



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

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Governor

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CHRISTOPHER D. CERF
Commissioner

February 25, 2013

Mr. George Drozdowski, Superintendent
Lower Township Elementary Board of Education
834 Seashore Road
Cape May, NJ 08204-4650

Dear Mr. Drozdowski:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Lower Township Elementary 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 January 14, 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 Township Elementary 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 Twp. Elementary BOE Cover Letter/consolidated monitoring
Enclosures

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TRENTON, NJ 08625-0500**

LOWER TOWNSHIP ELEMENTARY SCHOOL DISTRICT
834 SEASHORE ROAD
CAPE MAY, NJ 08204
PHONE: (609) 884-9400



New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
FEBRUARY 2013**

District: Lower Township Elementary School District
County: Cape May
Dates On-Site: January 14 and 15, 2013
Case #: CM-015-12

FUNDING SOURCES

	Program	Funding Award
Title I		446,186
IDEA Basic		414,591
IDEA Preschool		25,762
Title IIA		108,293
Title III		16,977
Race to the Top		30,257
	Total Funds	<u>\$ 1,042,066</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 Lower Township Elementary 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, Part A; Title IIA; Title III, Race to the Top, and IDEA for the period July 1, 2011 through January 14, 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, Race to the Top, and IDEA from July 1, 2011 through January 14, 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 FUNDS AND RACE TO THE TOP

Title I Projects

The district is using its FY 2012-2013 Title I, Part A funds to implement targeted assistance programs in all schools in the district. Primarily, the district provides tutoring services through in-class support and pullout programs. Prior year funds were spent on similar programs and technology equipment.

IDEA Projects (Special Education)

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 the disabled.

Race to the Top

The majority of the FY 2012-2013 Race to the Top grant is being used to hire consultants to revise curriculum (Project 1) and to implement the teacher evaluation system (Project 4).

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: In the notification letter to parents of Title I students, the district did not inform parents of the selection criteria or 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 were updated and mailed, so no further action is needed.

Finding 2: The district does not have a parental involvement program that reflects the requirements of the Title I legislation because the district did not have:

- School-level parental involvement policy; and
- No annual Title I meeting.

Citation: ESEA §1118: *Parental Involvement*.

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Required Action: The district must ensure each Title I school has a school level parental involvement policy and the district must hold an annual meeting for Title I parents to explain the program. The district must submit a copy of the policy to the NJDOE for review, as well as an invitation to parents and the agenda for the annual meeting.

Finding 3: The district's use of Title I funds to operate a replacement mathematics program in grades one and two 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 mathematics that are in addition to the core curricular requirement and above and beyond services provided to non-Title I students. The district reversed the FY 2012-2013 Title I expenditures for the replacement mathematics program so no further action is needed.

Finding 4: There is no evidence the district is providing equitable services to the families and teachers of eligible students in nonpublic schools that receive Title I services.

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

Required Action: The district must develop and implement a process to provide services and not just supplies to the nonpublic students receiving Title I services.

Title IIA

Finding 5: The district was charging three staff to the grant when the budget reflected two staff. This additional staff member's charges would cause the budget to be overexpended.

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 should review the budget and applications so both reflect the correct number of staff being charged to the grant.

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IDEA (Special Education)

Finding 6: The district did not consistently provide copies of evaluation reports to parents at least 10 days prior to the determination of initial and reevaluation eligibility when assessments were conducted for students referred for special education and related services and for students referred for speech-language services. Noncompliance was due to a lack of implementation of district procedures.

Citation: *Provision of Evaluation Reports to Parents* N.J.A.C. 6A:14-3.5(a); 20 U.S.C. §1414(b)(4); and 34 CFR §300.306(a).

Required Action: The district must ensure parents are provided copies of evaluation reports not less than 10 days prior to the determination of eligibility. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists regarding procedures for implementing the requirements in the citation listed above. A monitor from NJDOE will conduct an on-site visit to review documentation of provision of evaluation reports to parents for students evaluated for special education and related services and speech-language services between March 2013 and June 2013.

Finding 7: The district 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 did not consistently include the location of related services. Noncompliance was due to a lack of implementation of district procedures.

Citation: *IEP Components* N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f); 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 the required considerations and statements. 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. To demonstrate the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for specific students with IEPs that were identified as noncompliant. Additionally, 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 meetings conducted between March 2013 and June 2013. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 8: 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;
- an explanation of why the supplementary aids and services were rejected; and

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- the potentially beneficial or harmful effects which a placement in a general education setting may have on the student with disabilities or other students in the class.

In addition, through interviews with district staff, program options are based on existing available programs and administrative decisions and not on individual needs of the students. Noncompliance was due to a lack of implementation of district procedures.

Citation: *Least Restrictive Environment (LRE)* N.J.A.C. 6A:14-4.2 (a) 8(i), (ii) and (iii), N.J.A.C. 6A:14:4-2 (a) 4 and 10.

Required Action: The district must ensure when determining the educational placement of a child with a disability, placement is based on the individual needs of the student and 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. To demonstrate the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for specific students with IEPs that were identified as noncompliant. Additionally, a monitor from the NJDOE will conduct an on-site visit to interview staff and review the revised IEPs along with IEPs for meetings conducted between March 2013 and June 2013. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Race to the Top

There were no findings for the Race to the Top grant.

Administrative

Finding 9: The district does not have internal control policies and procedures to prevent contracting with disbarred vendors in its standard operating procedures.

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 update internal control policies to prevent errors from potentially occurring.

Finding 10: The district does not have formal written policies for requesting reimbursement from the Electronic Web Enabled Grant or System for Administering Grants Electronically systems in its standard operating procedures. However, the monitoring team did verify the district's practice for requesting reimbursement through inquiries about the district's internal controls.

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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 updated standard operating procedures to the NJDOE for review.

Finding 11: 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.