



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

CHRIS CHRISTIE
Governor

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Lt. Governor

CHRISTOPHER D. CERF
Commissioner

February 22, 2013

Mr. Robert Baker, Interim Superintendent
Ventnor City Board of Education
400 N. Lafayette Avenue
Ventnor City, NJ 08406

Dear Mr. Baker:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Ventnor City 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, 2011 through December 12, 2012. 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 Ventnor City 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 Anthony Hearn at (609) 633-2492.

Sincerely,

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

RJC/AH/dk:Ventnor City BOE Cover Letter/consolidated monitoring
Enclosures

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VENTNOR CITY SCHOOL DISTRICT
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
FEBRUARY 2013**

District: Ventnor City School District
County: Atlantic
Dates On-Site: December 4 and 5, 2012
Case #: CM-005-12

FUNDING SOURCES

Program	Funding Award
Title I	\$ 488,096
IDEA Basic	302,717
IDEA Preschool	8,883
Title IIA	39,633
Title III	36,292
Title III Immigrant	12,303
Total Funds	<u>\$ 887,924</u>

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BACKGROUND

The *Elementary & 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, Race to the Top 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 Ventnor City 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; Title IIA; Title III; and IDEA for the period July 1, 2011 through December 4, 2012.

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 that were reviewed included Title I, Title IIA, Title III and IDEA from July 1, 2011 through December 4, 2012. 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 AND IDEA FUNDS

Title I Projects

The district is using its FY 2012-2013 Title I, Part A funds to implement targeted assistance programs in the district. Primarily, the district provides tutoring services through in-class support.

IDEA Projects (Special Education)

The majority of the FY 2012-2013 IDEA Basic and Preschool funds are being used to reduce district tuition expenditures for students receiving special educational services in approved private schools for students with disabilities. Additionally, the IDEA funds are used for an ABA/behavior consultant, testing supplies and classroom supplies, including assistive technology.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district's use of Title I funds to operate a replacement Language Arts program in grades 2 and above for identified Title I students supplants state and local funds. The district must use its state/local funds to provide core courses that are required under the district's curriculum. The district may not use state/local funds for non-Title I students to assess a core course and federal funds for Title I students to assess the same core course.

Citation: NCLB §1115(c) *Targeted Assistance Programs, Components of a Targeted Assistance Program*; USDE Policy letter October 6, 2008.

Required Action: The district must revise its Title I program to provide services to Title I students in Language Arts that are in addition to the core curricular requirement and above and beyond services provided to non-Title I students. The district must reverse the FY 2012 Title I expenditures for the replacement Language Arts course and allocate state/local funds for the expenditure. The district must submit the documentation or changes to the NJDOE for review, and revise its FY 2011-2012 NCLB Final Expenditure Report accordingly.

Finding 2: In the notification letter to parents of Title I students, the district did not inform parents of the exit criteria.

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

Required Action: In the notification letter to families of students in the Title I program, the district must include the multiple measures it uses to identify students for eligibility. The letter must also include the reason for identification, as well as clearly defined exit criteria. The district's notification letters must be updated for FY2012-2013 to include

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more specificity regarding what services the children will receive. The revised letter must be submitted to the NJDOE for review before the district issues it to parents.

Finding 3: The district does not have a parental involvement program that reflects the requirements of the Title I legislation because the schools did not have school level parental involvement policies developed in conjunction with the parents.

Citation: ESEA §1118: *Parental Involvement*.

Required Action: The district must ensure that each Title I school has a parental involvement policy 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 a copy of the policy to the NJDOE for review.

Finding 4: The district does not have the required supporting documents to verify the activity of staff charged to the Title I grant at schools as required by federal law. The documentation must reflect what the staff is doing, when and where and must match their funded percentage.

Citation: OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services)*.

Required Action: The district must identify staff members who are working exclusively with students in the Title I program. The district may then charge the salaries of these staff to the grant and verify the time and activity of staff charged to the grant. The district must submit a revised list of FY 2012-2013 Title I funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review (including administrative staffing).

Finding 5: The district is not tracking expenditures by attendance areas to ensure the expenses for Title I schools are consistent with each attendance area's allocation on Eligibility Page, Step 4 of the FY 2012-2013 NCLB Consolidated Application. The NJDOE documented the same finding in its October 6, 2008 monitoring report issued to the district.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems; NCLB §9306(a)(5): *Other General Assurances (Assurances)*.

Required Action: The district must track Title I school-level allocations reflected in the FY 2012-2013 NCLB Consolidated Application for Title I funds (Eligibility Page, Step 4). The tracking for 2012-2013 must be submitted to the NJDOE for review.

Finding 6: The district did not have a mechanism to track mandatory reserves, such as School in Need of Improvement (SINI) and District in Need of Improvement professional development, parental involvement and administrative costs in its accounting system to ensure accuracy of

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final reports. In the past, the district gave assurances in their final report that all SINI funds were spent and, therefore, not restricted in the subsequent year.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Required Action: The district must track its restricted reserves to ensure and verify spending of restricted amounts for FY 2011-2012. The district must submit a list of account numbers being used for this purpose with a description of the accounts.

Finding 7: The district used its Title I, Part A funds to pay for books for grade level and advance level reading material and agenda books used by all students. The use of federal funds for these expenses supplants state/local funds as these activities benefit the entire school. The district must use state/local funds for core curricular programs and state mandated programs.

Citation: OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments*. NCLB §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

Required Action: The district must reverse the charges for these unallowable expenditures and allocate state/local funds, rather than Title I funds, to support these expenditures.

Finding 8: The district could not provide evidence that it contacted or consulted with nonpublic schools to determine if there are any resident nonpublic students eligible for Title I services.

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

Required Action: The district must contact and consult with the nonpublic schools to plan and organize a Title I program consistent with the legislation and have defined entrance and exit criteria. The district must submit a copy of the consultation documents (agenda, minutes, sign in sheets) to the NJDOE for review.

Title IIA

There were no findings for the Title IIA grant.

Title III

There were no findings for the Title III grant.

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IDEA (Special Education)

Finding 9: The district's notices of meetings for students eligible for special education and related services and speech-language services did not consistently identify all of the purposes of a meeting when multiple purposes were planned. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.3(k)3,5; 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

Required Action: The district must ensure parents are provided notice of a meeting that contains all required components, early enough to ensure the parent has an opportunity to attend, and that this documentation 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 regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from the NJDOE will conduct an on-site visit to review copies of invitations for meetings conducted between February 2013 and May 2013.

Finding 10: The district did not consistently provide written notice to parents containing all required components. Specifically, written notice of the identification meeting and reevaluation planning meeting for students evaluated for special education and related services or for speech-language services did not include the options considered and why those options were rejected and written notice of an initial evaluation did not document the provision of N.J.A.C. 6A:14 and 1:6A. In addition, the district did not consistently document the provision of written notice when parents were not in attendance at meetings. Noncompliance was due to a lack of implementation of district procedures.

Citation: 20 U.S.C. §1414(b)(1)(c)(4)(A); 34 CFR §300.304(a)(4); and 34 CFR §300.305(a) and N.J.A.C. 6A:14-2.3(f) and 2.3(g)1-7.

Required Action: The district must ensure parents are provided with written notice of proposed actions containing all required components. In order to demonstrate correction of noncompliance, the district must provide training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from the NJDOE will conduct an on-site visit to review copies of written notice of proposed actions following identification, eligibility, reevaluation planning and IEP meetings conducted between February 2013 and May 2013.

Finding 11: The district did not consistently document provision of copies of evaluation report(s) to parents at least 10 days prior to the determination of eligibility for students evaluated for special education and related services. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.5(a); 20 U.S.C. §1414(b)(4); and 34 CFR §300.306(a).

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Required Action: The district must ensure the provision of copies of evaluation report(s) not less than 10 days prior to the determination of eligibility. To demonstrate implementation of the procedures, the district must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from the NJDOE will conduct an on-site visit to review documentation of provision of evaluation reports for evaluations conducted between February 2013 and May 2013.

Finding 12: The district did not consistently convene reevaluation planning meetings with required participants for students eligible for special education and related services. In addition, the district did not consistently convene identification and eligibility meetings with the required participants for students evaluated for speech-language services. Noncompliance was due to a lack of implementation of district procedures.

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

Required Action: The district must ensure reevaluation planning, eligibility and identification meetings are conducted with required participants and that documentation of attendance is maintained in the student record. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from the NJDOE will conduct an on-site visit to review documentation of signatures of participation for identification, reevaluation, eligibility and IEP meetings conducted between February 2013 and May 2013.

Finding 13: The district did not consistently document all required considerations and statements in each IEP for students eligible for special education and related services and students eligible for speech-language services.

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

- criteria and method of evaluating student progress on goals and objectives;
- method of reporting progress on goals and objectives to parents;
- supports for school personnel;
- age 14 transition requirements (student interests, strengths and preferences, postsecondary liaison and statement of needed consultation);
- specific frequency, location and duration of related services; and
- documentation of the factors considered when determining the need for extended school year (ESY) services.

In addition, IEPs for students eligible for speech language services did not consistently include:

- documentation of the factors considered when determining the need for ESY services;

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- method of evaluating student progress on goals and objectives;
- method of reporting progress on goals and objectives to parents; and
- supports for school personnel.

Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f); N.J.A.C. 6A:14-4.3(c); 20 U.S.C. §1414(d)(3)(A)(B); and 34 CFR §300.324(a)(1)(2).

Required Action: The district must ensure each IEP contains all required components. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists regarding district procedures. To demonstrate the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for the specific students whose IEPs were identified as noncompliant. Additionally, a monitor from the NJDOE will conduct an on-site visit to review the revised IEPs and a random sample of additional IEPs for meetings conducted between February 2013 and May 2013. 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 document in the IEPs of students removed from the general education setting for more than 20 percent of the day, including students placed in separate settings, consideration of placement in the least restrictive environment. Specifically, IEPs did not consistently include:

- the supplementary aids and services considered and explanation of why the supplementary aids and services were rejected;
- a comparison of the benefits of general education and the benefits of special education;
- the potentially beneficial or harmful effects which a placement in general education may have on students with disabilities or other students in the class; and
- for those students placed in separate settings, a list of all activities to transition the student to a less restrictive environment.

Noncompliance was due to a lack of implementation of district procedures.

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 the placement are documented in the IEP for each student removed from general education for more than 20 percent of the school day. The district must also ensure that for students placed in separate settings, the IEP team identifies activities to transition the student to a less restrictive environment and document them in each IEP. In order to demonstrate correction of noncompliance, the

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district must conduct training for child study team members regarding the district's procedures. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for the specific students with IEPs that were identified as noncompliant. Additionally, a monitor from the NJDOE will conduct an on-site visit to review the revised IEPs and a random sample of additional IEPs for meetings conducted between February 2013 and May 2013. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 15: The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed. Noncompliance was due to a lack of implementation of the district procedures.

Citation: N.J.A.C. 6A:14-2.3(k)2x and 3.7(e)13, 3.7(h); 20 U.S.C. §1414 (d)(1)(A)(i)(1)(VIII); and 34 CFR §300.322.b(2).

Required Action: The district must ensure each student with an IEP age 14 or above, including any student, who will turn 14 during the implementation period of the IEP, 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 regarding the procedures for implementing the requirements in the citation listed above. Additionally, a monitor from the NJDOE will conduct an on-site visit to review student invitations for transition IEP meetings conducted between February 2013 and May 2013.

Finding 16: The district did not consistently complete all required components of the initial evaluation process for students referred for special education and related services.

Initial evaluations of students referred for special education and related services did not include:

- evidence of vision/hearing screenings and health/medical summaries for every student referred;
- all required sections of the functional assessment (specifically, observation of the student in other than a testing setting); and
- certification of each child study team evaluator as to whether his/her evaluation report reflects his/her conclusion of eligibility for each student they evaluated.

Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.4(f)4(i-vi), (j), 14-2.5(b)6 and 3.6(b), 14-3.4(f)4(i-vi); 20 U.S.C. §1414(b)(4) and (5); and 34 CFR §300.306(c)(i).

Required Action: The district must ensure a vision and audiometric screening is conducted for every student referred to the child study team, including parent referrals, with a copy of the results maintained in students' files, along with available health/medical summaries. The district must also ensure all components of the functional assessment are conducted as part of all initial evaluations. In addition, the district must

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ensure each child study team member that conducts an assessment certifies in writing that the report reflects his/her conclusion of eligibility. 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. Additionally, a monitor from the NJDOE will conduct an on-site visit to review documentation of vision/hearing screenings and health summaries, components of the functional assessment and certification of agreement/disagreement for evaluations conducted between February 2013 and May 2013.

Finding 17: The district did not consistently conduct a meeting within 20 calendar days of receipt of a written request for a speech-language evaluation to determine if an evaluation was warranted. Noncompliance was due to a lack of implementation district procedures.

Citation: N.J.A.C. 6A:14- 3.3(e) and 3.6(b).

Required Action: The district must ensure identification meetings are conducted within 20 calendar days of receipt of a written request to determine if an evaluation is warranted. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists regarding the district's procedures. Additionally, a monitor from the NJDOE will conduct an on-site visit to review documentation of time lines for initial speech referrals conducted between February 2013 and May 2013.

Finding 18: The district did not consistently conduct reevaluations for students eligible for special education and related services within three years of the previous date of eligibility. In addition, the district did not consistently document attempts to obtain written parental consent to conduct requested evaluations when parents were unable to attend the reevaluation planning meeting. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A: 14-3.7(i) and 14-3.8(a) and 20 U.S.C. §1414(a)(2)(B)(ii) and (d); and 34 CFR §300.324(b)1.

Required Action: The district must ensure reevaluations for students eligible for special education and related services are conducted within required time lines. In addition, the district must document the attempts to obtain written parental consent. 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. Additionally, a monitor from the NJDOE will conduct an onsite visit to review reevaluations for students eligible for special education and related services between February 2013 and May 2013.

Administrative

Finding 19: The district does not have internal control policies and procedures to prevent contracting with disbarred vendors.

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Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

Required Action: The district must update internal control policies to prevent errors from potentially occurring.

Finding 20: The district does not have formal written policies for requesting reimbursement from the Electronic Web Enabled Grant or System for Administering Grants Electronically systems. However, the monitoring team did verify the district's practice for requesting reimbursement through inquiries about the district's internal controls.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Required Action: The district must have a formal board policy concerning the reimbursement of grant funds. The district must submit a copy of its written policy to the NJDOE for review.

Finding 21: The district has no evidence of competitively contracting for the provision of goods and services by vendors. In accordance with the Public School Contracts Law (PSCL) [N.J.S.A. 18A:18A:10(a)], a board of education may place its order with a vendor offering the lowest price, including delivery charges, that best meets the requirements of the board of education. However, for all federal funds, districts need to review 34 CFR Part 80.36 on procurement requirements. The federal procurement regulations under this section do not include all the exemptions allowed under the PSCL and therefore, these federal regulations require districts to competitively contract or bid all goods and services under the bid threshold, whether exempt under PSCL or not. The federal rules do include provisions for procurement by "noncompetitive proposals," but only under certain circumstances.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

Required Action: The district should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible. The district should also analyze and include documentation in its files that demonstrates the district ensured the costs were reasonable.

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 Anthony Hearn via phone at (609) 633-2492 or via email at anthony.hearn@doe.state.nj.us.