



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

January 5, 2016

Dr. Warren Pross, Superintendent
Magnolia School District
420 North Warwick Road
Magnolia, NJ 08049

Dear Dr. Pross:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the Magnolia School District. 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 November 9, 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 Magnolia School District 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 Carla Spates at (609) 984-5909.

Sincerely,

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

RJC/CS/dk: Magnolia Cover Letter /consolidated monitoring
Enclosures

www.nj.gov/education

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MAGNOLIA SCHOOL DISTRICT
420 NORTH WARWICK ROAD
MAGNOLIA, NJ 08049
PHONE: (856) 783-4763



New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
JANUARY 2016**

District: Magnolia School District
County: Camden
Dates On-Site: November 9 and 10, 2015
Case #: CM-013-15

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 89,721
Title II, Part A	26,507
IDEA Basic	129,142
IDEA Preschool	6,949
Total Funds	<u>\$ 252,319</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 Magnolia 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 and Preschool for the period July 1, 2014 through November 9, 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 school personnel, reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews.

EXPENDITURES REVIEWED

The grants that were reviewed included Title I, Title II, and IDEA Basic and Preschool from July 1, 2014 through November 9, 2015. A sampling of purchase orders and/or salaries was taken from each program reviewed.

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GENERAL OVERVIEW FOR USES OF TITLE I, TITLE II, AND IDEA FUNDS

Title I

The district is using FY 2015-2016 Title I funds to implement a targeted assistance program in its school. Primarily, the district provides supplemental instructional opportunities through in-class support (response to intervention).

Title II

The district is using FY 2015-2016 Title II funds for professional development in peer mentoring and a pilot technology program using One Note, which are being implemented this year.

IDEA (Special Education)

The majority of FY 2015-2016 IDEA Basic funds are being used to reduce district tuition expenditures for students receiving special educational services in private schools for students with disabilities. In addition, a portion of the funds are allocated to fund a preschool aide.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district did not develop and distribute the FY 2015-2016 Title I participation letter stating both entrance and exit criteria, remediation strategy (ies), and the option for parents to opt-out of Title I services for their child. Without this information, parents are unable 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.

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

Required Action: In FY 2015-2016, the district must provide all parent/guardians of Title I students with a Title I participation letter. The participation letter must include the multiple measures, and entrance and exit criteria used to identify the students, as well as clearly defined exit criteria. The district must provide a copy of the FY 2015-2016 Title I participation letter(s) to the NJDOE for review.

Finding 2: The district did not provide evidence that multiple measures were applied to determine which students were eligible to receive Title I services. As described, the current Title I eligibility is based on one measure, RTI assessment results for mathematics and reading. The monitors were unable to verify if the school is actually serving its lowest performing students based on multiple measures.

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

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Required Action: The district must establish multiple measures and a tracking mechanism for proper Title I student identification. This mechanism must include documentation of which criteria were applied and how the student either met or did not meet the criteria. The district must send a copy of its revised Title I eligibility criteria to the NJDOE for review.

Finding 3: The district did not provide evidence that its Title I school convened the annual Title I parent meeting. Not conducting an annual meeting to explain the Title I legislation and the district's Title I programs did not allow parents of Title I students to be informed and vested in the Title I process.

Citation: ESEA §1118(c)(1) and (2): *Parental Involvement (Policy Involvement)*.

Required Action: The school must immediately convene the annual Title I meeting for the parents/guardians of its identified Title I students. For the 2016-2017 school year, the school must convene the meeting in the beginning of the year (no later than October 15, 2016). The school must submit evidence (e.g., invitational letter/flyer, agenda, meeting minutes, and sign-in sheets) of convening the 2015-2016 meeting to the NJDOE for review.

Finding 4: The district did not provide evidence that the school-parent compact was distributed for the current school year.

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

Required Action: The district must ensure that its Title I school has a school-parent compact that is developed with the input of parents and distributed directly to parents of students participating in the Title I program. The district must submit copies of the school-parent compact and evidence of the involvement of parents and families, of Title I students, in its development to the NJDOE for review.

Finding 5: The district did not provide evidence that the district parental involvement policy was reviewed for the current school year. The annual review and current board adoption allow parents and other stakeholders to impact the parental involvement process and identify the unique needs of the Title I schools and Title I parents.

Citation: ESEA §§1118(a)(2): *Parental Involvement (Local Education Agency Policy – Written Policy)* and ESEA §1118(b): *Parental Involvement (School Parental Involvement Policy)*.

Required Action: The district must submit copies of a board approved district parental involvement policy to the NJDOE for review. The district must also provide evidence of inclusion of the associated stakeholder groups in the development of the parental involvement policy, and evidence of the involvement of parents and families in the development and annual review process. The district must provide evidence to the NJDOE that these documents were developed with the input of the parents/guardians of Title I students for the 2015-2016 school year.

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Finding 6: The district's parents' web page did not contain the required annual notifications for parental involvement.

Citation: ESEA §1111(h)(2)(E): *State Plans (Reports- Public Dissemination)*.

Required Action: The district must review and update its parental involvement web page containing required annual notifications and documents to meet the broader ESEA dissemination requirement. The district must submit the link for the updated web page to the NJDOE for review.

Finding 7: The district did not provide evidence that the Parents' Right-to-Know Highly Qualified Teacher (HQT) letter was distributed to all parents for the current school year. The issuance of this 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 Parents' Right-to-Know HQT letter must be distributed annually to the parents of all students who attend district Title I Schools. A template of the letter can be found at: <http://www.state.nj.us/education/title1/hqs/rtk.htm>.

Finding 8: The district did not have the required supporting documents to verify the activity of staff charged to the Title I grant. The documentation must reflect what the staff is doing and when (time slots), and must match their funded percentage. This documentation is necessary to ensure that grant funded staff are actually performing grant-related responsibilities. However, the district had alternative documentation that helped support the funding.

Citation: 2 CFR §200.430: Compensation-Personal Services.

Required Action: The district must identify staff members whose salaries are supported in whole or in part with Title I funds and verify the time and activity of staff charged to the grant. The district must submit sample sheets for FY 2015-2016 to the NJDOE for review. Prior to this, the district should consult the Department'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/TimeandActivityReporting.pdf> as a resource.

Finding 9: The district's use of Title I funds for iPad Mini readers supplanted state/local funds because they were used by all students in the district.

Citation: ESEA §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

Required Action: The district must reverse the Title I costs for the iPad Mini readers and allocate state/local funds for these costs. The district must provide evidence of the adjusting journal entry to reverse the expenditures to the NJDOE for review.

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Title II

Finding 10: The district did not have a district-based professional development plan. All school districts in New Jersey are required to create an annual district level professional development plan and all schools are required to create school-level professional development plans. Activities in the school-level plans must be consistent with the district professional development plan. The district-level and school-level plans must align with New Jersey’s definition of Professional Development and Professional Development Standards for Teachers and the New Jersey Standards for Professional learning.

Citation: ESEA §2122: *Local Applications and Needs Assessment*. N.J.A.C. 6A:9C-3.6: Requirements for district-level professional development planning and implementation.

Required Action: The district must create a professional development plan that is consistent with the school professional development plan and professional development funded activities. The district must submit the professional development plan to the NJDOE for review.

Finding 11: The district’s use of Title II funds totaling \$100.00 (PO# 600297 for \$50.00 and PO# 600330 for \$50.00) for the cost of individual memberships is unallowable under federal cost principles.

Citation: 2 CFR §200.454: Memberships, subscriptions, and professional activity costs.

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

Finding 12: Title II funds for registration of conferences must be for conferences in one of the federally recognized core academic subject areas and should be aligned to the district professional development plan. The use of Title II funds for the following conferences that focus on non-core academic subjects is unallowable.

Item	Conference Title	PO#	Account Code	Amount
1	33 rd Autism Conference	600297	20-272-200-300-0-0	\$ 450.00
2	33 rd Autism Conference	600330	20-272-200-300-0-0	450.00
3	Special Education Law in New Jersey	600262	20-272-200-300-0-0	199.00
Total				\$ 1,099.00

Citation: ESEA §9101(11): *Definitions (Core Academic Subjects)*.

Required Action: The district must reverse the disallowed costs and submit documentation of the adjusting journal entry to the NJDOE for review.

Finding 13: The district failed to provide adequate documentation to support the district’s use of \$15,685.46 (PO# 600001) of Title II funds to pay for the salaries of the NCLB Director and

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Technology Coordinator during the summer of 2015. Based on the documentation provided, the district's use of these funds appeared to supplant other funding sources. As a result, it could not be determined if the costs were reasonable, necessary or allocable to the federal award.

Citation: ESEA §2123(b): *Local Use of Funds (Supplement Not Supplant)*. 2 CFR §200.403: Basic Guidelines (Factors affecting allowability of costs).

Required Action: The district must provide NJDOE adequate documentation supporting these charges, or reverse all unsupported charges and submit documentation of the adjusting entry to the NJDOE for review.

Finding 14: The district's use of FY 2015-2016 Title II funds totaling \$5,392.48 (PO# 600266) for instructional materials for student use is unallowable.

Citation: ESEA §2123(5)(10)(b): *Local Use of Funds (Supplement, Not Supplant)*. 2 CFR §200.403: Basic Considerations (Factors affecting allowability of costs).

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

IDEA (Special Education)

Finding 15: The district did not consistently provide parents of students eligible for special education and related services notice of a meeting for identification and IEP team meetings.

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

Required Action: The district must ensure that parents are provided notice of a meeting in writing, that contains all required components; early enough to ensure that the parent has an opportunity to attend. 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 notices for meetings conducted between March 2016 and September 2016, and to review the oversight procedures.

Finding 16: The district did not consistently ensure that the required participants were in attendance at identification meetings for students eligible for special education and related services.

Citation: N.J.A.C. 6A:14-2.3(k); 20 U.S.C. §1414(b)(4); and 34 CFR §300.321(a).

Required Action: The district must ensure that identification meetings are conducted with required participants and that documentation of attendance and/or written parental consent to excuse a team member is maintained in student files. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop

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

Finding 17: The district did not document all required considerations and statements in each IEP for students eligible for special education and related services and for students eligible for speech-language services.

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

- measurable annual goals and objectives;
- statement of how progress towards annual goals will be measured;
- age 14 post-school transition components;
- location and duration of related services;
- an explanation of the itinerant services students are receiving in general education; and
- documentation of the consideration of the need for extended school year services.

IEPs for students eligible for speech-language services did not include:

- strengths of the student;
- statement of how progress towards annual goals will be measured;
- location and duration of services; and
- documentation of the consideration of the need for extended school year services.

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

Required Action: The district must ensure each IEP contains the required considerations and statements. 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 citations listed above. In addition, to demonstrate correction of individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for the specific students whose IEPs 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 random sample of additional IEPs developed at meetings conducted between March 2016 and September 2016, and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliance will be provided to the district by the monitor.

Finding 18: 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;

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- 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
- 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) N.J.A.C. 6A:14-4.2 (a)4.

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 all required decisions regarding 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 identified 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 the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for the specific students 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 random sample of additional IEPs developed at meetings conducted between March 2016 and September 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 19: The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed.

Citation: N.J.A.C. 6A:14-2.3(k)2x; and 34 CFR §300.322.b(2).

Required Action: The district must ensure each student with an IEP age 14 or above is provided with a written invitation to any IEP meeting where transition to adult life will be discussed. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review copies of invitations to IEP meetings to students age 14 and above for meetings conducted between March 2016 and September 2016, and to review the oversight procedures.

Finding 20: The district provides a screening by the child study team to determine if a formal evaluation should be conducted as an intervention for students referred to the Intervention and Referral Service (I&RS) committee.

Citation: N.J.A.C. 6A:14-3.3(b); 20 U.S.C. §1413(f)(2); and 34 CFR §300.226(b).

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Required Action: The district must ensure that interventions are provided in the general education setting for students exhibiting academic difficulties, prior to referring the student for an evaluation. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members, administrators and I&RS staff 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 I&RS documentation for students who received interventions in general education and were referred for a child study team evaluation between March 2016 and September 2016, and to review the oversight procedures.

Finding 21: The district did not consistently maintain documentation of the duration of the interventions provided in the general education setting through the I&RS committee.

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

Required Action: The district must ensure that I&RS documentation includes the duration of the interventions provided in the general education setting. 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 citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation for students who were provided interventions in general education between March 2016 and September 2016, 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 an initial evaluation for students referred for special education and related services.

Citation: N.J.A.C. 6A:14-3.4(f)4(i-vi); 20 U.S.C. §1414(b)(1)-(3), 1412(a)(6)(b); 34 CFR 300.304(b)(1).

Required Action: The district must ensure that all components of the functional assessment are conducted as part of the initial evaluation process. 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 initial evaluation reports completed between March 2016 and September 2016, and to review the oversight procedures.

Finding 23: The district did not consistently conduct multi-disciplinary 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 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

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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 referred for speech-language services whose eligibility meetings were held between March 2016 and September 2016, and to review the oversight procedures.

Finding 24: The district does not have a special education parent advisory group to provide input to the school on issues concerning students with disabilities.

Citation: N.J.A.C. 6A:14-1.2 (h).

Required Action: The district must ensure a special education parent advisory group is established. In order to demonstrate correction of noncompliance, the district must organize and establish a parent advisory group. A monitor from the NJDOE will conduct an on-site visit to interview staff and review the list of members of the special education parent advisory group and agendas for meetings held subsequent to the monitoring visit.

Administrative

Finding 25: The district included student names on purchase orders for students educated in tuition placements which violates student confidentiality.

Citation: IDEA regulation 34 CFR 99; N.J.A.C. 6A:32-7.

Required Action: The district must revise procedures to ensure that confidentiality of student information is maintained and that only persons having educational responsibility for those students have access to this information. These revised procedures must be submitted 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 Carla Spates via phone at (609) 984-5909 or via email at carla.spates@doe.state.nj.us.