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DEPARTMENT OF EDUCATION
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Commissioner

June 26, 2013

Ms. Richelle Baugh, School Administrator
Camden's Promise Charter School
879 Beideman Avenue
Camden, NJ 08105

Dear Ms Baugh:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Camden's Promise 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, 2011 through February 12, 2013. 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 Charter Schools Response, Corrective Action Plan and Appeal Process," the Camden's Promise 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 Anthony Hearn at (609) 633-2492.

Sincerely,

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

RJC/LR/dk:Camden's Promise Charter School Cover Letter/consolidated monitoring
Enclosures

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CAMDEN'S PROMISE CHARTER SCHOOL
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
JUNE 2013**

District: Camden's Promise Charter School
County: Camden
Dates On-Site: February 12 and 13, 2013
Case #: CM-015-12

FUNDING SOURCES

Program	Funding Award
Title I	\$ 383,387
IDEA Basic	116,718
Title IIA	4,879
Title III	13,424
Total Funds	<u>\$ 518,408</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 Camden's Promise 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 IIA; Title III and IDEA for the period July 1, 2011 through February 12, 2013 and planned expenses for the current year (2012-2013).

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 February 12, 2013. 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 school is using its FY 2012-2013 Title I, Part A funds to implement a schoolwide program. Primarily, the school provides tutoring services through a mathematics reasoning class, Study Island, as well as summer programs.

IDEA Projects (Special Education)

The school has submitted revisions to their FY 2012- 2013 IDEA grant. At this time, final approval has not been authorized by the NJDOE.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The school used its Title I funds to pay fees for teachers to complete the requirements of the alternative route certification program. Teacher certification is a requirement of N.J.A.C. 6A:9; therefore, this expenditure supplants state/local funds.

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

Required Action: The school must reverse the charges for these unallowable expenditures and allocate state/local funds, rather than Title I funds, to support these expenditures. The school must submit documentation to the NJDOE that verifies the reversal of the expenditures.

Finding 2: The school was funding a Title I teacher who did not meet requirements for classification as a highly qualified teacher. The teacher had a provisional K-5 certificate, but was teaching middle school mathematics in a departmentalized setting, which requires an Elementary School with Subject Matter Specialization: Mathematics in Grades 5 - 8 certificate. To meet the legislative definition of "highly-qualified" in a departmentalized middle school setting, the teacher would have to possess the content certification for the academic he/she teaches.

Citation: NCLB §1119: *Qualifications for Teachers and Paraprofessionals*.

Required Action: The school must reverse the charges for the ineligible staff person and issue a letter to parents informing them the teacher is not highly qualified. The school must submit documentation to the NJDOE that verifies the reversal of the expenditures and a copy of the letter issued to parents.

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Finding 3: The school was operating a schoolwide program, but was not spending according to the schoolwide plan. The school was operating and funding a mathematics reasoning program that was not articulated in schoolwide plan. Schools that operate a Title I schoolwide program have the option to consolidate their Title I funds with other federal funds and state/local funds to upgrade the entire education program of the school. In lieu of tracking separate funding streams, the school must maintain a plan that reflects how the schoolwide program is implementing interventions and strategies to meet the intents and purposes of the Title legislation. Therefore, the school's expenditures must correlate to programs and strategies in the schoolwide plan.

Citation: NCLB §1114: *Schoolwide Program*.

Required Action: The school must amend its schoolwide plan to include all activities on which it is spending or plans to spend money. The school must send a copy of the amended plan to the NJDOE for review.

Title IIA

Finding 4: The school used Title IIA funds to purchase iPads for staff. However, the iPads were not linked to a professional development activity. Title II A funds must be used to purchase materials and supplies for professional development activities. Title IIA funds may not be used for materials and supplies that are not directly connected to a professional development activity.

Citation: NCLB §2123: *Supplement Not Supplant*.

Required Action: The school must reverse the charges for the iPads, and identify state/local funds for this expenditure. The school must send the NJDOE documentation of the reversal of the expenditure for review.

IDEA (Special Education)

Finding 5: The school did not demonstrate that it met the standards of maintenance of effort. All necessary financial information needs to be inputted in the Electronic Web Enabled Grant (EWEG) system to show it met the requirement and substantiates the figures as shown in the IDEA grant.

Citation: Maintenance of Effort - *Funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year 34 CFR §300.203 (a-b).*

Required Action: The school must input the information into the EWEG system and provide all supporting information to the NJDOE for review.

Finding 6: The school did not implement each student's IEP as written. In addition, IEPs had conflicting placement information for students eligible for special education and related services.

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Specifically, IEPs would state in one section that the student would be placed in pull-out replacement for a subject, but another section would state in-class resource for the same subject. Students were placed in programs based on the availability of seats in a class rather than the requirements of the IEP. Noncompliance was due to a lack of consistent implementation of school procedures.

Citation: N.J.A.C. 6A:14-3.7(a)1-4 and 20 USC 1412(a)(5); 34 CFR §300.119.

Required Action: The school must ensure IEPs clearly state the programs and services to be provided to students determined eligible for special education and related services and that the students is receiving all programs and services identified in his or her IEP. The school must also ensure decisions regarding student programs are determined by the IEP team. In order to demonstrate correction of noncompliance, the school must provide training for child study team members, teachers and administrative staff regarding the procedures for implementing the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff and review IEPs and programs to verify placement as identified in the student IEP between March 2013 and October 2013.

Finding 7: The school's notices of meetings for students eligible for special education and related services and for students eligible for speech-language services did not consistently include all required components. Specifically, notices did not inform the parents of their right to invite other persons with expertise regarding their child when convening to review and/or revise the IEP. Noncompliance was due to a lack of consistent implementation of school 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 school must ensure parents are provided notice of a meeting in writing, that contains all required components, early enough to ensure the parent has an opportunity to attend. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff and review copies of notices of meetings conducted between April 2013 and October 2013 for students eligible for special education and related services and speech-language services.

Finding 8: The school did not consistently inform parents of proposed actions through provision of written notice, containing all required components. Specifically, written notice following identification, initial eligibility, reevaluation planning, and redetermination of eligibility meetings did not document other options considered and the reasons why they were rejected when the meeting did not immediately precede an IEP meeting. Noncompliance was due to a lack of consistent implementation of school 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.

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Required Action: The school must ensure 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 provide training for child study team members and speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. In addition, a monitor from the NJDOE will conduct an on-site visit to interview staff and review copies of written notice sent to parents following meetings conducted between April 2013 and October 2013.

Finding 9: The school did not consistently conduct an annual IEP team meeting for each student eligible for special education and related services. Noncompliance was due to a lack of consistent implementation of school procedures.

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

Required Action: The school must ensure IEP team meetings are conducted annually or more often if necessary, to review and revise the IEPs and determine the programs and placement of each eligible student. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. The school must convene IEP meetings for those students whose IEPs were determined noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff and review the revised IEPs, as well as IEPs of students whose IEP meetings were conducted between April 2013 and October 2013.

Finding 10: The school did not consistently document all required considerations and statements in each IEP for students eligible for special education and related services and speech-language services. Specifically, IEPs developed for students eligible for special education and related services did not consistently include:

- a description of the needs of the student in the statement Present Levels of Academic Achievement and Functional Performance which is reflective of the placement and programs and services provided to the student;
- at least one annual goal for each subject where the student is receiving special education;
- statement of how progress towards annual goal(s) will be measured;
- criteria to determine if the student successfully met the goal;
- documentation of Extended School Year (ESY) including the factors considered in determining if ESY was necessary and program description if ESY if provided; and
- documentation of student interests, preferences and strengths and liaison to postsecondary resources for students age 14 and above.

The IEPs developed for students eligible for speech-language services did not consistently include criteria to determine if the student successfully met the goal.

Noncompliance was due to a lack of consistent implementation of school procedures.

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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); and 34 CFR §300.324(a)(1)(2).

Required Action: The school must ensure each IEP contains all required components. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members regarding school procedures. To demonstrate that the school has corrected the individual instances of noncompliance, the school must conduct annual review meetings and revise IEPs for specific students whose IEPs were identified as noncompliant during monitoring. A monitor from the NJDOE will conduct an on-site visit to interview staff and review the revised IEPs along with IEPs of students whose IEP meetings were conducted between April 2013 and October 2013. Names of the students whose IEPs were identified as noncompliant will be provided to the school by the monitor. For assistance with correction of noncompliance, the school is referred to the state IEP sample form which is located at: www.state.nj.us/education/specialed/form.

Finding 11: The school did not consistently document in the IEPs of students removed from the general education setting for more than 20 percent of the school day, including students placed in separate settings, consideration of placement in the least restrictive environment. Specifically, IEPs did not consistently include:

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

Noncompliance was due to a lack of consistent implementation of school procedures.

Citation: N.J.A.C. 6A:14-4.2 (a)8(i),(ii) and (iii).

Required Action: The school 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 school must also ensure that for students placed in separate settings, the IEP team identifies school activities to transition the student to a less restrictive environment and document them in each IEP. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members regarding the school's procedures. To demonstrate the school has corrected the individual instances of noncompliance, the school 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 and review the IEPs of those students found to be noncompliant during monitoring and additional IEPs that will be developed between

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April 2013 and June 2013. Names of the students whose IEPs were identified as noncompliant will be provided to the school by the monitor.

Finding 12: The school did not consistently maintain written certification for each child study team evaluator as to whether his/her report reflects his/her conclusion of eligibility of the student for special education and related services. Noncompliance was due to a lack of consistent implementation of school procedures.

Citation: N.J.A.C. 6A:14-3.4(h)5.

Required Action: The school must maintain the written certification of each child study team evaluator as to whether his/her evaluation report reflects his/her conclusion of eligibility of each student they evaluated. In order to demonstrate correction of noncompliance, the school 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 interview staff and review copies of identification and eligibility meetings conducted between April 2013 and October 2013 to verify documentation of written certification of each child study team member who conducted an evaluation as to whether or not his/her report reflects his/her determination of eligibility.

Finding 13: The school did not consistently conduct reevaluations within three years of the previous classification date for students eligible for special education and related services. Noncompliance was due to a lack of consistent implementation of school 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 Actions: The school must ensure reevaluations are conducted within required time lines with required participants in attendance. In order to demonstrate correction of noncompliance, the school 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 interview staff and review documentation of eligibility meetings held as part of the reevaluation process between April 2013 and October 2013.

Financial Management and Reporting

Finding 14: A review of the school's fiscal records indicated the following issues regarding internal controls and procurement:

- Failing to secure vendor certification prior to payment of invoices;
- Failing to charge expenses to the grant as they are incurred;
- Incurring expenses prior to the start of the project period;

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- Charging incorrect staff to the Title I and IDEA grants (prior year staff were charged and they adjusted out of the grant);
- Issuing purchase orders that do not match the amount charged to the grant;
- Approving financial statements that label the school as operating a targeted assistance program, rather than a schoolwide program;
- Paying a lump sum to a provider prior to the services being rendered (IDEA); and
- Paid Invoices prior to issuing a purchase order.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement and Section 20, Standards for financial management systems. N.J.S.A 18A:18A(2)(v) *Public School Contracts Law*.

Required Action: The school needs to address all these issues and the necessary corrective action they are implementing to prevent these errors.

Administrative

Finding 15: The school does not have internal control policies and procedures to prevent contracting with disbarred vendors.

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

Required Action: The school should update internal control policies to prevent errors from potentially occurring.

Finding 16: The school does not have formal written policies for requesting reimbursement from the EWEG or System for Administering Grants Electronically systems. However, the monitoring team did verify the school's practice for requesting reimbursement through inquiries about the school'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 school must have a formal board policy concerning the reimbursement of grant funds. The school must submit a copy of its written policy to the NJDOE for review.

Finding 17: The school 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

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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 school should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible. The school should also analyze and include documentation in its files that demonstrates the school 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.