



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

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER D. CERF
Commissioner

March 20, 2013

Mr. David Trethaway, Superintendent
Manchester Township School District
121 Route 539
Whiting, NJ 08759

Dear Mr. Trethaway:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Manchester 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 December 14, 2012. 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 Manchester 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 Lori Ramella at (609) 984--0937.

Sincerely,

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

RJC/LR/dk:Manchester Twp. BOE Cover Letter/consolidated monitoring
Enclosures

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**MANCHESTER TOWNSHIP SCHOOL DISTRICT
121 ROUTE 539
WHITING TOWNSHIP, NJ 08879
PHONE: (732) 350-5900**



New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
MARCH 2013**

District: Manchester Township School District
County: Ocean
Dates On-Site: December 17 and 18, 2012
Case #: CM-040-12

FUNDING SOURCES

Program	Funding Award
Race to the Top	\$ 29,630
Title I	344,870
Title IIA	96,015
IDEA Basic	714,992
IDEA Preschool	33,388
Total Funds	<u>\$ 1,218,895</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). 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 Manchester 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; Title IIA; Race to the Top, and IDEA for the period July 1, 2011 through December 14, 2012.

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 and IDEA from July 1, 2011 through December 14, 2012. 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 IIA, RACE TO THE TOP AND IDEA FUNDS

Title I Projects

The district used its FY 2011-2012 Title I, Part A funds for salaries and to implement targeted assistance programs in the district.

Title IIA Projects

The district used its FY 2011-2012 and FY 2012-2013 Title IIA funds for salaries, benefits and class-size reduction costs.

Race To The Top

The district is using the FY 2012-2015 Race to the Top grant for teaching staff members and educational leaders' evaluation framework training using the TeachScape system. They will also use funds towards professional development for training the stakeholders. They chose to use the Charlotte Danielson teacher evaluation model.

IDEA Projects (Special Education)

The majority of the FY 2011-2012 IDEA Basic and Preschool funds were used to reduce district tuition expenditures for students receiving special education services in other public school districts and approved private schools for students with disabilities.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district does not have the required supporting documents to verify the time and activity of staff charged to federal grants as required by federal law. The staff members who charged a portion of the workday to Title I declared a portion of the day worked that did not match the portion allocated to Title I per the board minutes. The documentation must reflect what the staff is doing, when and where and 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 2012 and FY 2013 Title I and Title IIA funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review (including administrative staffing).

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Finding 2: A review of the FY 2011–2012 expenditures charged to the Title I grant revealed that unallowable costs were charged to the program. Professional development costs in the amount of \$516.85 that were used for CPR training and charged to Title I. Professional development expenditures for workshops regarding the teacher training evaluations in the amount of \$746.00 were also charged to Title I, but should have been charged to Race to the Top. These are unallowable costs to the Title I program. The FY 2011-2012 membership costs to the Southern Regional Institute in the amount of \$2,000 are not allowable, as the use of Title I funds for these professional development activities supplants state/local funds.

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's use of Title I funds to supplant state/local funds is being referred to the Office of Fiscal Accountability and Compliance for further review.

Finding 3: On several occasions, the district failed to issue a purchase order prior to services being rendered (confirming order) for expenditures charged to the Title I and Title III grants. Additionally, some of the purchase orders are missing supporting documentation such as a quote or invoice for the expenditure. The district's policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

Citation: N.J.S.A 18A:18A(2)(v) *Public School Contracts Law.*

Required Action: The district must implement a process to ensure that purchase orders are issued prior to receiving goods and services from vendors.

Finding 4: The parental notification letters sent to the parents/guardians of identified Title I students did not include entrance and exit criteria.

Citation: ESEA §1115(B): *Targeted Assistance Programs (Eligible Children from Eligible Population).*

Required Action: The district must include in its parental notification letter the multiple measures used to identify students, as well as clearly defined exit criteria. The district must provide a copy of its revised parental notification letter to the NJDOE for review.

Finding 5: The district could not provide evidence of convening its Annual Title I Parent meeting.

Citation: NCLB §1118(c)(1): *Parental Involvement (Policy Involvement).*

Required Action: The district must convene its Annual Title I Parent meeting for the parents/guardians of its identified Title I students (invitational letter/flyer, agenda, meeting minutes, and sign in sheets must be obtained) and submit evidence of said meeting to the NJDOE for review.

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Title IIA

Finding 6: The staff charged to Title IIA did not complete time sheets for FY 2011-2012. The documentation must reflect what the staff is doing, when and where and must match their funded percentage as required by federal law.

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 identify staff members who are working exclusively with the Title IIA program. The district may then charge the salaries of these staff to the grant and verify the time and activity of staff charged to the grant. The district must submit a revised list of FY 2012-2013 Title IIA funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review (including administrative staffing).

Race to the Top

Finding 7: The district charged the incorrect grant for professional development: Race to the Top expenditures were charged to the Title I grant, but should have been charged to Race to the Top.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 41, Financial Reporting.

Required Action: The district must reverse the non-allowable expenditures to the Title I program and charge the appropriate grant account or the general fund.

IDEA

There were no findings for the IDEA grant.

Special Education

Finding 8: The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed. Noncompliance was due to a lack of consistent implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.3(k)2x and 3.7(e)11,13, 3.7(h); 20 U.S.C. §1414 (d)(1)(A)(i)(1)(VIII); and 34 CFR §300.322.b(2).

Required Action: The district must ensure each student with an IEP age 14 or above is provided with a written invitation to any IEP meeting where transition to adult life will be discussed and that transition is discussed at each IEP meeting for students age 14 or

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above, and decisions are documented in the IEP. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the district's procedures. Additionally, the district must conduct annual review meetings to review/revise IEPs for the specific students whose IEPs were identified as noncompliant during monitoring. A monitor from the NJDOE will conduct an on-site visit to interview staff, review student invitations to IEP meetings, the revised IEPs and IEPs for students whose annual review meetings will be held between March 2013 and May 2013. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 9: The district's notices of meetings did not consistently inform the parent of all intended purposes of the meeting when a meeting was conducted for more than one purpose. Specifically, the notices did not indicate that transition planning to adult life would be discussed for students age 14 and above. Noncompliance was due to a lack of implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.3(k)3,5; 20 U.S.C. §1414 (b)(1); and 34 CFR §300.304(a).

Required Action: The district must ensure parents are provided notice of a meeting in writing containing all required components. The district must conduct training for child study team members regarding the procedures for implementing the requirements in the citations listed above. To verify implementation of the procedures, a monitor from the NJDOE will conduct an on-site visit to interview staff and review invitations to IEP meetings addressed to students, age 14 and above, for meetings conducted between March 2013 and May 2013.

Finding 10: The district did not consistently maintain documentation of the effectiveness of the interventions provided in the general education settings through the Intervention and Referral Service (I&RS). Noncompliance was due to a lack of consistent implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.3(c); 20 U.S.C. §1413(f)(2); and 34 CFR §300.226(b).

Required Action: The district must ensure interventions are provided in the general education setting for students exhibiting academic and/or behavioral difficulties prior to referring the student for an evaluation. In addition, the district must ensure when the I&RS team identifies interventions to meet the needs of a struggling learner, the team identifies and maintains documentation of the nature, description, frequency, and duration of the interventions and measure the effectiveness. In order to demonstrate correction of noncompliance, the district must conduct training to administrators and I&RS staff regarding the procedures for implementing the requirements in the citations listed above. Additionally, a monitor from the NJDOE will conduct an on-site visit to interview I&RS team member and teachers and review documentation for students who were provided interventions in the general education setting between March 2013 and May 2013.

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Finding 11: The district did not consistently conduct vision/hearing screening and health/medical summaries for children ages three-five referred to the child study team for evaluation. Noncompliance was due to a lack of consistent implementation of district procedures.

Citation: N.J.A.C. 6A:14-3.3(j).

Required Action: The district must ensure vision and audiometric screenings are conducted for all children ages three-five referred to the child study team for evaluation with a copy of the results maintained in the 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 regarding the procedures for implementing the requirements in the citation listed above. To verify implementation of the procedures, a monitor from NJDOE will conduct an on-site visit to interview staff and review documentation verifying receipt of the health summary, including the vision and hearing screening, for children ages three-five referred to the child study team between March 2013 and May 2013.

Finding 12: 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 of preschool and school age students did not consistently include:

- the supplementary aids and services considered;
- an explanation of why the supplementary aids and services were rejected;
- the potentially beneficial or harmful effects which a placement in 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.

Noncompliance was due to a lack of implementation of district procedures.

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. The district must also ensure that for students placed in separate settings, the IEP team identifies activities to transition the student to a less restrictive environment and documents them in the IEP. 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 who were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff

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and review the revised IEPs, along with the IEPs for students whose annual review meetings were conducted between March 2013 and May 2013.

Administrative

Recommendation 1: Under the New Jersey's Public School Contracts Law (PSCL), districts are not required to advertise for bids or competitively contract the provision of goods and services by vendors on the state contract list. In accordance with the 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, it is our understanding these federal regulations require districts to competitively contract or bid all goods and services over 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.

Recommended 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 Lori Ramella via phone at (609) 984-0937 or via email at lori.ramella@doe.state.nj.us.