



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

October 13, 2015

Mrs. Olga Hugelmeyer, Superintendent
Elizabeth Board of Education
500 North Broad Street
Elizabeth, NJ 07208

Dear Mrs. Hugelmeyer:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Elizabeth 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 February 28, 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 Elizabeth 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:Elizabeth BOE Cover Letter /consolidated monitoring
Enclosures

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**ELIZABETH BOARD OF EDUCATION
500 NORTH BROAD STREET
ELIZABETH, NJ 07208
PHONE: (908) 436-5000**



New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
OCTOBER 2015**

District: Elizabeth Public Schools
County: Union
Dates On-Site: April 13, 14, 15 and 16, 2015
Case #: CM-039-14

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 7,913,710
IDEA Basic	6,334,809
IDEA Preschool	121,839
Title II, Part A	1,456,232
Title III	1,010,900
Carl D. Perkins	286,937
Total Funds	<u>\$ 17,124,427</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 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 Elizabeth 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; IDEA Basic and Preschool; and Carl D. Perkins for the period July 1, 2013 through February 28, 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, IDEA Basic and Preschool and Carl D. Perkins from July 1, 2013 through February 28, 2015. 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, IDEA AND CARL D. PERKINS FUNDS

Title I Projects

The district utilized Title I funds for teacher salaries and benefits to support summer, afterschool and tutoring programs. In addition, funds were used for instructional supplies and parent involvement programs.

IDEA Projects

The district utilized 15 percent of FY 2013-2014 and FY 2014-2015 IDEA funds for Coordinated Early Intervening Services which included the hiring of Reading Specialists and Learning Disabilities Teacher Consultants, professional development and direct services to students at risk in the areas of reading and language arts. IDEA Basic funds were utilized for both instructional and non-instructional salaries and supplies. Nonpublic funds were utilized for the purchase of instructional supplies, support services, professional development and for the provision of related services.

Carl D. Perkins Funds

The district used Carl D. Perkins funds in FY 2013-2014 and FY 2014-2015 to support 30 Career and Technical Education (CTE) programs in Architectural Drafting and Architectural CAD/CADD (151303), Carpentry/Carpenter (460201), Plumbing Technology/Plumber (46.0503), Music Technology (500913), Dance, General (500301), Commercial Photography (500406), Radio & TV Broadcasting Technology/Technician (100202), Printing Management (100302), Drama and Dramatics/Theatre Arts, General (500501), Management Information Systems, General (521201), Business Administration and Management, General (520201), General Office Occupations and Clerical Services (520408), Education, General (130101), Accounting Technology/Technician & Bookkeeping (520302), Military Technologies & Applied Sciences, Other (299999), Health Unit Coordinator/Ward Clerk (510703), Nursing Assistant/Aide and Patient Care Assistant/Aide (513902), Food Preparation/Professional Cooking/Kitchen Assistant (120505), Cosmetology/Cosmetologist, General (120401), Child Care Provider/Assistant (190709), Computer Programming/Programmer, General (110201), Computer Programming, Vendor/Certification (110203), Computer Graphics (110803), Corrections & Criminal Justice, Other (430199), Chemical Process Technology (410303), Computer Technology/Computer Systems Technology (151202), Electrical, Electronic and Communications Engineering Technology/Technician (150303), Fashion Merchandising (521902), Special Products Marketing Operations (521909), and Auto Body/Collision & Repair Technology/Technician (470603). The district has two programs of study in Engineering, General (140101) and Automobile/Automotive Mechanics Technology/Technician (470604).

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DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district's upload of the Title I School Improvement Plans (SIP) in the FY 2014-2015 ESEA-NCLB Consolidated Application in the Electronic Web-Enabled Grant System (EWEG) for all six focus schools, Thomas Jefferson Arts Academy, John E. Dwyer Technology Academy, T.A. Edison Career and Technical Academy, Admiral W. F. Halsey Health and Public Safety Academy, Number 14 Abraham Lincoln School, and Number 1 George Washington Academy School, was limited to the cover pages only. Additionally, the district uploaded outdated Title I Schoolwide Plans for some of the schools that were lacking key components including fiscal information on the Critical Overview Elements page.

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

Required Action: The schools must revisit, revise, and upload FY 2014-2015 completed SIPs and Title I Schoolwide Plans to address the feedback given at the monitoring visit and the additional technical assistance from NJDOE personnel regarding specific plan deficiencies. At a minimum, the district must upload the complete and revised plans in the amended FY 2014-2015 ESEA-NCLB Consolidated Application. The plans must be aligned to the district's identified needs in FY 2014-2015 ESEA-NCLB Consolidated Application and accurately reflect school program implementation to be considered allowable. If plans are not revised accordingly and the district is audited, Title I funding will be subject to recovery.

Finding 2: The Schoolwide Stakeholder Engagement Committee representation at each school did not consistently include at least one community and one parent representative who were not affiliated with the district's board of education, and a student representative on the high schools' committees. The timing and number of Schoolwide Stakeholder Engagement Committee meetings documented at each school was inconsistent throughout the district.

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

Required Action: The district's Title I schoolwide schools must expand their Title I Schoolwide Stakeholder Engagement Committees to include the aforementioned representatives. The Title I Schoolwide Stakeholder Engagement Committees need to meet at a minimum on a quarterly basis. The district must send an updated list of the stakeholder committee for each of its Title I schoolwide programs to the NJDOE for review. The list must include the person's name and constituent group.

Finding 3: For FY 2014-2015, the Title I participation letter informing parents of Title I students about the targeted assistance program at: Prep Academy School Number 8 did not identify specific multiple entrance and exit criteria used to identify Title I students. Without this information, parents were 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.

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Citation: ESEA §1115: *Targeted Assistance Program*; ESEA §1118(c): *Parental Involvement (Policy Involvement)*.

Required Actions: In its Title I participation letter: Prep Academy School Number 8 must include the specific entrance and exit criteria used for Title I student identification and exit of the program. The district must provide a copy of the school's revised FY 2014-2015 Title I participation letter to the NJDOE for review.

Finding 4: The district limited its identified needs on the Needs Assessment tab in the FY 2014-2015 ESEA-NCLB Consolidated Application to English Language Arts Literacy (CCSS) and Mathematics (CCSS), but did not incorporate the additional needs for which the district is using its Title I funds to address.

Citation: ESEA §1112: *Local Educational Agency Plans*.

Required Action: The district must amend the FY 2014-2015 ESEA-NCLB Consolidated Application to revise the Needs Assessment to accurately reflect and align with the needs of the district students, staff and program implementation identified in the targeted assistance program, SIPs, and Schoolwide Plans and to reflect the use of the district's Title I funds.

Finding 5: The Administration Reserve on Eligibility-Step 4 in FY 2014-2015 ESEA-NCLB Consolidated Application was not consistent with the amount indicated as the total administrative costs on the Administration Costs tab. Additionally, the nonpublic administrative fee (five percent) charged by Union County Education Services Commission was not reflected on the Administrative Costs tab.

Citation: ESEA §1112: *Local Educational Agency Plans*; ESEA §1120: *Participation of Children Enrolled In Private School*.

Required Action: The district must include the amount budgeted on the Title I, Part A Administrative Costs tab on Title I Eligibility - Step 4 of the district's amended FY 2014-2015 ESEA-NCLB Consolidated Application.

Finding 6: On Eligibility-Step 4, School Number 21's (Victor Mravlag) total school allocation equaled \$1,921, but that school was indicated on Step 4 as not being served. As such, the total school allocation for School Number 21 (Victor Mravlag) should be \$0.

Citation: ESEA §1113 *Eligible School Attendance Areas*.

Required Action: In the amended FY 2014-2015 ESEA-NCLB Consolidated Application, the district must adjust the allocation for School Number 21 (Victor Mravlag).

Finding 7: For FY 2014-2015, the costs associated with New Jersey Music Educators Association (\$150) and New Jersey Association for Health, Physical Education, Recreation and Dance (\$170) do

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not align with the district's Needs Assessment. Therefore, these costs were not necessary and reasonable for proper and efficient performance and administration of the district's Title I program. As a result, these expenditures were unallowable.

Citation: ESEA §1112: *Local Educational Agency Plans*; 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 journal entries for the expenditures to the NJDOE for review.

Finding 8: For FY 2013-2014, the costs associated with Title I parental involvement activities for swing night, including food (\$400) and the grandparent's breakfast (\$800.91), were not necessary and reasonable for proper and efficient performance and administration of the district's Title I program. As a result, these expenditures were unallowable.

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 utilize Title I parental involvement funding to impact parents of Title I students to enhance Title I student academic performance. 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 journal entries for the expenditures to the NJDOE for review.

Finding 9: The district did not provide evidence of current Title I school-level parental involvement policies for all Title I served schools. Additionally, the district did not provide evidence that parents had input into the development of the district and school-level Title I parental involvement policy.

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

Required Action: The district must develop, with the input of parents and other associated stakeholders, the district and school-level parental involvement policies. The district must submit evidence of parental input into the development of the FY 2015-2016 Title I district-level and school-level parental involvement policies (e.g., meeting agendas, sign in sheets, minutes) to the NJDOE for review.

Finding 10: For FY 2014-2015, the district provided evidence of school-parent-student compacts, but did not provide evidence that the school-parent-student compacts were developed in conjunction with Title I parents. The absence of parent participation in developing these required documents excluded parents from more active participation in their child's educational program.

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Citation: ESEA §1118(d): *Parental Involvement (Shared Responsibilities for High Student Academic Achievement)*.

Required Action: The district must develop school–parent–student compacts and include the associated stakeholder groups in the development process for FY 2015-2016. For FY 2015-2016, the district must document with meeting agendas, minutes, and sign in sheets that Title I parents were involved in the development process. The district must provide copies of this documentation to the NJDOE for review.

Finding 11: For FY 2014-2015, the district did not provide evidence that its Title I schools (School 5, School 8, School 12, School 14, School 27, Thomas Jefferson, Alexander Hamilton and Elizabeth High School) convened the required annual Title I parent meetings. For the other Title I served schools, the documentation for the annual meeting was inconsistent and did not consistently document fulfilling the legislative requirements. Not discussing the Title I legislation and the district’s Title I programs at the meetings did not provide parents of Title I students with the necessary information to be vested in the Title I process from the start.

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

Required Action: The district must ensure that its Title I schools convene and sufficiently document their FY 2015-2016 annual Title I meetings for the parents/guardians of its identified Title I students no later than mid-October. The district must submit evidence of the meetings (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Finding 12: The district utilized a third-party provider, Union County Educational Services Commission (UCESC), to provide Title I nonpublic services, but the contract does not include per student costs. Additionally, the billing documentation did not consistently specify schools and students served, student attendance, and services received (English Language Arts and/or mathematics) to support payment for services rendered on a monthly basis.

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

Required Action: The district must revisit the contract with UCESC to ensure that the aforementioned items are included in the contract. Also, the district must devise a consistent system of tracking of students and services occurred which should serve as supporting documentation for payment for services rendered. The district must submit evidence of these changes to the NJDOE for review.

Finding 13: The district needs to provide oversight of the nonpublic Title I programming via ongoing communication with UCESC. The Title I nonpublic program did not commence until December 2014, which is late in the project period.

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

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Required Action: The district must provide oversight to ensure the consultation process with the nonpublic schools and the delivery of nonpublic school services for FY 2015-2016 occur in a timely manner and continue on an ongoing basis. The district must send documentation of the consultation process (e.g., invitational letters, agendas, meeting notes, sign in sheets) and the delivery of nonpublic services to the NJDOE for review.

Finding 14: The district used FY 2014-2015 Title I funds to incur service agreement costs for HP ProBook 430 G2 Notebooks covering a three year period when the project period is limited to one year. The additional two years of coverage are considered outside the project period and may not be paid for with FY 2014-2015 Title I funds.

Citation: EDGAR, PART 80---*Uniform Administrative Requirements for Grants and Cooperative Agreement to State and Local Governments*, Section 20, Standards for financial management systems § 200.309, OMB Circular A-87.

Required Action: The district must prorate the three year service agreement for the current project period and back out \$2,180. The district must provide evidence of the adjusting journal entries for the expenditures to the NJDOE for review.

Title II

Finding 15: For FY 2014-2015, the district spent Title II-A funds (P.O. number 15-04575 for \$70,000.00) on full online package Observation School license renewal. The expenditure is unallowable under the federal cost principles.

The district also spent Title II-A funds on (P.O. number 15-04730 for \$36,456.13) subscriptions and licenses for instructional users and non-instructional users for online Professional Development Management and Evaluation System. The cost is unallowable under the federal cost principles.

Citation: ESEA §1112, §1119, §2123: Supplement Not Supplant, ESEA §1120A (b): Fiscal Requirements (Federal Funds to Supplement: Not Supplant. Non-Federal Funds).EDGAR, PART 80---*Uniform Administrative Requirements for Grants and Cooperative Agreement to State and Local Governments*, Section 20, Standards for financial management systems.

Required Action: The district must reverse the FY 2014-2015 unallowable expenditures and charge them to state/local funding. The district must provide evidence of the adjusting journal entries to reverse the expenditures to the NJDOE for review.

Title III

Finding 16: For FY 2014-2015, the district spent Title III funds on (P.O. number 14-10132 for \$1,085.00) 31 individual memberships in a professional organization. Costs for individual memberships are unallowable under the federal cost principles.

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Citation: ESEA §3115: Supplement Not Supplant, ESEA §1120A (b): Fiscal Requirements (Federal Funds to Supplement: Not Supplant. Non-Federal Funds). 2 CFR 225, Attachment B, Item 28: Memberships, subscriptions, and professional activity costs. EDGAR, PART 80--*-Uniform Administrative Requirements for Grants and Cooperative Agreement to State and Local Governments*, Section 20, Standards for financial management systems.

Required Action: The district must reverse the FY 2014-2015 unallowable expenditure and charge it to state/local funding. The district must provide evidence of the adjusting journal entry to reverse the expenditure to the NJDOE for review.

IDEA Program

Finding 17: 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 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 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 18: The district did not conduct meetings within 20 calendar days of receipt of a written request for evaluation for students referred for special education and related services and for students referred for speech-language services. In addition, written requests for evaluations were not consistently maintained in student records.

Citation: N.J.A.C. 6A:14-3.3(e) and 3.3(e)4.

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

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Finding 19: The district did not consistently provide notice of a meeting to parents of students referred and/or eligible for special education and related services and students referred and/or eligible for speech-language services.

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

Required Action: The district 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 district 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 for meetings conducted between September 2015 and December 2015, and to review the oversight procedures.

Finding 20: The district did not consistently provide parents written notice that contains all required components, within 15 calendar days following meetings for students eligible for special education and related services and for students eligible 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 district 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 district 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 copies of written notice sent to parents following meetings conducted between September 2015 and December 2015, and to review the oversight procedures.

Finding 21: The district did not consistently convene 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)1-2; 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 building administrators, 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

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meeting documentation, including the sign in sheets, for meetings conducted between September 2015 and December 2015, and to review the oversight procedures.

Finding 22: The district 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 consistently include observation in a non-testing setting, teacher interview and a review of prior interventions.

Citation: N.J.A.C. 6A:14-3.4(f)4(i and iii) and (g)1-4; 20 U.S.C. §1414(b)(4) and (5); and 34 CFR §300.306(c)(i).

Required Action: The district must ensure all components of the functional assessment are conducted as part of all initial evaluations. In order to demonstrate correction of noncompliance, the district 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 initial evaluation reports for students evaluated between September 2015 and December 2015, and to review the oversight procedures.

Finding 23: The district 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, 3.4(g)3, and 3.6(b).

Required Action: The district must ensure that a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining a 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 district 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 evaluated between September 2015 and December 2015, and to review the oversight procedures.

Finding 24: 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;
- 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

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- 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 that 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 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, along with a 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 25: The district did not consistently document required statements and considerations in the IEPs of students eligible for special education and related services and students eligible for speech-language services.

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

- how the student's disability effects involvement and progress in the general education setting;
- documentation of participation in statewide assessments, and accommodations and modifications for assessments; and
- the frequency, duration and location of counseling 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;
- student's strengths; and
- documentation of participation in statewide assessments, and accommodations and modifications for 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

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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. 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, along with a 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 26: The district did not consistently conduct reevaluation meetings within three years of the previous classification date for students eligible for special education and related services. In addition, the district did not consistently conduct annual review time line meetings within the required one year time line for students eligible for speech-language services.

Citation: N.J.A.C. 6A:14-3.7(i); 20 U.S.C. §1414(d); and 34 CFR §300.324(b)(1).

Required Action: The district must ensure IEP team meetings are conducted within the required time lines to review, revise and determine the placement of each classified student. In order to demonstrate correction of noncompliance, the district 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 eligibility meetings held as part of the reevaluation process between September 2015 and December 2015, review IEPs developed at annual review meetings conducted between September 2015 and December 2015, and to review the oversight procedures.

Carl D. Perkins

Finding 27: The district did not provide an updated articulation agreement signed and dated annually by the lead administrator and college president for their two programs of study; Engineering General (140101) and (2) Automobile/Automotive Mechanics Technology/Technician (470604). The articulations agreements provided were signed in 2012.

Citation: Perkins One-Year Grant Application Guidelines, Section B.1, *Program Plan Information/Program of Study (POS)*; P.L. 109-270 § 134 3(A); 135(b) (2).

Required Action: The district is required to ensure that each program of study has a current articulation agreement established between the secondary school and the postsecondary institution. The signature of the college president is required on each articulation agreement, the number of credits, and the courses for which the credits will be awarded. The articulation agreement should be updated annually and must be effective throughout the program year for which the grantee seeks Perkins funding.

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Finding 28: The district is not offering a coherent sequence of three courses in the General Office Occupations and Clerical Services (520408), Chemical Process Technology (410303), and Education, General (130101) Career and Technical Education (CTE) programs that are being supported with Perkins funds.

Citation: N.J.A.C. 6A: 19-3.1.6 (i) Program Requirements.

Required Action: The district must ensure that program curriculum is developed with a coherent sequence of not fewer than three identifiable courses for all CTE programs supported with Perkins funding. Programs and course sequence information should be available for students, teachers, guidance counselors, administrators and parents.

Finding 29: The purchase orders reviewed contained CIP Codes which were of an erroneous nature and not from the district's list of approved programs. Specifically, the Johnson's Restaurant Equipment Inc. (P.O. 14-06221) was charged to CIP code 421909. The Allegheny Educational Systems, Inc. (P.O. 14-07817) was charged to CIP Code 110305. The CIP Codes do not relate to an approved CTE program offered by the district. As a result, it could not be determined if the costs were reasonable, necessary or allocable to the federal award. All costs must be adequately documented to be considered allowable in accordance with federal cost principles.

Citation: Carl D. Perkins One-Year Grant Application Guidelines, Section E 2.134; 2 CFR 225 Attachment A, Section C.1.: Factors affecting allowability of costs. 34 CFR 80.20: Standards for financial management systems. N.J.S.A. 18A:19-2: Requirements for payment of claims; audit of claims in general.

Required Action: The district must provide adequate documentation supporting these charges to the NJDOE, or remit all unsupported charges not previously remitted under a separate finding to the NJDOE. Going forward, all payments to vendors charged to the Perkins grant must contain the correct CIP code, be supported by a vendor prepared invoice, which is to be maintained as part of the district's accounting records.

Finding 30: The district's equipment purchased with Perkins funds did not have a visible, permanently attached, numbered inventory tag identifying the federal funding source. Multiple equipment units were not tagged appropriately.

Citation: OMB Circular A-87; EDGAR 80.32.; Carl D. Perkins One-Year Grant Application Guidelines, Section D: 3.8, Equipment.

Required Action: The district must place visible, permanently attached, numbered inventory tags on all equipment. Any unit purchased which consists of multiple pieces must be tagged with sequential numbers. Perkins funded equipment must be labeled as "Perkins" funded equipment. The district must ensure that equipment purchased with Perkins funds is utilized primarily in the CTE program or program of study for which it was approved.

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Finding 31: The district's fiscal records were not readily accessible during the on-site monitoring visit. The cooperation of grantees is essential for the purpose of obtaining relevant information during audits. It includes access to records and district personnel without unreasonable restrictions.

Citation: 34 CFR 75.910: Cooperation with audits; and 34 CFR 80.20: Standards for financial management systems.

Required Action: The district must implement procedures to ensure that reports and records from its financial management system, as well as all required supporting documents are compliant, accurate, complete and readily available for review.

Administrative

Finding 32: 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: The district must issue purchase orders to all vendors prior to goods or services being provided.

Finding 33: For employees charged to federal grants, the board minutes contained some, but not all of the required information such as funding grant, account number, position, annual/funded salary and percentage charged.

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 should update its internal controls to ensure that the board minutes contain the required information.

Finding 34: The district is claiming an extraordinary unspecifiable services (EUS) exemption from the public bidding requirements of New Jersey's Public School Contracts Law (PSCL) for several contracts including consulting, professional development services and digital learning software. Per N.J.S.A. 18A:18A-5 the EUS bid exception is for services which cannot reasonably be described by written specifications. The regulation also states that the "exception as to EUS services shall be construed narrowly in favor of open competitive bidding where possible." The contracts noted above do not meet the standards to be considered an EUS. In addition, procurement regulations for federal programs do not include all the exemptions allowed under PSCL. Therefore, it is the NJDOE's understanding that all goods and services purchased with federal funds must be purchased through a competitive process, whether exempt by PSCL or not.

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Citation: EDGAR, PART 80---*Uniform Administrative Requirements for Grants and Cooperative Agreement to State and Local Governments*, Section 20, Standards for financial management systems. N.J.S.A. 18A:18A-5.

Required Action: The district must comply with the regulations of the PSCL. Purchases made with federal funds should be procured through a competitive process.

Recommendation 1: The district currently does not have a qualified purchasing agent (QPA). Not having a QPA lowers the bid and quote thresholds for purchases under PSCL potentially resulting in more work for the purchasing department.

Citation: N.J.S.A. 18A:18A-3.

Recommended Action: The district should encourage one or more current staff members to obtain the QPA certification.

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.