



State of New Jersey
DEPARTMENT OF EDUCATION
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Governor

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Lt. Governor

DAVID C. HESPE
Commissioner

May 23, 2016

Ms. Louise Clarke, Superintendent
Carlstadt-East Rutherford Regional School District
120 Paterson Avenue
East Rutherford, NJ 07073

Dear Ms. Clarke:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Carlstadt-East Rutherford Regional 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 February 29, 2016. 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/compliance/monitor/>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Carlstadt-East Rutherford Regional 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:Carlstadt-East Rutherford Reg. BOE CM Cover Letter
Enclosures

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CARLSTADT-EAST RUTHERFORD REGIONAL SCHOOL DISTRICT
120 PATERSON AVENUE
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
MAY 2016**

District: Carlstadt-East Rutherford Regional School District
County: Bergen
Dates On-Site: April 5 and 6, 2016
Case #: CM-005-15

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 75,216
IDEA Basic	116,256
Title II, Part A	18,727
Total Funds	<u>\$ 210,199</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 Carlstadt-East Rutherford Regional 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); and IDEA Basic for the period July 1, 2014 through February 29, 2016.

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, and IDEA Basic from July 1, 2014 through February 29, 2016. 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 AND IDEA FUNDS

Title I Projects

The district is a one school regional high school. The district conducts a Title I targeted assistance program by providing supplemental labs in both English Language Arts/Literacy and Mathematics. At the time of the on-site visit, the district budgeted its Title I funding for instructional salaries and benefits.

IDEA Projects

IDEA Basic funds are being used to reduce district tuition costs for students receiving special educational services in other public school districts and approved private schools for students with disabilities.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district did not provide evidence of multiple, educationally related, objective criteria to exit students from the Title I program during the school year. Title I schools must have exit criteria in place for students and parents of Title I students to understand why and how the students can exit the Title I services.

Citation: ESEA §1115: *Targeted Assistance Schools*.

Required Action: The district must establish and document the multiple, educationally related, objective exit criteria for Title I students. The district must submit the exit criteria to the NJDOE for review.

Finding 2: The district's' Title I parental notification letters did not include detailed entrance and exit criteria used for student identification and an opt-out option. This information is necessary for parents to understand the reasons their child was selected to participate in the Title I program, and what is needed for their child to exit the program. Additionally, parents need to be informed that their child does not have to participate.

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

Required Action: The district must revise its Title I participation letters to include the specific multiple, educationally related, objective criteria used to identify students for Title I services, and the exit criteria along with language for parents to opt-out of the program. The district must provide copies of its revised FY 2016-2017 Title I participation letters to the NJDOE for review.

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Finding 3: The district did not have a parental involvement program that reflected the requirements of the Title I legislation. There was no evidence that the Title I parental involvement policy and the school-parent compact were developed with parental input. The parental input allows parents and other stakeholders to impact the parental involvement process and identify the unique needs of the parents of Title I students.

Citation: ESEA §1118(a)(2): *Parental Involvement (Local Educational Agency Policy)*; ESEA §1118(d): *Parental Involvement (Shared Responsibilities for High Student Academic Achievement)*.

Required Action: For FY 2016-2017, the district must develop the Title I parental involvement policy and the school-parent compact with parental input. Evidence of parental input into the development of the Title I parental involvement policy and the school-parent compact must be documented with meeting agendas, sign in sheets and minutes, and submitted to the NJDOE for review.

Finding 4: For FY 2015-2016, the district only provided sign in sheets as evidence for the Back-to-School Night Title I supplemental lab sessions. Based on the lack of comprehensive documentation, the monitors were unable to ascertain if the district met the legislative requirements for the Title I annual meeting. Not conducting an annual meeting to explain the Title I legislation and the district's Title I program did not allow parents to be informed and vested in the Title I process.

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

Required Action: The district must convene and sufficiently document its FY 2016-2017 annual Title I meeting for the parents/guardians of participating students no later than mid-October. The district must submit evidence in multiple languages of the meetings (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Finding 5: The district did not conduct outreach to nonpublic schools outside the attendance area that enroll Carlstadt-East Rutherford resident students. Therefore, on the FY 2015-2016 ESEA-NCLB Consolidated Application in Step One of the Title I, Part A Eligibility tab, the district included zeros for nonpublic enrollment and low-income counts, which reflected only the nonpublic schools within the attendance area. As a result, the district's application did not generate funds for equitable services to resident students that attend nonpublic schools outside the district's attendance area.

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

Required Action: The district must contact the nonpublic schools both in and outside its attendance areas that enroll resident students to generate accurate nonpublic enrollment and low-income student data. For FY 2016-2017, the district must contact those nonpublic schools and begin the consultation process to identify eligible Title I, students

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and develop a service delivery plan. The district must send documentation of the consultation process (e.g., invitational letters, agendas, meeting notes, sign in sheets, etc.) to the NJDOE for review. To assist with this process, the district can access the nonpublic school resources on the NJDOE's website which are located at: <http://www.state.nj.us/education/title1/program/private.shtml>.

Finding 6: The district's use of \$1,000 in Title I funds for PARCC training conducted in January 2016 supplanted state/local funds.

Citation: Uniform Guidance 2 CFR 200.430, Compensation-personal services; Uniform Guidance 2 CFR 200.302, Financial Management.

Required Action: The district must reverse the expenditure of Title I funds for the PARCC training and must identify state/local funds for this expenditure. The district must submit evidence of the adjusting journal entry to the NJDOE for review.

Finding 7: For FY 2015-2016, the district provided schedules, not timesheets, for three teachers that did not include all the necessary information (i.e., signatures of employee and supervisor, and percentage of time related to grant activities). Timesheets are necessary to verify that the three Title I teachers were paid in accordance with the Title I services provided and as a percentage of each individual's salary and not a fixed amount.

Citation: Uniform Guidance 2 CFR 200.430, Compensation-personal services.

Required Action: For FY 2015-2016, the district must incorporate all the necessary information (i.e., signatures of employee and supervisor, and percentage of time related to grant activities) in combination with the information indicated on the teachers' schedules. Also, the district needs to revise the board of education minutes to include only the Title I teachers and the amounts charged to Title I. Additionally, the district may need to amend its FY 2015-2016 ESEA-NCLB Consolidated Application to align with the implementation of the grant depending upon the district's decisions regarding Title I funding. The district must submit sample timesheets for FY 2015-2016 to the NJDOE for review. Prior to this, the district should consult the NJDOE's December 2012 guidance on *Time and Effort Reporting for Title I Funded Staff*, which is located at: [http://education.state.nj.us/broadcasts/2012/DEC/18/8649/Time and Activity Reporting.pdf](http://education.state.nj.us/broadcasts/2012/DEC/18/8649/Time_and_Activity_Reporting.pdf) as a resource.

Finding 8: For FY 2015-2016, the district did not develop and distribute the Parents' Right-to-Know Highly Qualified Teacher (HQT) letter to all parents. The Parents' Right-to-Know HQT letter informs all parents of their right to ask about the qualifications of their child's teachers.

Citation: ESEA §1111(h)(6): *State Plans: Reports (Parents' Right-to-Know)*.

Required Action: The district must develop and distribute its Parents' Right-to-Know HQT letter to the parents of all students.

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Finding 9: For FY 2015-2016, the district provided evidence of a school-parent compact policy that did not meet all the legislative requirements. The compact did not have the role of the student.

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

Recommended Action: For FY 2016-2017, the district must develop a consistent school-parent compact that states at a minimum the responsibilities of school and Title I parents. The district must submit a copy of the revised school-parent compact to the NJDOE for review.

Title II

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

IDEA

Finding 10: The district did not consistently ensure that the required participants were in attendance at reevaluation planning and IEP meetings for students eligible for special education and related services placed in separate settings.

Citation: N.J.A.C. 6A:14-2.3(k); 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 that documentation of attendance and/or written parental consent to excuse a member of the team is maintained in student's records. 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 citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review meeting documentation, including the sign in sheets, for meetings conducted between September 2016 and December 2016, and to review the oversight procedures.

Finding 11: The district did not consistently convene reevaluation planning meetings for students referred and/or eligible for special education and related services. Child study team members contacted parents via a telephone call rather than convening a reevaluation planning meeting for students for whom assessments were not necessary to determine continued eligibility.

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

Required Action: The district must ensure all reevaluation planning meetings are conducted with required participants for all students and that documentation of participation is maintained in students' records. In order to demonstrate correction of

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noncompliance, the school 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 the sign in sheets, for meetings conducted between September 2016 and December 2016, and to review the oversight procedures.

Finding 12: 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:

- supplementary aids and services considered and an explanation of why they were rejected;
- comparison of the benefits provided in the regular class and the benefits provided in the special education class; and
- 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.

Citation: N.J.A.C. 6A:14-4.2 (a)8,(ii) and (iii) and 3.7(k).

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 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 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, a random sample of additional IEPs developed at meetings conducted between September 2016 and December 2016, 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 13: The district did not consistently conduct annual review meetings within required timelines for students eligible for special education and related services.

Citation: N.J.A.C. 6A:14-3.7(i); 20 U.S.C. §1414(d)(4)(A)(i); and 34 CFR §300.324(a)(1)(2)

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Required Action: The district must ensure IEP meetings are conducted annually or more often if necessary, to review and revise the 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. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation from annual review meetings conducted between September 2016 and December 2016, and to review the oversight procedures.

Finding 14: The district did not consistently conduct reevaluations within three years of the previous classification date for students eligible for speech-language services.

Citation: N.J.A.C. 6A: 14-3.8(a) and 20 U.S.C. §1414(a)(2)

Required Action: The district must ensure reevaluations are conducted within required timelines with required participants in attendance. 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 documentation of eligibility meetings held as part of the reevaluation process between September 2016 and December 2016, and to review the oversight procedures.

Finding 15: The district did not consistently document all required considerations and statements in the IEPs of students eligible for special education and related services.

IEPs developed did not consistently include:

- results of most recent evaluation; and
- statement of how progress towards annual goals will be measured.

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

Required Action: The district must ensure each IEP contains the required considerations and statements. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and 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 IEPs for students whose annual review meetings were conducted between September 2016 and December 2016, 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.

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Administrative

Finding 16: 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: Uniform Grant Guidance 2 C.F.R. 200.302; N.J.S.A. 18A:18A(2)(v) Public School Contracts Law.

Required Action: Purchase orders should be issued to all vendors prior to goods or services being provided.

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.