



State of New Jersey  
DEPARTMENT OF EDUCATION  
PO Box 500  
TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
Governor

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Lt. Governor

CHRISTOPHER D. CERF  
Commissioner

July 24, 2013

Mr. Jack Pfizenmayer, Superintendent  
Lower Cape May Regional School District  
687 Route 9  
Cape May, NJ 08204

Dear Mr. Pfizenmayer:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Lower Cape May Regional 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 May 21, 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 LEA/Agency Response, Corrective Action Plan and Appeal Process," the Lower Cape May Regional 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:Lower Cape May Regional BOE Cover Letter/consolidated monitoring  
Enclosures

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**STATE OF NEW JERSEY  
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**LOWER CAPE MAY REGIONAL SCHOOL DISTRICT**  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
JULY 2013**

**District:** Lower Cape May Regional School District  
**County:** Cape May  
**Dates On-Site:** May 20 and 21, 2013  
**Case #:** CM-014-12

**FUNDING SOURCES**

Program	Funding Award
Title I	\$ 332,009
IDEA Basic	418,316
Title IIA	73,775
Race to the Top	19,977
Carl D. Perkins	94,764
<b>Total Funds</b>	<b>\$ 938,841</b>

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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, and Race to the Top). 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 Lower Cape May Regional 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: Race to the Top; Title I; Title IIA; Carl D. Perkins and IDEA for the period July 1, 2011 through May 21, 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, Race to the Top, Carl D. Perkins and IDEA from July 1, 2011 through May 21, 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 THE USE OF TITLE I, IDEA, RACE TO THE TOP AND CARL D. PERKINS FUNDS**

**Title I Projects**

The district is using its FY 2012-2013 Title I funds to implement targeted assistance programs in the Richard M. Teitelman Middle School and Lower Cape May Regional High School. Primarily, the district provides remedial supplemental courses during the school day and extended year programs.

**IDEA Projects (Special Education)**

The FY 2012-2013 IDEA Basic funds are being used to reduce district tuition expenditures for students receiving special education services in approved private schools for students with disabilities.

**Race to the Top**

All of the FY 2012-2013 Race to the Top grant is being utilized to support the Danielson Model teacher evaluation system.

**Carl D. Perkins**

The district uses Carl D. Perkins funds to support three approved Career and Technical Education (CTE) programs in Business Administration and Management, General (520201); Administrative Assistant and Secretarial Science, General (520401); Cooking & Related Culinary Arts (120500); and one program of study in Engineering Technology, General (150000). The FY 2012-2013 and FY 2011-2012 funds have been expended to support CTE programs in the areas of instructional supplies, instructional equipment and professional development.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** In the notification letter to parents of Title I students, the district did not include detailed entrance or exit criteria. Without this information, parents are unable to understand the reasons for their child being selected to participate in the Title I program, and what is needed for their child to exit the program.

**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

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criteria. The district's notification letters must be updated for FY 2013-2014 to include detailed entrance and exit criteria. The revised letter must be submitted to the NJDOE for review before the district issues it to parents.

**Finding 2:** The district does not have a comprehensive equipment inventory for items purchased with Title I funds. The inventory list should be detailed and contain all assets that are less expensive to inventory than they are to be replaced. The inventory is necessary to ensure grant-funded equipment is identifiable and readily available for the use of Title I students only.

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

**Required Action:** The district must develop a system to track equipment purchased with federal funds. Although the state threshold for reporting equipment is \$2,000 in the Electronic Web Enabled Grant (EWEG) system, the district may have its own lower threshold. The district 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 district must submit a comprehensive inventory of all equipment purchased to the NJDOE for review.

**Title IIA**

A review of the expenditures for the Title IIA grant yielded no findings.

**IDEA (Special Education)**

**Finding 3:** The district's notices of meetings did not consistently inform parents that transition planning was one of the intended purposes.

**Citation:** N.J.A.C. 6A:14-3.7(e)11 and 2.3(k)5ii.

**Required Action:** The district must ensure the invitation to the IEP meeting identifies transition planning as one of the intended purposes, when required. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and clerical support staff regarding the procedures for implementing the requirements in the citation listed above. The district must implement an oversight mechanism to regularly review IEP meeting invitations to ensure provision of notices that include the required components. A monitor from the NJDOE will conduct an on-site visit to interview staff and review copies of notices of IEP meetings where transition services will be discussed for meetings conducted between August 2013 and December 2013.

**Finding 4:** The district did not consistently document all required considerations and statements in each IEP for students eligible for special education and related services.

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Specifically, IEPs did not consistently include:

- goals and objectives; and
- age 14 transition requirements.

**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 regarding district procedures for implementing the requirements in the citation listed above. The district must implement an oversight mechanism to regularly review student IEPs to ensure provision of IEPs with all required components. In addition, 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 whose IEPs were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff and review the revised IEPs and a random sample of additional IEPs for annual review meetings conducted between August 2013 and December 2013. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

**Finding 5:** 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:

- a comparison of the benefits of general education and the benefits of special education;
- the potentially beneficial or harmful effects which placement in a general education setting may have on students with disabilities or other students in the class; and
- for those students placed in separate settings, activities to transition the student to a less restrictive environment.

**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. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the district's procedures for implementing the requirements in the citation listed above. The district must implement an oversight mechanism to regularly review IEPs for students removed from general education for more than 20 percent of the school day to ensure that all required documentation of the rationale for placement and the activities to transition to a less restrictive environment are

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included. In addition, 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. A monitor from the NJDOE will conduct an on-site visit to interview staff and review the revised IEPs and a random sample of additional IEPs for annual review meetings conducted between August 2013 and December 2013. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

**Finding 6:** The district did not have in place a special education parent advisory group to provide input to the district on issues concerning students with disabilities. The district has had a parent advisory group in the past, but did not have an active group this year.

**Citation:** N.J.A.C. 6A:14-1.2 (h).

**Required Action:** The district must ensure a special education parent advisory group is available in the district. In order to demonstrate correction of noncompliance, the district must organize and re-establish a parent advisory group. A monitor from NJDOE will conduct an on-site visit to interview staff and review the list of members of the special education parent advisory group and any agendas for meetings held subsequent to the monitoring visit.

**Finding 7:** The district 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:

- evidence of vision/hearing screenings and health/medical summaries for every student referred for an initial evaluation; and
- certification of each child study team evaluator as to whether his/her evaluation report reflects the conclusion of eligibility for each student evaluated as part of an initial evaluation or reevaluation.

**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. In addition, the district must ensure each child study team member that conducts an assessment for an initial evaluation or reevaluation certifies in writing that his/her report reflects the 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. The district must implement an oversight mechanism to regularly review evaluations to ensure that vision/hearing screenings are conducted for initial evaluations and child study team members certify in writing that his/her report reflects the conclusion of eligibility for both initial evaluation and reevaluations. A monitor from the NJDOE



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will conduct an on-site visit to interview staff and to review documentation of vision/hearing screenings and health summaries for initial evaluations and certification of agreement/disagreement, and the educational impact statement for evaluations conducted between August 2013 and December 2013.

**Finding 8:** The district did not consistently conduct reevaluations within three years of the previous classification date for students eligible for special education and related services.

**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 are conducted within required timelines. 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. The district must implement an oversight mechanism to regularly review reevaluations to ensure compliance with mandated timelines. A monitor from the NJDOE will conduct an on-site visit to interview staff and review documentation of reevaluations due between August 2013 and December 2013.

**Race to the Top**

A review of the expenditures for the Race to the Top grant yielded no findings.

**Carl D. Perkins**

**Finding 9:** FY 2012-2013 Perkins funding of \$6,402 for online end-of-program assessments was incorrectly listed in the Instructional Supplies (100-600) category.

**Citation:** Perkins Guidelines: Section D: 2.8.4.3 End of Program Assessments.

**Required Action:** In the future, the district must list expenditures for online end-of-program assessments administered and scored by an outside organization in the Other Budget Detail (100-300, Purchased Professional & Technical Services) category.

**Administrative**

**Finding 10:** The district had an audit finding in the June 2012 Comprehensive Annual Financial Report that stated funds were due back to the NJDOE for misspending Ed Jobs money. As of the date of the visit, the funds have not been returned.

**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 issue has been referred to the Office of Fiscal Accountability and Compliance, Single/Grants Audit Unit for follow-up.

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**Finding 11:** The district has internal control policies and procedures to prevent contracting with disbarred vendors, but there was no evidence of implementation.

**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 its procedures to demonstrate implementation of the internal control policies to prevent errors from potentially occurring.

**Finding 12:** The district 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 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 13:** 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.

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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](mailto:anthony.hearn@doe.state.nj.us).