



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

August 11, 2015

Mr. June Chang, Chief School Administrator
Summit Board of Education
14 Beekman Terrace
Summit, NJ 07901

Dear Mr. Chang:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Summit 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 May 6, 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 Summit 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:Summit BOE Cover Letter /consolidated monitoring
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
AUGUST 2015**

District: Summit Public Schools
County: Union
Dates On-Site: May 6, 2015
Case #: CM-042-14

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 327,519
Title II, Part A	53,288
Title III	42,213
IDEA Basic	1,186,184
IDEA Preschool	30,524
Total Funds	<u>\$ 1,639,728</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 Summit 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; and IDEA Basic and Preschool for the period July 1, 2014 through May 6, 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, and IDEA Basic and Preschool for the period July 1, 2014 through May 6, 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 AND IDEA FUNDS

Title I

The district operates targeted assistance programs in its four Title I funded schools: Jefferson Elementary School, Summit High School, Summit Middle School, and Washington Elementary School. The district identified Closing the Achievement Gap, English Language Proficiency, English Language Arts, and Mathematics for all students, English Language Learners, economically disadvantaged students and racial/ethnic minorities as priority problems.

Title II

The district dedicates their Title II funds to support a class size reduction teacher. In addition, a portion of Title II funds is used to provide professional development to teachers with a concentration in English language arts.

Title III

The district uses Title III funds for supplemental staff salaries, professional development, extended day and summer programs and parent programs.

IDEA (Special Education)

The district used a majority of FY 2014-2015 IDEA funds 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 remainder of the IDEA funds were allocated to support students who attend nonpublic schools located within the district.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

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

Item	Description	Amount
1	Morris Union Juncture (PO #14-2805)	\$816.50
2	Salaries (Instructional Facilitator and Coaches)	\$108,023.41
3	Dennis Daniels (PO #14-1756)	\$250.00
4	Montclair (PO #14-2079)	\$342.00
	Total	\$109,431.91

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

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

Required Action: At the time of monitoring, the district reversed the above charges. No further action is required.

Finding 2: The district could not provide documentation that the district's Title I schools were running viable targeted assistance programs. The legislation stipulates that schools give primary consideration to providing extended learning time, as well as minimizing the removal of students from the regular classroom during regular school hours.

Citation: ESEA §1115(c)(C)(i-ii): *Targeted Assistance Schools (Components of a targeted assistance school program).* §1120A(b): *Fiscal Requirements (Federal funds to supplement, not supplant, non-federal funds).*

Required Action: The district's Title I schools must immediately update and restructure their Title I programs to reflect the legislative requirements by providing services to identified Title I students, with an emphasis placed on extended learning opportunities (before/after school programs, summer, or transitional programs). For each of its Title I schools, the district must submit to the NJDOE a program description that includes the multiple measures used to identify participating Title I students, how students will be assessed, and the frequency of these assessments. Lastly, each school's description must provide the entrance and exit criteria for the Title I program.

Finding 3: The district could not provide evidence that its Title I schools issued notification letters sent to the parents/guardians of identified Title I students, a list of each school's Title I eligible students to include identification measures, documentation related to areas of deficiency tied to English language arts and mathematics, documentation of services provided to identified Title I students, and a list of Title I funded teachers. In a targeted assistance program, the school district must ensure that there are mechanisms in place to provide supplemental instruction to students who are most academically at-risk of not meeting state academic standards.

Citation: ESEA §1115(b)(B): *Targeted Assistance Schools (Eligible children from eligible population).*

Required Action: For FY 2015-2016, the district's Title I schools must devise and distribute parental notification letters listing clearly defined entrance and exit criteria to include provision of service to the parents of identified Title I students. The district must

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also provide to the NJDOE a narrative of its schools' Title I program and a list of all funded Title I staff.

Finding 4: The district could not provide evidence as to when the district's 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, as well as being informed of ways they can further engage themselves in the academic performance and achievement of their children.

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

Required Action: For FY 2015-2016, the district must distribute its 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 5: The district could not provide evidence that its Title I schools 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 FY 2015-2016, each of the district's Title I schools must convene the annual Title I meeting for the parents/guardians of Title I 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 6: The district could not provide documentation of its process to consult with nonpublic schools that enroll resident students. Per the legislative requirement, the district must consult with nonpublic school officials to ensure that eligible students from the district's Title I attendance areas receive equitable services. During the consultation meeting, the district must discuss the following: collection of poverty data, identification criteria for student eligibility, and the services for eligible students, their parents and their teachers.

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

Required Action: For FY 2015-2016, the district must formalize and maintain documentation of its nonpublic consultation process. The district must retain signed/certified receipts of its correspondence to nonpublic schools, copies of Affirmation of Consultation signed by all consulted parties, refusal forms, meeting

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agendas, minutes, and sign in sheets. The district must submit copies of the above documentation to the NJDOE for review.

Title II

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

Title III

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

IDEA (Special Education)

Finding 7: 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).

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 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 the NJDOE will conduct an on-site visit to interview staff and 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.

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Finding 8: The district did not consistently ensure that required participants were in attendance at IEP team meetings for students eligible for special education and related services who attend an out-of-district placement.

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 that IEP team meetings for students in out of district placements are conducted with required participants and that documentation of attendance and/or written parental consent to excuse a member of the team is maintained in each students file. 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 documentation, including the sign in sheets, for meetings conducted between December 2015 and February 2016, and to review the oversight procedures.

Administrative

Finding 9: The district did not obtain the requisite board approvals for the acceptance of certain FY 2014-2015 federal awards. Also, the actual dollar amounts of carryover and amended awards were omitted from the board meeting minutes provided for examination. 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 § 2122: *Local Application and Needs Assessment*.

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

Finding 10: On several occasions, the district failed to issue a purchase order prior to services being rendered (confirming order) in contravention of state regulations. It is imperative that purchase orders are issued by the purchasing agent to: authorize vendors to provide goods and perform services to the district; reduce the duplication of items and services acquired; and avoid the likelihood of overpayment to vendors.

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

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

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Finding 11: The district routinely reimbursed employees without sufficient documentation to verify individual out-of-pocket expenses. As a result, it could not be determined if certain costs were reasonable, necessary or allocable to the various federal awards. The exceptions noted were immaterial in nature; however, all costs must be adequately documented to be considered allowable in accordance with federal cost principles.

Citation: 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 should update its internal control policies to ensure reimbursements requested by employees are fully itemized, adequately documents and verified to prevent potential errors from occurring.

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.