



State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

CHRIS CHRISTIE
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Commissioner

March 31, 2016

Dr. Tami Crader
Chief School Administrator
Neptune Township School District
60 Neptune Boulevard
Neptune, NJ 07753

Dear Dr. Crader:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Neptune Township 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 January 21, 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 Neptune Township 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:Neptune Twp. BOE CM Cover Letter
Enclosures

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**NEPTUNE TOWNSHIP SCHOOL DISTRICT
60 NEPTUNE BOULEVARD
NEPTUNE, NJ 07753
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
MARCH 2016**

District: Neptune Township School District
County: Monmouth
Dates On-Site: January 20 and 21, 2016
Case #: CM-030-15

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 892,399
Title II, Part A	155,821
Title III	31,372
Title III Immigrant	17,707
IDEA Basic	1,305,195
IDEA Preschool	38,230
Total Funds	<u>\$ 2,440,724</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, 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 Neptune Township 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); Title III; Title III Immigrant; and IDEA Basic and Preschool for the period July 1, 2014 through January 21, 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, 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, Title III Immigrant, and IDEA Basic and Preschool for the period July 1, 2014 through January 21, 2016. 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 USE OF TITLE I, TITLE II, TITLE III, TITLE III IMMIGRANT AND IDEA FUNDS

Title I

The district operates Title I Schoolwide programs in all six of its Title I funded schools: Midtown Community (formerly Ridge Avenue), Green Grove, Gables, Neptune Middle, Neptune High School, and Summerfield. The district identified Closing the Achievement Gap, English Language Arts, Mathematics, and Technology Literacy for All Students, Parents, and Teachers as its priority problems.

Title II

The majority of the district's Title II funds were transferred to schoolwide programs and the remaining funds were used to support professional development in formative assessment, data analysis and literacy.

Title III

The district includes 118 English language learners (ELLs) that speak predominantly Spanish and French, and 81 immigrant students. The district offers English as a Second Language (ESL), intensive ESL, push-in and pull-out services, Sheltered Instruction Observational Protocol (SIOP), and bilingual classes. The district uses Title III funds for technology supplies, instructional software, and Sheltered Instruction Training.

IDEA (Special Education)

The FY 2015-2016 IDEA 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. IDEA funds are also being used for the cost of instructional supplies and materials for students with disabilities, along with the cost of contracted service providers for both public and nonpublic students with disabilities.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: In its FY 2015-2016 ESEA Consolidated Application on the Electronic Web-Enabled Grant System (EWEG), the district included that it funded Neptune High School. However, the district's intent was not to serve the high school.

Citation: ESEA §1113(a)(1-5): *Eligible School Attendance Areas (Determination).*

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Required Action: The district must immediately contact the Office of Grants Management (OGM) to revise its FY 2015-2016 Consolidated Application to accurately reflect the schools which it intends to serve with Title I funds for FY 2015-2016.

Finding 2: The district provided documentation that it distributed the Parents' Right-to-Know Letter; however, it did not contain the complete date (month, day, and year). The legislation requires a district to inform parents at the beginning of the school year and in a timely manner of the professional qualifications of their child's classroom teachers.

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

Required Action: For FY 2016-2017, the district must ensure that it distributes completely dated (month, day, and year) Parents' Right-to-Know letters at the beginning of the school year. A copy of the completely dated letter and evidence of its distribution must be submitted to the NJDOE for review.

Finding 3: The district was unable to provide documentation memorializing the annual Title I parent meeting held at each of its funded schools. In a Title I Schoolwide program, all parents/guardians must be informed of the legislative requirements and how they can become actively engaged in helping their child/children succeed academically. Parents/guardians must also be given an opportunity to provide feedback on the school's Title I program.

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

Required Action: For FY 2016-2017, the district must retain documentation (e.g., invitational letters/flyers, sign in sheets, and meeting minutes) of the annual Title I parent meeting for each Title I school, and submit documentation of the meetings to the NJDOE for review.

Finding 4: The district provided documentation of school-parent compacts which did not meet the legislative requirements for the following schools: Green Grove and Midtown Community (formerly Ridge Avenue). All Title I funded schools must provide a mechanism to ensure that its parents/guardians are informed of the roles and responsibility of the school, parents/guardians, and students in achieving academic success.

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

Required Action: For FY 2015-2016, the district must immediately revise and distribute its Title I school-parent compacts to the students and parents of the aforementioned schools. The revised compacts must reflect all of the legislative requirements by including how the school, parent/guardian, and students will share in the responsibility for improved student academic achievement. The district must provide a copy of the revised distributed school-parent compacts to the NJDOE for review.

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Finding 5: The district was unable to provide documentation that it performed due diligence in engaging the consultation process for equitable services to resident nonpublic school students. Per the legislative requirement, consultation with nonpublic schools must be a formalized process that includes discussion of the criteria for the selection/identification of students. Also, the district must retain documentation of the consultation process (e.g., agendas, sign in sheets, and meeting minutes).

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

Required Action: For FY 2015-2016, the district must immediately engage in a formalized consultation process with nonpublic schools that enroll resident students. The process must include discussion on and confirmation of the established criteria to identify students for services. Additionally, the district must retain documentation (e.g., letters/flyers, meeting minutes, and sign in sheets) from the consultation meetings and submit this documentation to the NJDOE for review.

Finding 6: The district’s expenditure of funds for equitable services to resident nonpublic schools may benefit only participating students residing in the district, not the entire school. Thusly, the following expenditures for equitable services are unallowable:

Item	Description	Amount
1	McGraw Hill School Education (PO #16-01924)	\$5,279.14
2	Nessy Learning (PO #16-02087)	\$840.00
	Total	\$6,119.14

Citation: 34 CFR 200.66: Requirements to ensure that funds do not benefit a private school. ESEA §1120(b)(1)(A-H): *Participation of Children Enrolled in Private Schools (Consultation)*.

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

Finding 7: The district was unable to provide documentation that one of its paraprofessional’s assigned to a Title I schoolwide program met the legislative requirement.

Citation: ESEA §1114(b)(1)(C-D): *Schoolwide Programs (Components of a Schoolwide Program – In General)*. ESEA §1119(a)(1) and (c)(1)(A-G): *Qualifications for Teachers and Paraprofessionals*.

Required Action: The district must submit documentation to the NJDOE that the paraprofessional in question to the Title I schoolwide program meets one of the following criteria:

- completed at least two years of study at an institution of higher education;

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- obtained an associate's degree (or higher); or
- achieved a passing score on the ETS ParaPro Assessment.

Finding 8: The district was unable to provide documentation as to how services under its Title I reserve rendered to identified homeless students were provided and tracked. Funds may be used to provide services to provide additional supports to students experiencing homelessness, not typically allowed to other children receiving Title I services.

Citation: McKinney-Vento Homeless Education Assistance Improvements Act of 2001 §722(g)(1)(J)(ii): Grants for State and Local Activities for the Education of Homeless Children and Youths (State Plan). ESEA §§1113 (c)(3)(A): *Eligible School Attendance Areas (Allocations – Reservation)* and 1115(b)(2)(E): *Targeted Assistance Schools (Eligible Children – Children Included)*.

Required Action: The district must conduct a needs assessment to coordinate services provided under McKinney-Vento and Title I to ensure that it provides the needed supports to identified students experiencing homelessness. Additionally, the district must provide documentation of the service(s) provided to include a mechanism to track and account for its Homeless Student reserve listed in the ESEA/NCLB Consolidated Application in the EWEG System. The district must submit evidence to the NJDOE for review.

Title II

Finding 9: The district charged the FY 2014-2015 Title II grant \$348.50 (PO# 15-01060) for a monthly subscription to the Title I Monitor newsletter. The newsletter benefits the Title I program; as a result, the associated costs are not allocable to the Title II program.

Citation: 2 CFR §200.405: Basic considerations (Allocable costs).

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

Title III

Finding 10: The district's use of Title III funds for a one-year subscription to Title I Monitor Newsletter totaling \$348.50 (PO# 16-01388) supplanted state/local funds.

Citation: ESEA §3115(g): *Subgrants to Eligible Entities (Supplement, not Supplant)*.

Required Action: The district must reverse the disallowed charge and submit documentation of the adjusting entry to the NJ DOE for review.

Finding 11: The district's Title III parental notification letter did not include the following elements:

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- a description of the method of instruction that will be used to serve the ELL, including a description of other methods of instruction available and how those methods differ in content and instructional goals;
- how the instructional program will meet the objectives of an IEP of a child with a disability including services in the student's IEP (as applicable);
- program exit requirements; and
- information on how parents of ELLs can become involved in the education of their children and how they can participate in helping their children learn English, achieve at high levels in the core academic subjects and meet state standards.

Citation: ESEA §3302 *Parental Notification*.

Required Action: The district must revise the parental notification letter to meet all the required legislative components and submit a copy of the revised letter to the NJ DOE for review. This information is located on the department's website at the following link: <http://www.nj.gov/education/bilingual/title3/accountability/notification/notification.doc>.

IDEA (Special Education)

Finding 12: The district did not consistently ensure the required participants were in attendance at identification, reevaluation planning, eligibility, and annual review IEP meetings for students referred and/or eligible for special education and related services and for students referred and/or eligible for speech-language services.

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

Required Action: The district must ensure that 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 files. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review meeting documentation, including the sign in sheets, for meetings conducted between October 2016 and January 2017, and to review the oversight procedures.

Finding 13: The district did not consistently conduct meetings within 20 calendar days of receipt of a written request for a speech-language evaluation to determine if an evaluation was warranted.

Citation: N.J.A.C. 6A:14-3.3(e) and 3.4(j).

Required Action: The district must ensure identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation. In order to demonstrate

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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 documentation from meetings held between October 2016 and January 2017, 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). 20 U.S.C. §1414(a)(2).

Required Action: The district must ensure reevaluations are conducted within required timelines. In order to demonstrate correction of noncompliance, the school 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 documentation of eligibility meetings held as part of the reevaluation process held between October 2016 and January 2017, and to review the oversight procedures.

Finding 15: 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 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 October 2016 and January 2017, and to review the oversight procedures.

Finding 16: The district did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students referred for special education and related services and for students referred for speech-language services. Specifically, evaluation reports did not consistently include the observation of the student in other than a testing setting and interviews with the student's parent and teacher.

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

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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 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 whose eligibility meetings were held between October 2016 and January 2017, and to review the oversight procedures.

Finding 17: The district did not consistently obtain written parental consent to conduct initial evaluation assessments for students referred for special education and related services and for students referred for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(a). 20 U.S.C. §1414(a)(1)(b). 34 CFR §300.300.

Required Action: The district must ensure that informed parental consent is obtained and maintained in student files. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review written parental consent to conduct assessments for students referred for special education and related services or speech-language services whose eligibility meetings were held between October 2016 and January 2017, and to review the oversight procedures.

Finding 18: The district did not consistently obtain written parental consent or document efforts to obtain written parental consent to conduct assessments as part of a reevaluation of students eligible for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(a). 20 U.S.C. §1414(a)(1)(b). 34 CFR §300.300.

Required Action: The district must ensure that informed parental consent is obtained and maintained in student files. The district must maintain documentation of attempts to obtain written parental consent to evaluate when the parent does not attend the reevaluation planning meeting. 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 written parental consent to conduct assessments as part of a reevaluation for students eligible for speech-language services whose eligibility meetings were held between October 2016 and January 2017, and to review the oversight procedures.

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Finding 19: 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, 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-iii).

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. 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, review the revised IEPs, along with a random sample of IEPs for students whose annual review meetings were conducted between October 2016 and January 2017, 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.

Finding 20: The district issued purchase orders for professional services without competitive contracting.

Citation: 2 CFR §§200.318: General procurement standards and 200.319: Competition, 200.320: Methods of procurement to be followed. N.J.S.A. 18A:18A-10(c): Public School Contracts Law.

Required Action: The district should review applicable regulations and use open and competitive procedures as required. The district should also analyze and include documentation in its files that demonstrates the district ensured the costs were reasonable.

Finding 21: The district used IDEA funds to pay invoices from Monmouth-Ocean Educational Services Commission (MOESC) that were not adequately supported by records from the service provider. In particular, the monthly invoices reflected amounts for payroll related costs and administrative fees without adequate records detailing how the figures were derived and/or listings of dates, times, location, specific services and students served. Additionally, the rate charged for the administrative fee was not agreed upon under the terms of the district's contract with MOESC.

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Citation: 2 CFR §§200.302(b)(3): Financial management, 200.318: General procurement standards and 200.319: Competition, 200.320: Methods of procurement to be followed. N.J.S.A. 18A:19-2: Requirements for payment of claims; audit of claims in general.

Required Action: The district must review all charges to the FY 2015-2016 IDEA grant and reverse all charges that are beyond the scope of the contract and/or unsubstantiated. In addition, the district should: a) conduct a comprehensive review of its contractual obligations with nonpublic service providers; b) establish policies and procedures to ensure that accurate, underlying records from the providers are maintained; and c) require and keep evidence of student attendance. Further, nonpublic service providers contracts executed in the future should require student attendance data and payment authorization should be contingent upon the submission of appropriate documentation.

Administrative

Finding 22: 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: N.J.S.A. 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.

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.