



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 16, 2015

Mr. Gregory Tatum, Superintendent
Township of Union Public Schools
2369 Morris Avenue
Union, NJ 07083

Dear Mr. Tatum:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Township of Union 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 May 21, 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," Township of Union 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: Township of Union BOE Cover Letter /consolidated monitoring
Enclosures

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TOWNSHIP OF UNION PUBLIC SCHOOLS
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
OCTOBER 2015**

District: Township of Union Public Schools
County: Union
Dates On-Site: May 20 and 21, 2015
Case #: CM-043-14

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 840,011
Title II, Part A	207,682
Title III	79,285
IDEA Basic	1,807,903
IDEA Preschool	50,624
Race to the Top	66,245
Carl D. Perkins	45,101
Total Funds	<u>\$ 2,257,680</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 Township of Union 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; Race to the Top; and Carl D. Perkins (Perkins) for the period July 1, 2013 through May 21, 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, IDEA Basic and Preschool, Race to the Top, and Perkins for the period July 1, 2013 through May 21, 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, RACE TO THE TOP, CARL D. PERKINS AND IDEA FUNDS

Title I

The district operates targeted assistance programs in its five Title I funded schools: Franklin School, Burnet Middle School, Union High School, Jefferson (Central 5) Elementary School, and Hannah Caldwell Elementary School. The district identified Closing the Achievement Gap, English Language Arts and Mathematics for all students as priority problems.

Title II

The district used the Title II funds for part of the salaries for three teachers who were hired to reduce the class size. The district also used Title II funds for professional development and supplies related to English Language Arts.

Title III

The district used Title III funds for supplies, technology, professional development, and after school tutoring.

IDEA (Special Education)

The district used the 2014-2015 IDEA Basic funds to reduce district tuition costs for students receiving special education services in approved private schools for the disabled.

Race to the Top

The district used Race to the Top funds for professional development and technology to transition to the Common Core State Standards and the implementation of teacher and leader evaluation systems.

Carl D. Perkins

Union High School is currently approved to operate the following Career and Technical Education (CTE) programs/program of study: Architectural Drafting and Architectural CAD/CADD (CIP 15.1303); Carpentry/Carpenter (CIP 46.0201); Commercial and Advertising Art (CIP 50.0402); Radio and Television Broadcasting Technology/Technician (CIP 10.0202); Management Information Systems, General (CIP 52.1201); Health Services/Allied Health Sciences, General (CIP 51.0000); and Cosmetology/Cosmetologist, General (CIP 12.0401).

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DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: In FY 2014-2015, the district received approximately \$800,000 dollars in Title I funds. The district was previously monitored in 2010; however, as a result of this current monitoring visit it was noted that many of the issues cited in the 2010 ARRA Monitoring Report were not corrected per the Required Action indicated in the report. The Code of Federal Regulations (EDGAR) requires, “effective control over and accountability for all funds.” Additionally, the law further stipulates, “recipients shall adequately safeguard all assets and assure they are used solely for authorized purposes.”

Citation: 34 CFR §80.20(b)(3): Standards for financial management systems.

Required Action: The district must provide documented evidence that it has fully addressed all monitoring findings. Until such documentation is provided to the NJDOE for review, the district’s Title I funds will be placed on hold.

Finding 2: The district’s use of Title I funds for the following expenditures supplanted state/local funds:

Item	Description	Amount
1	Developmental Studies Center (PO #15-02384)	\$1,056.00
2	Developmental Studies Center (PO #15-02393)	\$4,816.64
3	CDW Government, Inc. (PO #15-02472)	\$10,355.00
	Total	\$16,227.64

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: *Fiscal requirements (Federal funds to supplement, not supplant, non-federal funds).*

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 accounting entry for the expenditures to the NJDOE for review.

Finding 3: The district could not provide documentation that the district’s Title I schools were running viable targeted assistance programs. The district offered summer credit recovery, Foundations Classes (replacement program), and pull-out tutoring programs where students were missing physical education, health, or an elective period. The legislation stipulates that schools

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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)*. ESEA §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 program to reflect the legislative requirements by providing services to identified Title I students with an emphasis placed on providing extended learning opportunities (before/after school programs, summer, or transitional programs). The district must submit to the NJDOE a program description of each school's Title I program 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 4: The district provided documented evidence that for the district's afterschool and summer enrichment programs, the district did not offer/provide transportation for its identified Title I students. As a result, the district could not ensure that it performed its due diligence in removing potential barriers to student learning and achievement for its identified Title I students.

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

Required Action: The district must consider providing, and possibly funding, transportation for its extended learning opportunities in an effort to meet the intents and purposes of the legislation. The district must submit the updated program proposal to ensure that all identified Title I students have access to attend extended learning opportunities provided by the district to the NJDOE for review.

Finding 5: 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)(1)(B): *Targeted assistance schools (Eligible children from eligible population)*.

Required Action: For the 2015-2016 school year, the district's Title I schools must devise and distribute its parental notification letters listing clearly defined entrance and exit criteria to include provision of service. The district must submit a copy of each

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school's parental notification letter to the NJDOE for review. Additionally, the district must submit to the NJDOE a list of its Title I eligible students, a narrative of each school's Title I program and a list of all funded Title I staff.

Finding 6: During the scheduled on-site monitoring visit, the district could not provide evidence as to when its Title I written parental involvement policy was distributed. Per the legislative requirement, parents/guardians have a right to be involved in the development of the written parental involvement policy, as well as 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 its written parental involvement policy to all parents/guardians of identified Title I students in each of its Title I schools. The district must submit evidence of distribution to the NJDOE for review.

Finding 7: During the scheduled on-site monitoring visit, 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 the 2015-2016 school year, 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 8: During the scheduled on-site monitoring visit, the district provided documented evidence that its distributed Parents' Right-to-Know Letter did not contain the completed date (month, day, and year). Additionally, many of the Parents' Right-to-Know letters were distributed late in the school year. The legislation stipulates that parents must be informed of the professional qualifications of the student's classroom teachers at the beginning of the school year and in a timely manner.

Citation: ESEA §1111(h)(6)(A)(i-iv): *State Plans (Parents right-to-know).*

Required Action: For the 2015-2016 school year, the district must distribute its Parents' Right-to-Know letter at the beginning of the school year to include being completely dated (month, day, and year). The district must submit evidence of distribution to the NJDOE for review.

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Finding 9: 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 Title I 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 the 2015-2016 school year, 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 agendas, minutes, and sign in sheets. The district must submit copies of the above documentation to the NJDOE for review.

Finding 10: The district did not budget, nor charge the administrative costs incurred on behalf of third-party nonpublic service providers to the district's five percent administrative costs allocation.

Citation: 34 CFR §200.77: *Reservation of funds by an LEA.*

Required Action: The district must ensure the administrative costs of third-party nonpublic service providers are included as part of the required reserve allocation of the district.

Title II

Finding 11: The Title II Principal Training and Recruiting Funds are for teacher and/or principal professional development and cannot be used for student use or activities that the district would otherwise implement in the absence of these funds. Therefore, the district's use of FY 2014-2015 Title II funds totaling \$539.49 (PO #15-01533) to acquire various mathematics supplies for students supplanted other funding sources.

Citation: ESEA §2123(b): *Local use of funds (Supplement, not supplant).*

Required Action: The district must reverse the disallowed cost and submit adjusting entry showing removal to NJDOE for review.

Finding 12: Based on the documentation provided, the reviewer was unable to determine if the three teachers paid from Class Size Reduction funds were supplemental to the existing staff.

Citation: ESEA §2123(b): *Local use of funds (Supplement, not supplant).*

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Required Action: The district must submit documentation supporting the class size reduction teachers as supplemental to the staff the district has in place; or reverse all charges to the FY 2014-2015 Title II grant for these teachers and submit adjusting entries to the NJDOE for review.

Title III

Finding 13: The district's Title III parental notification letter is missing the following elements:

- Why the child was identified as LEP and why the child needs to be placed in a language instructional educational program that will assist the child to develop and attain English proficiency and meet state standards;
- The child's level of English proficiency, how such level was assessed, and the child's academic level;
- How the program will meet the specific needs of the child attaining English and meeting state standards;
- The program's exit requirements, the expected rate of transition into a classroom not tailored for LEP students, and in the case of high school students, the expected rate of graduation; and
- How the instructional program will meet the objectives of an individualized education program of a child with a disability.

Citation: ESEA §3302: *Parental Notification*.

Required Action: The district must revise the Title III parental notification letter and submit a copy to the NJDOE for review.

IDEA (Special Education)

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

Race to the Top

Finding 14: A review of the district's general ledger records disclosed that program code 468 was incorrectly used to record Race to the Top expenditures. The Uniform Chart of Accounts for New Jersey School Districts, as required by N.J.A.C. 6A:23A-16.2(f)(1) designates program codes 290-291 for recording transactions in the general ledger.

Citation: Uniform Minimum Chart of Accounts for New Jersey Public Schools Chart of Accounts. N.J.A.C. 6A:23A-16.2(f)(1): Principles and directives for accounting and reporting.

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Required Action: The district must establish accounts with appropriate program codes for recording transactions in the general ledger.

Recommendation 1: During the two-year period reviewed by the monitors, the district had not spent any Race to the Top funds. A balance of \$1,245 has been carried forward since 2012-2013 and the district is in jeopardy of having to return any unused funds after November 30, 2015, the end of the grant period.

Citation: 34 CFR §80.20: Standards for financial management systems.

Required Action: The district is advised to identify and implement the necessary programs to use the remaining Race to the Top funds, or release those funds back to the NJDOE at the end of the grant period.

Carl D. Perkins

Finding 15: The district used Perkins grant funds totaling \$1,132 and \$1,380 during FY 2013-2014 and FY 2014-2015, respectively, for individual teacher and student CTSO membership fees, a disallowed cost.

Citation: Carl D. Perkins One-Year Grant Application Guidelines (Guidelines), Section D, 3.9: *Non-Allowable Costs*.

Required Action: The district must remit the FY 2013-2014 disallowed charges to NJDOE and reverse the FY 2014-2015 disallowed charges and submit the adjusting entry removing the disallowed charges to the NJDOE for review.

Administrative

Finding 16: The district routinely paid vendors without sufficient after the fact invoices or other documentation verifying the services were provided. 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. 18A19-2: Requirements for payment of claims; audit of claims in general.

Required Action: The district should update its internal control policies to ensure no payments are made to vendors without an after the fact invoice is received and verified to prevent potential errors from occurring.

Finding 17: The district was unable to produce the required supporting documents to verify the activity of staff charged to the grants. The documentation must reflect what the staff is doing, when and where they are working and it must support their funded percentage. This

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documentation is necessary to ensure that grant funded staff are actually performing grant related responsibilities.

Citation: 2 CFR 225 (OMB Circular A-87), Attachment B, Section 8(h): *Compensation for personal services (Support of salaries and wages).*

Required Action: The district must identify staff members whose salaries are supported in whole or in part with grant funds and verify the time and activity of staff charged to the grant. The district must submit sample time sheets utilized during 2014-2015 to the NJDOE for review.

The NJDOE thanks you for your time and cooperation during the monitoring visit and looks forward to a successful resolution of all findings and implementation of all recommendations contained in this report.

If you have any questions, please contact Kathryn Holbrook via phone at (609) 292-0198 or via email at kathryn.holbrook@doe.state.nj.us.