exit criteria. The district must provide a copy of each school's revised parental notification letter to the NJDOE for review.

Finding 2: The district was unable to provide evidence of the date the 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 in the academic performance and achievement of their children.

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

Required Action: For the 2015-2016 school year, the district must ensure that it distributes the written parental involvement policy to all parents/guardians of identified Title I students in all four of its funded Title I schools. The district must submit evidence of distribution to the NJDOE for review.

Finding 3: The district was unable to provide documentation that its Title I schools formally convened the annual Title I parent meeting. In a Title I targeted assistance program, all parents/guardians of identified Title I students are entitled to be informed about the school's Title I program, 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 the 2015-2016 school year, each of the district's Title I schools must convene the annual Title I parent meeting for the parents/guardians of participating students. The district must submit documentation of each school's meeting (e.g., invitational letter/flyer, agenda, meeting minutes, sign in sheets) to the NJDOE for review.

Finding 4: The district was unable to provide documentation of its nonpublic school consultation process. Per the legislative requirement, the district must perform due diligence in meeting with nonpublic school officials to ensure that eligible students from the districts'

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attendance areas receive appropriate Title I services by discussing the following: poverty data collected; student identification; and services for eligible students, parents, and teachers.

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

Required Action: For the 2015-2016 school year, 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 forms signed by all consulted parties, and Refusal forms. The district must provide documentation of its consultation process (e.g., invitational letters/flyers, meeting agendas, minutes, sign in sheets) to the NJDOE for review.

Finding 5: In its FY 2014-2015 NCLB-ESEA Consolidated Application on the Electronic Web-Enabled Grant System (EWEG), the district did not report any resident students that attend nonpublic schools. The legislation requires that districts receiving Title I funds provide equitable services to eligible resident nonpublic school students. The district is responsible for counting and entering the nonpublic enrollment numbers and the low-income counts for nonpublic students that reside in its attendance areas. The omission of enrollment data for nonpublic students resulted in inaccurate Title I school-level allocations and deprived eligible resident nonpublic students of critical services.

Citation: ESEA §1120(b)(1)(E)(F): *Participation of Children Enrolled in Private Schools (Consultation).*

Required Action: In its FY 2015-2016 ESEA/NCLB Consolidated Application, the district must demonstrate that it devised a process to locate and document resident students that attend nonpublic schools. The district must report nonpublic enrollment data and nonpublic low-income data in the Title I, Part A portion of the district's FY 2015-2016 Consolidated Application.

Finding 6: The district did not track Title I expenditures by school attendance areas in its accounting system. School-level disaggregation is necessary to ensure the funds spent for Title I schools are consistent with each attendance area's allocation, as recorded on the Title I Eligibility - Step 4 page of the FY 2014-2015 ESEA/NCLB Consolidated Application.

Citation: 34 CFR §80.20: Standards for financial management systems. ESEA §9306(a)(5): *Other General Assurances (Assurances).*

Required Action: The district must expend Title I funds in a manner consistent with its school-level allocations reflected on the FY 2014-2015 ESEA/NCLB Consolidated Application, Title I Eligibility - Step 4 page. Documentation evidencing this tracking for FY 2014-2015 must be submitted to the NJDOE for review.

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Title II

Finding 7: The district spent Title II funds totaling \$210.00 (P.O. #15-02512) on the cost of an individual membership, which is unallowable under federal cost principles.

Citation: 2 CFR 225 (OMB Circular A-87), Attachment B, Section 28: *Selected Items of Cost (Memberships, subscriptions, and professional activity costs)*.

Required Action: The district must reverse the charge for this unallowable expenditure and submit the adjusting entry showing the removal to the NJDOE for review.

Title III

Finding 8: The district's Title III parental notification letter did not include all the required elements. The letter did not include the following:

- the child's academic level;
- how the program will meet the specific needs of students in attaining English and meeting state standards;
- how the methods of instruction differ in content; and
- the expected rate of transition and the expected high school graduation rate.

Citation: ESEA §3302: *General Provisions (Parental Notification)*.

Required Action: The district must revise its 2015-2016 school year Title III parental notification letter and submit the revised letter to the NJDOE for review.

Title III Immigrant

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

IDEA (Special Education)

Finding 9: 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; 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(i),(ii) and (iii).

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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 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 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 NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, along with a random 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 with IEPs that were identified as noncompliant will be provided to the district by the monitor.

Finding 10: The district did not consistently document required participants were in attendance at identification meetings for students eligible for special education and related services. Specifically, the full child study team did not consistently attend the identification meetings.

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

Required Action: The district must ensure meetings are conducted with required participants. 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 sign in sheets, for meetings conducted between December 2015 and February 2016, and to review the oversight procedures.

Finding 11: The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed.

Citation: N.J.A.C. 6A:14-2.3(k)2; 34 CFR §300.322(a)(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 citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, and review meeting invitations for students age 14 and above to meetings conducted between December 2015 and February 2016, and to review the oversight procedures.

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Finding 12: 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) process.

Citation: N.J.A.C. 6A:14-3.3(c).

Required Action: The district must ensure interventions are provided in the general education setting for students exhibiting academic and/or behavioral difficulties prior to referring the student for an evaluation. In addition, 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 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 citation listed above. A monitor from 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 December 2015 and February 2016, and to review the oversight procedures.

Finding 13: The district did not consistently document all required considerations and statements in each IEP for students eligible for special education and related services and speech-language services. Specifically, IEPs did not consistently include identification of a post-secondary liaison for students beginning at age 14.

Citation: N.J.A.C. 6A:14-3.7(c)1-11, (e)1-17, and (f); 6A:14-4.10(a); 20 U.S.C. §1414(d)(3)(A)(B);34 CFR §300.324(a)(1)(2).

Required Action: The district must ensure each IEP contains all required components. 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. 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 NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, along with a random 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 with IEPs that were identified as noncompliant will be provided to the district by the monitor.

Finding 14: The district failed to issue a purchase order prior to services being rendered (confirming orders) on several occasions. District policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

Citation: 34 CFR §80.20: Standards for financial management systems. N.J.S.A. 18A:18A 2(v): Public School Contracts Law.

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Required Action: The district must implement a process to ensure that purchase orders are issued prior to receiving goods and services from vendors.

Finding 15: The district did not obtain board approval for the acceptance of the FY 2014-2015 IDEA award. In addition, the amended preschool carryover figure approved in the minutes was incorrect. The ESEA requires each district 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 district to go before its board of education 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 §9306(a): *Other General Assurances*. 34 CFR §76.770: A state shall have procedures to ensure compliance.

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

Finding 16: The board of education meeting minutes approving the salaries of employees fully and partially paid by federal funds did not contain all of the required information. 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 CFR §80.20: Standards for financial management systems.

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

Race to the Top

A review of the expenditures charged to the Race to the Top grant yielded no findings.

Administrative

Finding 17: An examination of the district’s general ledger disclosed salary expenditures to account numbers which contained incorrect line items. Specifically, the district recorded Title II and Title III salary expenditures under line items used for other purchased services (200-500) and instructional supplies (100-600), respectively.

The Uniform Chart of Accounts for New Jersey School Districts (Chart of Accounts), as required by N.J.A.C. 6A:23A-16.2(f)(1) designates function/object codes 100-100 to record these expenditures. The use of distinct function/object codes provides an audit trail of the amounts spent for each project.

Citation: N.J.A.C. 6A:23A-16.2(f)(1): Principles and directives for accounting and reporting. 34 CFR §80.20: Standards for financial management systems.

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Required Action: The district must review its expenditures for FY 2014-2015 and transfer all improperly recorded transactions to the appropriate accounts prior to submitting its FY 2014-2015 Final Expenditure Report.

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.