



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

CHRIS CHRISTIE
Governor

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Lt. Governor

DAVID C. HESPE
Acting Commissioner

March 18, 2014

Mrs. Laura Winters, Superintendent
Lakewood Township School District
1771 Madison Avenue
Lakewood, NJ 08701

Dear Mrs. Winters:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Lakewood Township 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 March 31, 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 Lakewood Township 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:Lakewood Twp.BOE Cover Letter/consolidated monitoring
Enclosures

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LAKWOOD TOWNSHIP SCHOOL DISTRICT
1771 MADISON AVENUE
LAKWOOD, NJ 08701
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
MARCH 2014**

District: Lakewood Township School District
County: Ocean
Dates On-Site: June 11, 12 and 13, 2013
Case #: CM-039-12

FUNDING SOURCES

Program	Funding Award
Title I	\$ 16,405,671
Title I SIA	200,000
IDEA Basic	4,595,956
IDEA PreSchool	213,726
Title IIA	1,157,640
Title III	428,133
Carl D. Perkins	374,109
Total Funds	<u>\$ 23,375,235</u>

**LAKWOOD TOWNSHIP SCHOOL DISTRICT
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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 Lakewood Township 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 I); Title I SIA; Title II, Part A (Title II); Title III; Carl D. Perkins and IDEA Basic and Preschool for the period July 1, 2011 through March 31, 2013 (only done through March since the district had not yet posted transactions for April and May) and planned expenses for the 2012-2013 school year.

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 I SIA; Title II; Title III; Carl D. Perkins and IDEA from July 1, 2011 through March 31, 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, TITLE II, TITLE III, IDEA AND CARL D. PERKINS FUNDS

Title I Projects

The district used its FY 2012-2013 Title I, Part A funds to implement schoolwide programs. Primarily, the district provided in-class support to struggling students and extended learning opportunities through after school and summer programs.

Title I SIA Projects

The district used Title I SIA funds for an alternative high school for its neediest students.

Title II Projects

The district intends to utilize Title II funds on professional development. As of the date of the monitoring visit, a majority of the funds were unexpended.

Title III

The district has approximately 1,100 public English Language Learners (ELLs) and approximately 150 nonpublic ELLs. Kindergarten through eighth grade public school students are in a bilingual program and public high school students are in a high intensity English as a Second Language (ESL) program. Nonpublic students receive ESL services through third party providers.

IDEA Projects (Special Education)

The majority of the FY 2012-2013 IDEA Basic funds were used to reduce district tuition costs for students receiving special educational services in approved private schools for students with disabilities. Nonpublic funds were used to provide supplemental support programs, related services (speech, occupational and physical therapies) and instructional assistants to students attending nonpublic schools.

Carl D. Perkins

The district has eight approved Career and Technical Education (CTE) programs and one program of study which are supported with Perkins Grant funds. The district's approved CTE programs and program of study are as follows: Military Technologies & Applied Sciences, Other (29999); Recording Arts Technology/Technician (100203); Business/Office Automation/Technology/Data Entry (520407); Fashion/Apparel Design (500407); Graphic Design (500407); Photographic and Film/Video Technology/Technician & Assistant (100201); Restaurant, Culinary and Catering Management/Manager (120504); and the Business/Commerce General (520101).

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DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district failed to prepare Title I Schoolwide Plans for Oak Street Elementary School and Spruce Street Elementary School. The schools must maintain a plan that reflects how the schoolwide program is implementing interventions and strategies to meet the intent and purpose of the Title I legislation. Therefore, the Title I expenditures for the school must be removed due to lack of a schoolwide plan

Citation: ESEA §1114: *Schoolwide Programs*.

Required Action: The district must reverse any expenditures of FY 2012-2013 Title I funds allocated to Oak Street Elementary and Spruce Street Elementary Schools. The district must submit documentation of the adjusting journal entry to the NJDOE for review. For the 2013-2014 school year, both schools will be designated as operating a Title I targeted assistance program.

Finding 2: The district does not have a parental involvement program that meets the Title I legislative and regulatory requirements. Specifically, the district did not implement the following mandatory components:

- The annual meeting for parents of students participating in the Title I program;
- The school-level parental involvement policy and its distribution;
- The School-Parent Compact for all schools were not available; and
- Parental involvement documentation including invitation letters, sign in sheets and agendas.

The legislation requires that districts provide opportunities for parents to have an active role in their child's education, which includes decision making activities such as providing input into the development of the district and school-level parental involvement policy.

Citation: ESEA §1118: *Parental Involvement*.

Required Action: The district must ensure each Title I school has an annual meeting, school-level parental involvement policy and School-Parent Compact. The district must submit a copy of these documents to the NJDOE for review.

Finding 3: The district does not have the required supporting documents to verify the activity of administrative or school-level personnel charged to the Title I grant. The documentation must reflect what personnel are doing and must match their funded percentage. This documentation is necessary to verify that grant funded personnel are performing responsibilities consistent with the intent and purpose of the grant.

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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 4: The district does 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 and readily available for activities to address the intent and purpose of the legislation.

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 grants. 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.

Finding 5: The district is using Title I funds to support professional development and parental involvement at the nonpublic school that have nominal attendance. For instance, the district used Title I funds to pay consultant fees for a series of activities, each of which may have been attended by only three or four individuals. The district should develop a plan to oversee the invitations, etc. prior to approving events that are not attended.

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: In its role as the fiscally accountable entity, the district must implement a process to review the implementation of Title I funded professional development and parental involvement activities for teachers and parents of participating nonpublic students. The district's process must include a mechanism to evaluate the efficacy of the continuous use of Title I funds for activities that are attended by a nominal percentage of parents and teachers.

Finding 6: The district is paying for various expenditures at nonpublic schools that benefit the entire population and not just the identified Title I students. Some of the programs that benefited all students were the following:

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- counseling services;
- social work;
- social skills; and
- professional development activities that included the entire school staff.

Citations: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. ESEA Section 1120A(b) *Fiscal Requirements, Federal Funds To Supplement, Not Supplant, Non-federal Funds*. ESEA §1120(a): *Participation of Children Enrolled in Private Schools (General Requirement)*.

Required Action: The district must reverse the expenditures of Title I funds for these activities. The district must submit documentation of the adjusting journal entry to the NJDOE for review.

Finding 7: The district is not maintaining control of Title I funds generated for equitable services to resident nonpublic school students. At the nonpublic schools' request, the district is using Title I funds to pay for nonspecified professional development and parental involvement. The review of purchase orders for these activities indicates the consultant's name and pay rate only. The purchase orders do not specify the topic of the parental involvement and/or professional activity.

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 exercise its responsibilities as the fiscally accountable entity and maintain control of Title I funds generated for equitable services to resident nonpublic school students. The use of Title I funds for nonspecified activities cannot be deemed necessary and reasonable. Therefore, the district must reverse the expenditures of Title I funds and allocate state/local funds for these activities. The district must provide documentation of the adjusting journal entry to the NJDOE for review.

Finding 8: The district is charging salaries to the Title I grant that its grants office was not aware of and for persons that are not supporting the Title I grant. The district needs stronger controls between the grants office and the business office in order to ensure that only staff that is performing Title I duties is paid with Title I funds.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. OMB Circular A-87, Attachment B, *Cost Principles for State, Local and Indian Tribal Governments*. ESEA Section 1120A(b) *Fiscal Requirements, Federal Funds To Supplement, Not Supplant, Non-federal Funds*.

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Required Action: The district must reverse the expenditure for the salaries of staff not working to support the grant, and identify state/local funds to support their salaries. The district must send documentation of the adjusting journal entry to the NJDOE for review.

Finding 9: The use of Title I funds to purchase both textbooks (\$509,499.50) and testing materials for Terra Nova and CAT from McGraw Hill (\$27,290.37) are not necessary and reasonable expenditures. Because Oak Street Elementary School and Spruce Street Elementary School did not complete a Title I Schoolwide Plan, the use of Title I funds for the textbooks and testing materials cannot be deemed expenditures that are necessary and reasonable to support programs and activities in the Plan.

Citations: OMB Circular A-87, Attachment B, *Cost Principles for State, Local and Indian Tribal Governments*. ESEA Section 1120A(b) *Fiscal Requirements, Federal Funds To Supplement, Not Supplant, Non-federal Funds*.

Required Action: The district must reverse the expenditures noted in the finding and identify state/local funds to support the above mentioned programs. The school must send documentation of the adjusting entry to the NJDOE for review.

Finding 10: The district's use of Title I funds from the reserve for Priority/Focus Interventions for the following activities supplants state/local funds:

- Salaries for the Credit Recovery program at Lakewood High School;
- Common Core training at Clifton Avenue Elementary School; and
- Data Analysis Software at Lakewood Middle School.

The Priority/Focus Interventions reserve is a district-level reserve that is used to benefit a subset of Title I schools. Because it is a district-level reserve it is subject to the presumptions of supplanting articulated in ESEA §1120(A). The use of district-level Title I funds must be used to provide services to students that are above and beyond the state requirements for graduation.

Citation: OMB Circular A-87, Attachment B, *Cost Principles for State, Local and Indian Tribal Governments*. ESEA §1120A(b) *Fiscal Requirements, Federal Funds To Supplement, Not Supplant, Non-federal Funds*. ESEA §9401, *Waivers of Statutory and Regulatory Requirements*.

Required Action: The district must reverse the expenditures noted in the finding and identify state/local funds to support the above mentioned programs. The school must send documentation of the adjusting entry to the NJDOE for review.

Finding 11: The district has only spent a minimal amount of the reserve for Priority/Focus Interventions at Ella G. Clark Elementary School (\$69,510 of \$1,075,880) and Clifton Avenue Elementary School (\$159,336 of \$941,128). The lack of spending does not help the school

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improve and jeopardizes the funds to be carried over. The district needs to increase controls in order to ensure programs are in place to fund earlier in the year.

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

Required Action: The district must implement a review system in order to ensure funds are being spent timely.

Finding 12: Teachers identified in the “*Fall Report & State Code Combined Certification Report*” did not hold certificates appropriate to their assignment resulting in the inability to demonstrate Highly Qualified Teacher (HQT) status for the assignment. Because the district failed to maintain copies of appropriate certificates or credentials for their certificated staff, the monitoring team could not verify if staff met the highly qualified designation.

For example: A teacher holding an Elementary Education (N-8) certification was assigned to teach fourth grade bilingual education. This position requires the bilingual endorsement. Also, a Teacher of the Handicapped was assigned as an Elementary Generalist supporting a multiply disabled population, grades 9-12, and is not highly qualified in core subject matter.

Citations: ESEA §1119. *Qualifications for Teachers and Paraprofessionals* ESEA §2123(A)(5)(B) *Local Use of Funds*. N.J.A.C. 6A:9-3 *Professional Licensure and Standards*.

Required Action: The district must update the highly qualified documentation in personnel records so that they contain teacher certificates, transcripts, HQT ID Forms, test scores, etc. The district must review HQT ID forms for completeness upon hiring teachers and the district should take steps to ensure that certifications, Praxis II Test Score Reports and transcripts are filed in the individual’s personnel file. Personnel files should be maintained in the board of education office. The NJDOE will conduct an on-site visit to review the highly qualified portions of the personnel records and the updated teacher schedules the 2013-2014 school year.

Finding 13: The master schedule did not adequately reflect the assigned duties of teachers in some of the personnel files sampled. Therefore, the monitoring team was unable to accurately determine staff assignments, and verify the highly qualified status of teachers.

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

Required Action: The NJDOE will conduct an on-site visit to review the highly qualified portions of the personnel records and the updated teacher schedules for the 2012-2013 school year. Additionally, if any instructional staff do not meet the highly qualified designation, the district must distribute the follow-up Parents’ Right to Know letter to parents of students being taught by these teachers.

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Title II

Finding 14: The district is not spending its Title II Funds. In addition to its carryover of \$271,699 from FY 2011-2012 and current year allocation of \$846,626, the district has spent only a minimal amount of the funds, and is in jeopardy of having to return unused funds.

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 release any unused FY 2011-2012 funds to the NJDOE at the end of the FY 2012-2013 project period. The district must implement the necessary evaluative measure to identify staff professional development needs, and use its Title II funds accordingly.

Title III

Finding 15: The district's Title III parental notification letter did not outline all of the Title III parental notification requirements. The missing elements that need to be included in the parental notification letter are: how proficiency level was assessed, how the program meets state standards; exit requirements; and how the methods of bilingual/ESL instruction differ. This excludes parents from a complete understanding of the program their children are entering.

Citation: ESEA §3302 *Parental Notification*.

Required Action: The district's Title III parental notification letter needs to outline the specific requirements for Title III. The district should refer to the sample letter which is located at:
<http://www.state.nj.us/education/bilingual/title3/accountability/notification/title3par.htm>.
to revise its FY 2013-2014 parental notification letter and must submit a copy of it to the NJDOE for review.

Finding 16: Half of the salaries of two ESL teachers funded through Title III were not for supplemental purposes. The Title III funded ESL teachers are providing core services required by state law. The district is required under state regulations to provide one period of ESL services every day, so this is not an allowable cost. This limits other Title III supplemental spending and restricts student access to needed services.

Citation: ESEA §3115(g) *Supplement, Not Supplant*.

Required Action: The district must reverse the charges and use state/local funds for the salaries of the bilingual teachers required by state law. The district must send documentation of the adjusting journal entry to the NJDOE for review.

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Finding 17: The district used Title III funds to pay for entrance exam administration (W-APT administration) stipends. This is not a Title III allowable cost because entrance examinations are required by state/federal law. This limits other Title III supplemental spending and restricts student access to needed services.

Citation: ESEA §3115(g) *Supplement, Not Supplant.*

Required Action: The district must reverse the charges and use state/local funds for Title III translation stipends. The district must send documentation of the adjusting journal entry to the NJDOE for review.

Finding 18: The district used Title III funds to purchase nonpublic supplies that should be purchased with state/local funds. The purchase of a HP Color Laserjet Printer did not supplement local instruction specifically for Title III students. This limits other Title III supplemental spending and restricts student access to needed services.

Citation: ESEA §9501(g) *Participation by Private School Children and Teachers.*

Required Action: The district must reverse the charges and use state/local funds for the cost of the supplies that are not allowable costs and remove these charges from the grant. The district must send documentation of the adjusting journal entry to the NJDOE for review.

Finding 19: The district used Title III funds to pay for an individual, Mr. Amram Blum, to teach ESL in Yeshiva Masoras Avos. This teacher, who was contracted by the district to provide ESL services, is not certified in ESL instruction and thus not qualified to receive Title III funds for his services. This limits other Title III supplemental spending and restricts student access to needed services.

Citation: ESEA §9501(g) *Participation by Private School Children and Teachers.*

Required Action: The district must reverse the charges and use state/local funds for the cost of Mr. Blum to provide ESL services to Yeshiva Masoras Avos. The district must send documentation of the adjusting journal entry to the NJDOE for review.

Finding 20: The district did not document consultation meetings with nonpublic schools that were receiving Title III funds. As a result, nonpublic schools were not given the opportunity to collaborate with the district. This limits the effectiveness of Title III supplemental spending and restricts student access to needed services.

Citation: ESEA §9501(g) *Participation by Private School Children and Teachers.*

Required Action: The district must document all nonpublic consultations for the use of Title III funds. The district must provide documentation of its FY 2012-2013 nonpublic consultation process to the NJDOE for review.

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Carl D. Perkins

Finding 21: The district is not offering a coherent sequence of courses for many of their CTE programs that are being supported with Perkins funds. It appears the district is offering a variety of electives without regard to sequencing for program completion.

Citation: N.J.A.C. 6A: 19-3.1.6 (i) Program Requirements.

Required Action: The district must ensure a coherent sequence of courses is offered for approved CTE programs supported with Perkins funding. The course sequence should consist of those courses identified in the approved program reapproval application. Programs and course sequence information should be available for students, teachers, guidance counselors, administrators and parents.

Finding 22: The district has not established an advisory committee for each approved CTE program to ensure stakeholder input. Additionally, the district did not conduct two advisory committee meetings for each approved CTE program. Only one meeting was held on April 16, 2013.

Citation: Perkins: P.L. 109-270§134 (b) (5); N.J.A.C. 6A:19-3.1 Program Requirements.

Required Action: The district must establish an advisory committee for each approved CTE program. The advisory committee must have membership representation as indicated in the New Jersey Administrative Code cited above. Each advisory committee must meet at least twice per project period. Once the advisory committee has been established, the district must submit a copy of the advisory committee minutes to their NJDOE Perkins program officer. Programs without evidence of a functioning advisory committee will not be considered approved programs and will not be eligible for Perkins Grant funding.

Finding 23: The district was unable to provide evidence of activities to prepare special populations for high wage or high demand occupations.

Citation: Perkins: P.L. 109-270: § 135 (9).

Required Action: In the future, the district must provide activities to prepare students representing special populations for high skill, high wage or high demand occupations that will lead to self-sufficiency.

Finding 24: The district's professional development for teachers did not promote the integration of academic standards and career and technical education.

Citation: Perkins: P.L. 109-270: § 134(b).

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Required Action: The district must describe and implement a comprehensive professional development plan focused on the integration of coherent and rigorous CTE content aligned with challenging academic standards for career and technical education staff.

Finding 25: The district was unable to provide documentation of the Workforce Investment Board (WIB) consultation for the FY 2013 Perkins grant.

Citation: Perkins: P.L. 109-270: § 134(b) (5); Perkins Guidelines Section C: 2.1 WIB Review.

Required Action: The district must develop the Perkins grant application in consultation with the local WIB and maintain documentation of the consultation for monitoring purposes.

Finding 26: The district does not have supporting documents to verify the activity of Perkins funded instructional and administrative staff as required by federal law. The documentation must reflect what the staff is doing, when and where and it must match their funded percentage.

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

Required Action: The district must verify the time and activity of staff charged to the grant. The district must submit a list of FY 2013 Perkins funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

Finding 27: The district expended Perkins funds for a Measuring Academic Progress (MAP) tool that is given to all students to determine their eligibility for Title I services. The district also expended Perkins funds for an instructional salary after the second year of operation of the fashion design program.

Citation: Carl D. Perkins Vocational and Technical Education Act, Section 311(a) *Fiscal Requirements, Supplement, Not Supplant*. Perkins One-Year Grant Application Guidelines, Section D.3, *Non-Allowable Costs*.

Required Action: The district must charge allowable costs that have been approved and that benefit Perkins students exclusively. These unallowable expenditures must be charged to an appropriate funding source.

Finding 28: The district does not adequately track equipment purchased with federal funds and does not have a comprehensive equipment inventory. Perkins equipment purchased in FY 2013 was not properly tagged or correctly recorded.

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

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Required Action: The district must develop a system to track equipment purchased with federal grants. Although the state threshold for reporting equipment is \$2,000, 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. All inventoried items should include tag number, cost, date of purchase, funding source, location and item description. The district must submit a comprehensive inventory of equipment purchased to the NJDOE for review.

Finding 29: The district routinely recorded Perkins funded expenditures in an incorrect general ledger account. For example, the district recorded non-instructional salaries as instructional salaries, instructional supplies as instructional equipment, and instructional equipment as instructional supplies.

Citation: N.J.A.C. 6A:23A-16.2 Principles and directives for accounting and reporting.

Required Action: The district must charge expenditures to the appropriate general ledger account. The district should review its Perkins expenditures for FY 2013 and transfer all improperly recorded transactions to the appropriate accounts prior to submitting its FY 2013 Final Expenditure Report.

Finding 30: On numerous occasions, the district failed to issue a purchase order prior to services being rendered (confirming orders). District policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

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

Required Action: Purchase orders should be issued to all vendors prior to goods or services being provided.

Finding 31: The district's accounting records and financial reporting were inaccurate and incomplete. For example, district payroll expenditures subsequent to January 2013 were not recorded in the district's accounting records.

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 update internal controls to ensure that accounting and financial records are accurate, current and complete.

**LAKESIDE TOWNSHIP SCHOOL DISTRICT
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IDEA (Special Education)

Finding 32: The district was unable to provide verification that staff providing services in nonpublic schools possessed the appropriate certification and/or licensure required by the NJDOE.

Citation: N.J.A.C. 6A:14-6.2 (h).

Required Action: The district is required to obtain a complete list of all staff funded through the FY 2013 IDEA grant who provided special education services to students attending nonpublic schools along with copies of the certifications and/or licenses issued by NJDOE held by those staff members. The district must identify those staff members who do not possess a current certification and/or license. In addition, the district must develop a list of staff funded through the FY 2014 IDEA funds who provide services to students with disabilities at the nonpublic schools who will be providing services and ensure each staff member possesses the required certifications and/or licenses. A monitor from the NJDOE will conduct an on-site visit to review the staff lists developed by the district.

Finding 33: The district did not consistently implement each student's IEP as written. Specifically, speech-language services were not provided as required by the IEP.

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 district must ensure each student determined eligible for special education and related services and eligible for speech-language services is receiving all programs and services identified in the IEP. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with 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 IEPs for specific students who IEPs were identified as noncompliant. At the next IEP meeting for each student receiving speech-language services, the district must determine if compensatory services are required and deliver the identified services. A monitor from the NJDOE will conduct an on-site visit to interview staff, review copies of the revised IEPs, IEPs developed for students whose annual review meetings were conducted between September 2013 and December 2013, compensatory service logs, and the oversight procedures. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 34: The district did not consistently provide notice of eligibility and eligibility/IEP meetings containing all required components to parents of students eligible for special education and related services and for students eligible for speech-language services.

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).

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Required Action: The district must ensure parents are provided notice of a meeting that contains all required components, early enough to ensure the parent has an opportunity to attend. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists 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 copies of notices of meetings provided to parents for meetings conducted between September 2013 and December 2013, and to review the oversight procedures.

Finding 35: The district did not consistently provide written notice to parents containing all required components. Specifically, written notice following identification and reevaluation planning meetings for students evaluated for special education and related services did not include the options considered and why those options were rejected. Additionally, written notice following identification meetings did not include the provision of N.J.A.C. 1:6A and N.J.A.C. 6A:14 for students eligible for special education and related services. Written notice following identification meetings conducted for students eligible for speech-language services did not consistently include a description of the options considered and the reasons they were rejected.

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

Required Action: The district must ensure parents are provided with written notice of proposed actions that contains all required components. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists 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 copies of written notice provided to parents for meetings conducted between September 2013 and December 2013, and to review the oversight procedures.

Finding 36: The district did not provide copies of evaluation reports to parents at least 10 days prior to the determination of initial eligibility or determination of continued eligibility for students eligible for special education and related services and for students eligible for speech-language services.

Citation: 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 the provision of copies of evaluation reports to parents 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 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 of the provision of reports to parents for students evaluated for special

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education and related services or speech-language services between September 2013 and December 2013, and to review the oversight procedures.

Finding 37: The district did not consistently provide to students eligible for special education and related services written notice of graduation containing all required components and a summary of academic achievement and functional performance within required time lines. Noncompliance was due to a lack of consistent implementation of the district procedures.

Citation: N.J.A.C. 6A:14-4.11(b)2; N.J.A.C. 6A:14-4.11(b)4; 20 U.S.C. §1414(c)(5)(B); and 34 CFR §300.305(e)(3).

Required Action: The district must ensure parents or adult students are provided with written notice of graduation containing all required components and a summary of academic achievement and functional performance prior to graduation. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. To demonstrate implementation of the procedures, a monitor from NJDOE will conduct an on-site visit to interview staff, review documentation of notice of graduation for students exiting in June 2014, and to review the oversight procedures.

Finding 38: The district did not consistently conduct an annual IEP team meeting for each student eligible for special education and related services.

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 district must ensure IEP team meetings are conducted annually or more often if necessary to review, revise and determine the programs and placement of each classified student. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. Additionally, the district must conduct annual review meetings to review/revise IEPs for the specific students whose IEPs were identified as noncompliant during monitoring. The district must review the most recent annual review dates for all students with IEPs in the district and conduct IEP meetings for any student whose most recent annual review was conducted more than one year ago. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, IEPs of students whose IEP meetings were held between September 2013 and December 2013, a list of students with their most recent annual review dates and the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 39: The district did not consistently ensure that required participants were in attendance at IEP, reevaluation planning and eligibility meetings for students eligible for special education and related services.

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

Required Action: The district must ensure IEP, reevaluation planning and eligibility meetings are conducted with required participants and documentation of attendance is maintained in students' files. In order to demonstrate correction of noncompliance, the district 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 copies of meeting documentation, including the sign in sheets for meetings conducted between September 2013 and December 2013, and to review the oversight procedures.

Finding 40: The district did not consistently document all required considerations and statements in each IEP for students eligible for special education and related services and for students eligible for speech-language services.

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

- location of related services;
- all required goals and objectives; and
- statement of how progress toward annual goals will be measured.

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

- identification of student strengths; and
- location of provision of related services.

Citation: 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 all required components. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and speech-language specialists and develop an oversight mechanism to ensure compliance with 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 IEPs for specific students who IEPs were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff, review copies of the revised IEPs, IEPs for students whose annual review meetings were conducted between September 2013 and December 2013, and to review the oversight procedures. For assistance with correction of noncompliance, the district is referred to the state IEP sample forms which are located at: www.statenj.us/education/specialed/forms. The names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

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Finding 41: The district 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 and an explanation of why the supplementary aids and services were rejected;
- comparison of the benefits provided in the regular class and the benefits provided in the special education class;
- the potentially beneficial or harmful effects which a placement in general education may have on the 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).

Required Action: The district must ensure when determining the educational placement of a child with a disability, the IEP team considers the general education class first and all required decisions regarding the placement are documented in the IEP for each student removed from general education for more than 20 percent of the school day. The district must also ensure for students placed in separate settings, the IEP team identifies district activities to transition the student to a less restrictive environment and document them in each IEP. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with 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, at the next IEP meeting for each student, the district must ensure placements are determined in accordance with the citations above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, IEPs for students removed from the general education setting for more than 20 percent of the school day whose annual review meetings were conducted between September 2013 and December 2013, and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 42: The district did not consistently document in the IEPs of students eligible for speech-language services the relevant factors considered when determining whether a student requires an extended school year program (ESY) and a description of the ESY program when provided.

Citation: N.J.A.C. 6A:14-4.10(a).

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Required Action: The district must ensure consideration of ESY is documented in the IEP. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. Additionally, at the next IEP meeting for each student receiving speech-language services, the IEP team must determine if ESY is warranted and if so, include a description of the program. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, IEPs for students whose annual review meetings were conducted between September 2013 and December 2013, and to review the oversight procedures.

Finding 43: The district did not conduct meetings, within 20 calendar days of receipt of written requests for a child study evaluation, to determine if an evaluation was warranted.

Citation: N.J.A.C. 6A:14-2.5(b)6; 3.3(e) and 3.6(b).

Required Action: The district must ensure that identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation and required participants are in attendance. In order to demonstrate correction of noncompliance, the district 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, including the dated request for a child study team evaluation, from identification meetings held between September 2013 and December 2013, and to review the oversight procedures.

Finding 44: The district did not 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.

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

Required Action: The district 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 district 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 eligibility meetings conducted between September 2013 and December 2013, and to review the oversight procedures.

Finding 45: The district did not consistently conduct vision/hearing screenings and health/medical summaries for every student referred to the child study team for evaluation.

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

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Required Action: The district must ensure vision and audiometric screenings are conducted for every student referred to the child study team with a copy of the results maintained in students' files, along with available health/medical summaries. In order to demonstrate correction of noncompliance, the district 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 verifying receipt of the health summary, including the vision and hearing screening, for students referred to the child study team between September 2013 and December 2013, and to review the oversight procedures.

Finding 46: The district did not consistently conduct reevaluations within three years of the previous classification date for students eligible for special education and related services. Additionally, the district did not determine eligibility within 60 days of written parental consent to conduct assessments to redetermine eligibility for students eligible for special education and related services.

Citation: N.J.A.C. 6A: 14-3.7(i) and 14-3.8(a); 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 time lines with required participants in attendance. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members and develop an oversight mechanism to ensure compliance with the requirements in the citation listed above. Additionally, the district must review reevaluation dates for each student and conduct reevaluations for students who have not been evaluated for more than three years. A monitor from the NJDOE will conduct an on-site visit to interview staff; and review evidence of determination of continued eligibility for students identified during monitoring, review documentation of eligibility meetings held as part of the reevaluation process between September 2013 and December 2013, and to review the oversight procedures.

Administrative

Finding 47: The district 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 district must update internal control policies to prevent errors from potentially occurring.

Finding 48: The district does not have formal written policies for requesting reimbursement from the EWEG or System for Administering Grants Electronically systems. However, the

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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 49: The district does not have a purchasing manual that details procedures for the procurement of goods and services. However, district personnel indicated the district is currently in the process of completing one.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems; N.J.A.C. 6A:23A-6.6 Standard operating procedures for business functions.

Recommended Action: The district should complete and adopt a detailed purchasing manual to ensure compliance with current state and federal procurement regulations.

Finding 50: 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(c)], 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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