



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

August 5, 2016

Mr. Pablo Munoz, Superintendent
Passaic Public Schools
PO Box 388
Passaic, NJ 07055-4828

Dear Mr. Munoz:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Passaic Public Schools**. 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 March 31, 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 Passaic Public Schools 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:Passaic Public Schools CM Cover Letter
Enclosures

Distribution List

David C. Hesp
Robert Bumpus
Susan Martz
Michael Yaple
Marie Barry
Anne Corwell
Karen Campbell
John Worthington
Kimberly Murray
Sandy O'Neil
Steven Hoffmann
Robert Davis
Stephen M. Eells

**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500**

**PASSAIC BOARD OF EDUCATION
101 PASSAIC AVENUE
PASSAIC, NJ 07055
PHONE: (973) 859-1320**



New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
AUGUST 2016**

District: Passaic Public Schools
County: Passaic
Dates On-Site: April 26, 27 and 28, 2016
Case #: CM-035-15

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 8,377,858
IDEA Basic	5,454,135
IDEA Preschool	132,617
Title II, Part A	1,037,462
Title III	1,212,974
Carl D. Perkins	58,434
Total Funds	<hr/> <hr/> \$ 16,273,480

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

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 Passaic Public Schools to monitor the district's use of federal funds and the related program plans, where applicable, to determine whether the district's programs are meeting the intended purposes and objectives, as specified in the current year applications and authorizing statutes and to determine whether the funds were spent in accordance with the program requirements, federal and state laws, and applicable regulations. The on-site visit included staff interviews and documentation reviews related to the requirements of the following programs: Title I, Part A (Title I); Title II, Part A (Title II); Title III; IDEA Basic and Preschool; and Carl D. Perkins for the period July 1, 2014 through March 31, 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, Title III, IDEA Basic and Preschool and Carl D. Perkins from July 1, 2014 through March 31, 2016. A sampling of purchase orders and/or salaries was taken from each program reviewed.

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

Title I Projects

At the time of the on-site visit, the district had 13 Title I eligible schools served. The district conducts a Title I targeted assistance program in School No.17 and Schoolwide programs in the remaining 12 schools, including eight Focus schools. The district blended a portion of the Title I allocation and budgeted the remaining portion for instructional and support salaries and benefits; professional development; parental involvement activities; instructional supplies and materials; and administrative costs.

IDEA Projects

The district utilized the FY 2014-2015 and FY 2015-2016 IDEA Basic and Preschool funds 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 were also used for the provision of related services for students who attend nonpublic schools located in the district. In addition, the district utilizes 15 percent of its IDEA funds for Coordinated Early Intervening Services. These funds support seven reading interventionists to support identified at-risk students in grades K-6.

Carl D. Perkins Funds

Findings related to the Carl D. Perkins Grant were not available at the time this report was issued.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: For School No.17, the Title I parental notification letters did not include detailed entrance and exit criteria used for Title I 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's participation in the program is optional.

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

Required Action: For School No.17, the district must ensure the Title I participation letter is revised to include the specific multiple, educationally related, objective entrance and exit criteria used to identify and exit students for Title I services respectively. Additionally, the letter must include language for parents to opt-out of the program. The

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

district must provide copies of School No.17's revised FY 2016-2017 Title I participation letter to the NJDOE for review.

Finding 2: The district did not have a parental involvement program that reflected the requirements of the Title I legislation. There was no evidence that the district Title I parental involvement policy was board adopted since May 2014, and that school-level Title I parental involvement policies were developed with parental input. The Title I 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, each of the district's Title I schools must develop school-level parental involvement policies. In addition, the district Title I parental involvement policy must be board adopted for FY 2016-2017, and both the district and school-level parental involvement policies must be developed with parental input. The district must submit evidence (e.g., meeting agendas, sign in sheets, and minutes) of current board approval and parental input into the development of both the FY 2016-2017 school-level and district-level Title I parental involvement policies to the NJDOE for review.

Finding 3: For FY 2015-2016, the district provided documentation of the January 21, 2016 "Title I District Parent Advisory Council" and school-level parent meetings conducted during March 2016 as evidence of fulfilling the required Title I annual parent meeting. Based on the documentation, the monitors were unable to ascertain that the parent meetings met all the legislative requirements for the Title I annual meeting. Not conducting an annual meeting in the beginning of the school year to explain the legislation and the schools' Title I programs to parents of participating students, did not allow the parents to be informed and vested in the Title I process from the beginning.

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

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

Finding 4: The district contracted with a third-party provider, Catapult Learning, LLC (Catapult), to provide equitable Title I services to eligible resident nonpublic school students. In the contract, the equitable service amounts allotted for Title I professional development and parental involvement activities, plus the specific criteria used to identify and exit students eligible for Title I services were not specified. Additionally, the Catapult contract was agreed

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

upon on March 23, 2016 after the board adopted a resolution to amend the award to Catapult on August 31, 2015. As a result, the monitors could not ascertain whether Catapult was providing nonpublic professional development and parental involvement services in accordance with both the FY 2015-2016 ESEA Consolidated Subgrant Application and the associated contract.

Citation: ESEA §1120: *Participation of Children Enrolled In Private Schools*; Uniform Guidance 2 CFR 200.302, Financial management.

Required Action: If the district utilizes Catapult to provide all Title I nonpublic services for FY 2016-2017, the district must work with Catapult to ensure that the executed contract is comprehensive and stipulates all Title I services to be provided in accordance with the Title I statute and regulations.

Finding 5: The district did not provide enough oversight of the Title I nonpublic services provided by Catapult. The teacher time report submitted by Catapult to the district was not signed by either the principal of the nonpublic school and/or the teacher providing services. Catapult only provided a blanket monthly statement as to the accuracy of the teacher's time sheets. Additionally, the billing documentation did not support that administrative costs were billed on an ongoing basis and paid as services were rendered

Citation: ESEA §1120: *Participation of Children Enrolled In Private Schools*; Uniform Guidance 2 CFR 200.302, Financial management.

Required Action: If the district utilizes Catapult to provide Title I nonpublic services for FY 2016-2017, the district must work with Catapult to ensure that the supporting documentation such as teacher time reports are signed by both the individual that provides the Title I nonpublic services and the district. The district may no longer accept periodic blanket statements by the vendor to assure the accuracy of the time reports. If any administrative costs are incurred, the billing and payment of the costs are according to the five percent cap and not upfront, but as services are rendered.

Finding 6: The Schoolwide Stakeholder Engagement Committee representation at each school did not consistently include at least one of each of the following: community member; parent representative not affiliated with the district's board of education; and non-instructional staff member. The timing and number of Schoolwide Stakeholder Engagement Committee meetings documented at each school was inconsistent throughout the district.

Citation: ESEA §1114(b): *Schoolwide Programs (Components of a Schoolwide Program)*.

Required Action: The district's Title I schoolwide schools must expand their Title I Schoolwide Stakeholder Engagement Committees to include the aforementioned representatives. The Title I Schoolwide Stakeholder Engagement Committees should meet at a minimum on a quarterly basis. The district must send an updated list of the

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

Schoolwide Stakeholder Committees for each of its Title I schoolwide programs to the NJDOE for review. The list must include the person's name and constituent group.

Finding 7: The district's Title I Schoolwide Plans were not consistent and lacked key components. Specific feedback for each of the Schoolwide Plans were given to the district to work with the individual schools to address.

Citation: ESEA §1114(b): *Schoolwide Programs (Components of a Schoolwide Program)*.

Required Action: For FY 2016-2017, the district and the schools must revisit the Schoolwide Plan planning processes to ensure that the plans address the feedback given at the monitoring visit and the additional technical assistance from NJDOE personnel regarding specific plan deficiencies. Failure to complete all components of the FY 2016-2017 Schoolwide Plan may result in the revocation of the schools' approval to operate a schoolwide program.

Finding 8: The School Improvement Plans (SIPs) including priority/focus initiatives and budgeted costs were not reflective of the eight Focus school-level allocations. Instead, the SIPs reflected the priority/focus intervention reserve only.

Citation: ESEA §1114: *Schoolwide Programs*; ESEA §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

Required Action: For FY 2016-2017, the district must work with its respective Regional Achievement Center to reflect all school-level programs, salaries and activities, including the corresponding budget in the SIPs. Failure to complete a FY 2016-2017 SIP that reflects the expenditure of school-level allocations may result in the revocation of the schools' approval to operate a schoolwide program.

Finding 9: The district provided FY 2015-2016 time activity reports and weekly calendar/plans for Title I paid personnel, but these documents separately did not include all the necessary information to ascertain that the Title I personnel were paid in accordance with the Title I services provided.

Citation: Uniform Guidance 2 CFR 200.430, Compensation-Personal Services.

Recommended Action: For FY 2016-2017, the district needs to combine the information on the time activity reports and weekly calendar/plans on one document. The district must submit sample timesheets for FY 2016-2017 to the NJDOE for review. The district can consult and utilize one of the templates referenced in 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.

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

Title II

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

Title III

Finding 10: The district's use of Title III funds for salaries of three English as a Second Language teachers totaling \$61,582.41, supplanted state and local funds. Expenditures for salaries were for program services that are required in the absence of federal funds. The prorated amount for non-allowable activities by teacher are as follows:

- Thomas Jefferson School No. 1 (Grades K, 1, 3, 4-6 ESL Pull-Out) - \$31,896.20;
- M.J.D. School No. 3 (Grades K ESL Push-In, Grades 3-6 ESL Pull-Out) - \$18,609.84; and
- M.J.D. School No. 3 (Grades 1-2, 405 ESL Pull-Out) - \$11,076.37.

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

Required Action: The district amended its current year grant and the amendment was approved in the Electronic Web Enabled Grant system to reflect funds in the amount of \$65,000 allocated to schoolwide-blended. No further action is required.

IDEA (Special Education)

Finding 11: The district did not properly identify the funding source in students' Service Plans (SP) where students are receiving services in nonpublic settings.

Citation: 34 CFR §§300.321 through 300.324; and See 34 CFR §300.138(b)(2)(ii).

Required Action: The district must ensure that students who are parentally placed in a nonpublic school and are receiving IDEA services have SP's that meet the required components, including identifying the proper funding source for delivery of services. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and/or the agency with which the district has designated to provide the services, 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 the SP's from meetings conducted between November 2016 and February 2017, and to review the oversight procedures.

Finding 12: The district did not conduct meetings within 20 calendar days of receipt of a written request for evaluation for students referred for special education and related services and for students referred for speech-language services.

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

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

Required Action: The district must ensure a meeting is conducted within 20 calendar days of receipt of a written request for evaluation to determine if an evaluation is warranted. 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 the dated initial request for evaluation from the resulting meetings conducted between November 2016 and February 2017, and to review the oversight procedures.

Finding 13: The district did not consistently complete transition planning for students ages 16 and above and document decisions in the IEP. Specifically, IEPs did not include:

- Postsecondary measurable goal in the IEP and updated annually; and
- Postsecondary goal(s) based on age appropriate transition assessment.

Citation: N.J.A.C. 6A:14-3.7(e)11.

Required Action: The district must ensure that transition is discussed at each IEP meeting for students age 16 or above, and that decisions are documented in 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. To demonstrate 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 developed between November 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 district by the monitor.

Finding 14: 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(a)(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 November 2016 and February 2017, and to review the oversight procedures.

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

Finding 15: The district does not have a policy for the provision of accommodations and modifications or, when appropriate, an alternate assessment for students with disabilities participating in district wide assessments.

Citation: 34 CFR §300.158-300.161.

Required Action: The district must revise its policies and procedures to ensure students with disabilities participate in district wide assessments and each IEP contains a statement of any individual modifications to be provided to the student in the administration of district wide assessments. The policy must include the provision of accommodations and modifications and the provision of alternate assessments for those children who cannot participate in the regular assessment. If the district reports publicly on the district wide assessment, the district must also report with the same frequency and in the same detail as it reports on the assessment of nondisabled children. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to review the policy.

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.

Recommendation 1: The purchase order for the Title I nonpublic services regarding Catapult was signed solely by the district's Supervisor of Special Education and not by the ESEA Project Director.

Citation: Uniform Guidance 2 CFR 200.302, Financial management.

Recommended Action: For FY 2016-2017, the district should have individual(s) familiar with Title I nonpublic requirements and Title I authority review and sign-off on Title I nonpublic service expenses.

**PASSAIC PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
AUGUST 2016**

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.