



State of New Jersey
DEPARTMENT OF EDUCATION
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Commissioner

October 4, 2013

Dr. Doris Carpenter, Principal
D.U.E. Season Charter School
1000 Atlantoc Avenue, 3rd Floor
Camden, NJ 08104

Dear Dr. Carpenter:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **D.U.E. Season 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 July 15, 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 D.U.E. Season 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:D.U.E. Charter School Cover Letter/consolidated monitoring
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
OCTOBER 2013**

District: D.U.E. Season Charter School
County: Camden
Dates On-Site: July 15 and 16, 2013
Case #: CM-013-12

FUNDING SOURCES

Program	Funding Award
Title I	\$ 633,156
IDEA Basic	122,620
IDEA Preschool	2,445
Title IIA	1,242
Race to the Top	39,484
Total Funds	<u>\$ 798,947</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 D.U.E. Season 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); Race to the Top and IDEA for the period July 1, 2011 through July 15, 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 school policies and procedures. The monitoring team members also conducted interviews with school 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 II, Race to the Top and IDEA from July 1, 2011 through July 15, 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, IDEA AND RACE TO THE TOP FUNDS

Title I Projects

The school used its FY 2012-2013 Title I funds to implement a schoolwide program. Primarily, the school provided supplemental instructional opportunities through in-class support, extended day and extended year programs. The school also used Title I funds to support increased use of technology (iPads) and professional development.

IDEA Projects (Special Education)

The FY 2012-2013 IDEA Basic and Preschool funds were used to provide contracted services through the Salem County Special Services School District.

Race to the Top

The Race to the Top funds were spent on updating the school's use of Common Core State Standards and the use of Professional Development and technology in support of LEA transition.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The school did not have the required supporting documents to verify the activity of staff charged to the Title I grant. The documentation must reflect what the staff is doing and when (time slots), and must match their funded percentage. This documentation is necessary to ensure that grant funded staff are actually performing grant-related responsibilities.

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 school must identify staff members whose salaries are supported in whole or in part with Title I funds and verify the time and activity of staff charged to the grant. The school must submit a revised list of FY 2012-2013 funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

Finding 2: The school did not have a parental involvement program that reflects the requirements of the Title I legislation and did not convene the annual Title I parent meeting. The exclusion of parents in this process does not offer them the opportunity for full participation in their child's educational program.

Citation: ESEA §1118: *Parental Involvement*.

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Required Action: For the 2013-2014 school year, the school must convene the annual Title I parent meeting no later than November 15, 2013. The school must also engage parents in the development of the parental involvement policy. The school must submit documentation of both the annual meeting and the process to engage parents in the development of the parental involvement policy to the NJDOE for review. Acceptable documentation includes copies of information and policies, as well as invitational letters, flyers, agendas and meeting notes.

Finding 3: The school was operating a schoolwide program, but the Title I expenditures did not correspond to activities in the schoolwide plan. The school's plan did not have reform strategies that supported any of the expenditures. 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 I legislation. Therefore, the Title I expenditures for the school must correlate to programs and strategies in the schoolwide plan.

Citation: ESEA §1114: *Schoolwide Program*.

Required Action: The school amended its schoolwide plan to include all activities on which it is spending or plans to spend funds. No further action is required.

Finding 4: The school's electronic grant application for FY 2012-2013 was not resubmitted and approved until July 26, 2013. Not completing the grant timely results in financial issues, such as unallowable expenditures and excessive carryover.

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 make a conscious effort to submit applications in a timely manner by responding promptly when applications are rejected and submitting the necessary corrections.

Finding 5: The sampling of instructional staff found that a long-term substitute did not meet requirements for classification as a highly qualified teacher.

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

Required Action: The school must issue the Parents' Right to Know follow up letter to inform parents that their child is being taught by a teacher that does not meet the highly qualified designation. For the 2013-2014 school year, the school must ensure these teachers are assigned to instructional positions for which they meet the highly qualified designation. If the school employs any teachers, including long-term substitutes, that do

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not meet the highly qualified designation, it must issue the Parents' Right to Know follow up letter.

Finding 6: The school did not have a comprehensive equipment inventory for items purchased with Title I funds. The inventory is necessary to ensure that grant funded equipment is easily identifiable.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

Required Action: The school must develop a system to track equipment purchased with federal grants. Although the state threshold for reporting equipment is \$2,000 in the Electronic Web Enabled Grant (EWEG) system, the school may have its own lower threshold. The school must track any amount that is less expensive to track than it is to replace. The inventory must include a list of all items with the corresponding tag number, cost, location, purchase date, grant source that funded the purchase and a description of the item. The school must submit a comprehensive inventory of all equipment purchased to the NJDOE for review.

Finding 7: The school's financial accounting system did not reflect any charges to the Title I grant as of July 15, 2013.

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 support all charges to the grant for FY 2012-2013 to be reimbursed to the Title I office and include Title I timesheets, purchase orders and general ledger details that verify the expense was charge to the grant.

Finding 8: The school failed to submit a TPAF/FICA reimbursement report for FY 2011-2012.

Citation: N.J.S.A. 18A:66-90, *Reimbursement of TPAF/FICA*.

Required Action: The school must immediately submit the FY 2011-2012 TPAF/FICA report and remit the balance due.

Title II

There were no findings for the Title II grant because the school had not expended any grant funds as of the time of the monitoring visit.

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IDEA (Special Education)

Finding 9: 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 notify the parents of their right to invite others with expertise regarding their child when convening an IEP meeting. In addition, the school did not consistently document provision of notices of meetings in student records and did not document multiple attempts to obtain parent participation at meetings.

Citation: N.J.A.C. 6A:14-2.3(k).

Required Action: The school must ensure parents are provided notice of a meeting that contains all required components, early enough to ensure the parents have an opportunity to attend, and that this documentation is maintained in student files. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation from meetings conducted between September 2013 and January 2014, and to review the oversight procedures.

Finding 10: The school did not consistently provide written notice to parents containing all required components. Specifically, written notice for students evaluated for special education and related services and for students evaluated for speech-language services did not consistently include:

- a statement of the options considered and the reasons they were rejected;
- documentation of provision of N.J.A.C. 1:6A and N.J.A.C. 6A:14; and
- the complete version of the Short Procedural Safeguards Statement.

In addition, the school did not maintain documentation that written notice was provided following the meeting.

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 (g).

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 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 written notice sent to parents following meetings conducted between September 2013 and January 2014, and to review the oversight procedures.

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Finding 11: The school did not consistently document all required considerations and statements in each IEP.

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

- criteria for mastery of goals and objectives; and
- method(s) of evaluating progress on goals and objectives.

IEPs for students eligible for speech-language services did not include:

- strengths of the student;
- method(s) of evaluating progress on goals and objectives; and
- participation in statewide assessment.

Citation: N.J.A.C. 6A:14-3.7(c), (e), 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 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 and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. In addition, to demonstrate correction of individual instances of noncompliance, the school must conduct annual review meetings and revise IEPs for the specific students whose IEPs were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, review a random sample of IEPs for students whose annual review meetings were conducted between September 2013 and January 2014, 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 12: The school 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)2xe)13; 20 U.S.C. §1414 (d)(1)(A)(i)(1)(VIII); and 34 CFR §300.322.b(2).

Required Action: The school 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 school 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 September 2013 and January 2014, and to review the oversight procedures.

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Finding 13: The school 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 a comparison of the benefits of general education and the benefits of special education. In addition, a review of IEPs indicated the rationale for removing students from general education were not individualized and used boiler-plate language.

Citation: N.J.A.C. 6A:14-4.2 (a).

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 that all required decisions regarding the placement are documented in the IEP for each student removed from general education for more than 20 percent of the school day. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. In addition, to demonstrate the school has corrected the individual instances of noncompliance, the school must conduct IEP meetings and revise IEPs for the 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, review a random sample of additional IEPs for students whose annual review meetings were conducted between September 2013 and January 2014, 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 14: The school did not consistently complete all required components of the evaluation process for students referred for special education and related services.

Specifically, evaluations did not include:

- identification meetings held within 20 days of receipt of a written referral;
- provision of evaluation reports to parents at least 10 days prior to the eligibility conference;
- all components of a functional assessment, specifically observation of the student in other than a testing setting for students evaluated for special education and related services and an interview with the parent for students evaluated for speech-language services; and
- the educational impact statement from the classroom teacher for students evaluated for speech-language services.

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

Required Action: The school must ensure identification meetings are convened within 20 days of receipt of a referral. In addition, the school must ensure evaluation reports include all the required components of a functional assessment and are provided to

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parents at least 10 days prior to the eligibility conference. Finally, the school must ensure the classroom teacher provides a written statement of the educational impact of the student's speech problem. In order to demonstrate correction of noncompliance, the school 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 documentation of identification meeting time lines, review initial evaluation reports and documentation of provision of reports to parents at least 10 days prior to the eligibility meeting for students evaluated between September 2013 and January 2014, and to review the oversight procedures.

Finding 15: The school did not implement each student's program according to the implementation dates in the IEP. Interviews indicated students were not scheduled for self-contained and resource programs until after the start of the school year. During the first weeks of school, the students were placed in general education classrooms, even though IEPs indicated implementation at the start of the school year. Interviews indicated this happened as a result of scheduling delays for the special education students.

Citation: N.J.A.C. 6A:14-4.1(a) and 20 USC 1412(a)(5); 34 CFR §300.119.

Required Action: The school must ensure programs are provided in accordance with implementation dates in IEPs and students are not placed in general education while waiting for services to begin. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. The school must convene IEP meetings for all students impacted by the scheduling delay to discuss the need for compensatory services. A monitor from the NJDOE will conduct an on-site visit to interview staff, review current IEPs and teachers' schedules for the 2013-2014 school year, schedule for the provision of compensatory services and to review the oversight procedures.

Race To The Top

Finding 16: The school's Race to the Top application reflected the use of funds for stipends to support teachers working on implementation of the Common Core State Standards and the integration of technology into the curriculum. However, the school was unable to produce a general ledger, time and activity reports or sign in sheets to verify that the funds were actually used for this activity.

Citation: OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services)*. EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

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Required Action: The school must identify staff members whose salaries are supported in whole or in part with Race To The Top funds and verify the time and activity of staff charged to the grant. The school must submit a revised list of FY 2012-2013 funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

Administrative

Finding 17: The school did 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 must update internal control policies to prevent errors from potentially occurring.

Finding 18: 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 19: The school was unable to provide 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 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

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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.