



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

June 23, 2016

Mrs. Meredith Pennotti, School Lead
Red Bank Charter School
58 Oakland Street
Red Bank, NJ 07701

Dear Mrs. Pennotti:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Red Bank Charter School**. 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 April 20, 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 Charter Schools Response, Corrective Action Plan and Appeal Process," the Red Bank Charter School Board of Trustees 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 school'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:Red Bank Charter School Cover Letter/consolidated monitoring
Enclosures

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RED BANK CHARTER SCHOOL
58 OAKLAND STREET
RED BANK, NJ 07701
PHONE: (732) 450-2092



New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
JUNE 2016**

District: Red Bank Charter School
County: Monmouth
Dates On-Site: April 20, 2016
Case #: CM-032-15

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 67,775
Title II, Part A	6,948
IDEA Basic	40,246
IDEA Preschool	1,065
Total Funds	<u>\$ 116,034</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 school 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 school for their intended purpose and achieving the overall objectives of the funding initiatives.

INTRODUCTION

The NJDOE visited the Red Bank Charter School to monitor the school's use of federal funds and the related program plans, where applicable, to determine whether the school'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 April 20, 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 school 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 school 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, and IDEA Basic and Preschool for the period July 1, 2014 through April 20, 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 USES OF TITLE I, TITLE II AND IDEA FUNDS

Title I

The school operates a Targeted Assistance program. The school identified Closing the Achievement Gap, English Language Proficiency, English Language Arts (ELA), and Mathematics as priority problems.

Title II

The school used its Title II funds to send teachers to professional development in mathematics, STEM, literacy and strategies for teaching underperforming students.

IDEA (Special Education)

The school used the FY 2015 IDEA funds for salaries and benefits of related services providers.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The notification letter sent to the parents/guardians of identified Title I students was undated; as a result, the distribution date of the letter was indeterminable. Additionally, the letter did not include clearly defined entrance and exit criteria and age appropriate and developmental criteria for grades K-2. The parents/guardians of identified Title I students must be informed timely of the multiple educationally-related and developmentally appropriate criteria, as well as benchmark assessment scores used to identify their child/children for Title I services.

Citation: ESEA §1115(b)(1)(B): *Targeted Assistance Schools (Eligible Children - Eligible Population)*.

Required Action: The school must revise its parental notification letter to include clearly defined entrance and exit criteria. A copy of the revised letter must be submitted to the NJDOE for review.

Finding 2: The school's use of Title I funds to support the salaries of a teacher for six English Language Services (ELS) class blocks supplanted state/local funds. The requirement for an ELS program is stipulated in New Jersey's Administrative Code. Therefore, in the absence of Title I funds, the school would still have to provide English language learners with an ELS program.

Citation: ESEA §1120A(b)(1): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds*. 2 CFR §§200.430-431: Compensation – personal services and 200.431: Compensation – fringe benefits.

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Required Action: For FY 2015-2016, the school must reverse all expenditures for the salary of the teacher assigned to the six ELS class blocks charged to the Title I grant and submit a copy of the adjusting journal entry to the NJDOE for review. To provide assurance that its FY 2016-2017 Title I funded teacher works exclusively with its identified Title I students, the school must provide a copy of the Title I funded teacher's master schedule for the 2016-2017 school year, as well as the teacher's time and activity reports, to the NJDOE for review.

Finding 3: The school provided documentation that it convened a Support Services Presentation on November 2, 2015 to serve as the Annual Title I Parent meeting. However, the agenda did not reference Title I. Instead, it referenced Basic Skills ELA and ELS (non-funded). Per the sign in sheet provided, the monitors could not verify that the parents/guardians of the school's participating Title I students attended this meeting. Additionally, the school did not provide meeting minutes. In a Title I Targeted Assistance program, all parents/guardians of participating students are entitled to be informed about the school's Title I program(s), legislative requirements, and how they can become actively engaged in helping their child/children succeed academically.

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

Required Action: For FY 2016-2017, the school must ensure that during the Annual Title I Parent Meeting it focuses on the Title I program, including the legislative requirements and how the program can benefit participating students. The school must also clearly distinguish the Title I program/service on the meeting agenda and invitational letter/flyer. The school must submit documentation of the meeting (e.g., invitational letter/flyer, sign in sheets, agenda, and minutes) to the NJDOE for review.

Finding 4: The school 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 documentation is necessary to ensure that grant funded staff are actually performing grant related responsibilities.

Citation: 2 CFR §200.430 (i): Compensation—personal services (*Standards for Documentation of Personnel Expenses*).

Required Action: The school 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 FY 2015-2016 to the NJDOE for review.

Title II

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

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IDEA (Special Education)

Finding 5: The school did not consistently maintain documentation of the description, frequency, duration and effectiveness of the interventions provided in the general education setting through the Intervention and Referral Service (I&RS) process.

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

Required Action: The school must ensure interventions are provided in the general education setting for students exhibiting academic and/or behavioral difficulties prior to referring the student for an evaluation. In addition, the school must ensure when the I&RS team identifies interventions to meet the needs of a struggling learner that the team identifies and maintains documentation of the nature, description, frequency, and duration of the interventions and measures the effectiveness. In order to demonstrate correction of noncompliance, the school 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 I&RS team members and teachers, review documentation for students who were provided interventions in general education between December 2016 and February 2017, and to review the oversight procedures.

Finding 6: The school did not consistently document required participants were in attendance at identification, eligibility, IEP team and reevaluation planning meetings for students eligible for special education and related services and for students eligible for speech-language services.

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

Required Action: The school 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 files. In order to demonstrate correction of noncompliance, the school 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 sign in sheets, for meetings conducted between December 2016 and February 2017, and to review the oversight procedures.

Finding 7: The school 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 school must ensure reevaluations are conducted within required time lines. In order to demonstrate correction of noncompliance, the school must conduct

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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 between December 2016 and January 2017, and to review the oversight procedures.

Finding 8: The school did not consistently provide parents of students eligible for speech-language services notice of a meeting.

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 school must provide parents notice of a meeting in writing that contains all required components; early enough to ensure they have an opportunity to attend. 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 meeting documentation for meetings conducted between December 2016 and February 2017, and to review the oversight procedures.

Finding 9: The school did not consistently provide parents written notice that contains all required components, within 15 calendar days following identification, IEP, eligibility and reevaluation planning meetings for students eligible for speech-language services.

Citation: 20 U.S.C. §1414(b). 34 CFR §300.503(a-c). 34 CFR §300.504. N.J.A.C. 6A:14-2.3(f) and (g).

Required Action: The school must ensure that parents are provided written notice following a meeting that contains all required components within 15 calendar days of the meeting. 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 copies of written notice sent to parents following meetings conducted between December 2016 and February 2017, and to review the oversight procedures.

Finding 10: The school did not consistently obtain written parental consent prior to implementation of an initial IEP for 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 school must ensure that informed parental consent is obtained and maintained in student files prior to implementing the initial IEP. 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

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requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review parental consent for implementation of initial IEPs developed between December 2016 and February 2017, and to review the oversight procedures.

Finding 11: The school did not consistently conduct an annual review IEP meeting within one calendar year of the previous IEP date for students eligible for speech-language services.

Citation: N.J.A.C. 6A:14-3.7(a) 1.

Required Action: The school must ensure that IEP meetings are conducted annually or more often, if necessary, to review and revise the IEP. 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 from annual review meetings conducted between December 2016 and February 2017, and to review the oversight procedures.

Finding 12: The school did not consistently document all required considerations and statements in each IEP for students eligible for speech language services. Specifically, IEPs did not consistently include student strengths.

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

Required Action: The school must ensure IEPs for speech only students are developed and contain all required components. 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. To demonstrate that the school has corrected the individual instances of noncompliance, the school must conduct IEP meetings with an appropriately configured IEP team and revise the IEPs for students with IEPs identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff and, review the revised IEPs, a random of sample of additional IEPs developed at meetings conducted between December 2016 and February 2017, and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the school by the monitor.

Finding 13: The school did not receive board approval for the acceptance of federal funds. ESEA requires each district to “submit an application to the State Education Agency (SEA) at such time, in such manner, and containing such information as the SEA may reasonably require.” The NJDOE requires each school to go before its board of education to obtain approval for submission of the application. Upon the subsequent approval of the application, the NJDOE then requires each school to go before its board to obtain approval for the acceptance of the grant funds.

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Citation: ESEA §2122: *Local Application and Needs Assessment*. ESEA §9306(a): *Other General Assurances*. 34 CFR §76.770: A state shall have procedures to ensure compliance.

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

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.