



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

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Governor

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Acting Commissioner

August 15, 2014

Dr. Edward Wasilewski, Interim Superintendent
Audubon Public Schools
350 Edgewood Avenue
Audubon, Nj 08106

Dear Dr. Wasilewski:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Audubon 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, 2013 through June 9, 2014. 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 Audubon 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:Audubon BOE Cover Letter/consolidated monitoring
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
AUGUST 2014**

District: Audubon Public Schools
County: Camden
Dates On-Site: June 9 and 10, 2014
Case #: CM-011-13

FUNDING SOURCES

	Program	Funding Award
Title I, Part A		\$ 181,489
IDEA Basic		362,286
IDEA Preschool		14,610
Title II, Part A		45,788
	Total Funds	<hr/> \$ 604,173 <hr/>

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BACKGROUND

The Elementary and 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 Audubon Public Schools 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 II, Part A (Title II); and IDEA Basic and Preschool for the period July 1, 2013 through June 9, 2014.

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 II, and IDEA Basic and Preschool from July 1, 2013 through June 9, 2014. A sampling of purchase orders and/or salaries was taken from each program reviewed.

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**GENERAL DISTRICT OVERVIEW OF USES OF TITLE I, TITLE II, IDEA BASIC
AND PRESCHOOL FUNDS**

Title I Projects

The district used its FY 2013-2014 Title I funds to operate targeted assistance programs at its three Title I funded schools: Mansion Avenue School, Haviland Avenue School, and Audubon High School. Primarily, the district provided supplemental instructional opportunities through in-class support (response to intervention), extended day and extended year programs. Title I funds in prior project periods were spent on similar programs.

Title II Projects

Title II funds were used to partially fund a class size reduction staff and professional development activities in accordance with the District Professional Development Plan.

IDEA Projects

The FY 2013-2014 IDEA Basic and Preschool funds were used to reduce district tuition expenditures for students receiving special educational services in private schools for students with disabilities. A portion of the funds were allocated to increase technology for special education students, child study team evaluations, classroom supplies and instructional materials.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district did not provide school-level Title I parental involvement policies for each school. Additionally, there was no evidence that both the district and school-level policies were annually reviewed and developed in conjunction with parents, as required by the legislation. The annual review and current board adoption allow parents and other stakeholders to impact the parental involvement process and identify the unique needs of the Title I schools and Title I parents.

Citation: ESEA §1118(a)(2): *Parental Involvement (Written Policy)*; ESEA §1118(b): *Parental Involvement (School Parental Involvement Policy)*.

Required Action: The district must have both a written district parental involvement policy and school-level parental involvement policies developed in conjunction with parent input and evaluated annually. The district should provide technical assistance to its schools in the development of school-level parental involvement policies and ensure that its schools work with their stakeholder groups to develop the policies and review it annually. Copies of a recent board approved district parental involvement policy and the newly approved school-level policies must be submitted to the NJDOE for review. The district must also submit evidence of engaging parents in the development and review of

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the policies (meeting agendas, sign in sheets, minutes), and evidence of the board's adoption of the district level policy (board meeting minutes).

Finding 2: There was no evidence that the Parents' Right-to-Know Highly Qualified Teacher (HQT) letter was distributed to all parents for the current school year. The issuance of this letter informs all parents of their right to ask about the qualifications of their child's teachers.

Citation: ESEA §1111(h)(6): *State Plans: Reports (Parents' Right-to-Know)*.

Required Action: The Parents' Right-to-Know HQT letter must be distributed annually to the parents of all students who attend district Title I Schools. A template of the letter can be found at: <http://www.state.nj.us/education/title1/hqs/rtk.htm>.

Finding 3: The FY 2013-2014 Title I eligibility participation letter did not clearly state the exit criteria used for identified Title I eligible students. Without this information, parents are unable to understand the performance levels needed for their child to exit the program.

Citation: ESEA §1115: *Targeted Assistance Schools*; ESEA §1118(c): *Parental Involvement (Policy Involvement)*.

Required Actions: In its Title I participation letter, the district must include clearly defined exit criteria. The district must provide a copy of its revised FY 2014-2015 Title I participation letter to the NJDOE for review.

Finding 4: The district did not track expenditures by attendance areas to ensure the expenses for Title I schools are consistent with each attendance area's allocation on Eligibility Page, Step 4 of the FY 2013-2014 ESEA-NCLB Consolidated Application. Tracking of expenditures is an internal control to ensure each school is receiving programs and services up to the amount of funding generated by each school.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems; ESEA §9306(a)(5): *Other General Assurances (Assurances)*.

Required Action: The district must track Title I school-level allocations reflected in the FY 2013-2014 ESEA-NCLB Consolidated Application for Title I funds Eligibility Page, Step 4. The district was attempting to amend its FY 2013-2014 allocation to only fund a primary school and if successful that will alleviate this finding. The district must submit an approved amendment to the NJDOE.

Finding 5: The district did not have the required supporting documents to verify the activity of staff charged to the Title I and IDEA grants. The documentation must reflect what the staff is doing and when (time slots), and must match their funded percentage. This documentation is

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necessary to ensure that grant funded staff are actually performing grant related responsibilities. The school had alternative documentation that helped support the funding.

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 district must submit sample sheets for FY 2014-2015 to the NJDOE for review.

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

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

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

Finding 7: The district had many incorrect postings for salaries (wrong staff charged to grant) and supplies charged to the grant. The district corrected all the errors prior to the monitoring, however; the issues show evidence of weak internal controls and lack of communication between the program office and the business office.

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 work on improving internal controls to avoid mispostings to the grant.

Title II

A review of the expenditures charged to the Title II grant yielded no findings.

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IDEA Special Education

Finding 8: The district did not consistently provide parents of students eligible for speech-language services notice of a meeting for reevaluation planning meetings.

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

Required Action: The district must ensure that parents are provided notice of a meeting in writing, 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 speech-language specialists and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review notices for reevaluation planning meetings conducted between November 2014 and January 2015, and to review the oversight procedures.

Finding 9: The district did not consistently convene initial identification and IEP meetings, with general education teachers in attendance for students eligible for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(k); 20 U.S.C. §1414(b)(4); and 34 CFR §300.321(a).

Required Action: The district must ensure that meetings are conducted with required participants and that documentation of attendance is maintained in student's records. 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 citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review meeting documentation, including sign-in sheets for meetings conducted between November 2014 and January 2015, and to review the oversight procedures.

Finding 10: The district did not document all required considerations and statements in each IEP. IEPs for students eligible for special education and related services did not include:

- age 16 post-school transition components; and
- the location of related services and a statement of how services will be delivered.

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

- participation in statewide assessment (including modifications/accommodations); and
- location of related services and a statement of how services will be delivered.

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); N.J.A.C. 6A:14-3.7(e)7(i); 20 U.S.C. §1412(a)(16)(A); and 34 CFR §300.158-300.161.

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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 and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. In addition, to demonstrate correction of individual instances of noncompliance, the district must conduct annual review meetings and revise IEPs for the specific students whose IEPs were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs and a random sample of IEPs developed at meetings conducted between November 2014 and January 2015, 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. For assistance with correction of noncompliance, the district is referred to the state IEP sample form at: www.statenj.us/education/specialed/forms.

Finding 11: 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/or an explanation of why they were rejected; and
- for those students placed in separate settings, activities to transition the student to a less restrictive environment.

Citation: N.J.A.C. 6A:14-4.2 (a)8(i),(ii) and (iii); N.J.A.C. 6A:14-4.2 (a)4.

Required Action: The district must ensure when determining the educational placement of a child with a disability, the IEP team considers the general education class first and all required decisions regarding 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 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 citations listed above. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for the specific students that were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, a random sample of IEPs developed at meetings conducted between November 2014 and January 2015, 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.

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Finding 12: The district did not consistently complete all required components of the evaluation process for students referred for speech-language services. Specifically, evaluations did not include:

- identification meetings held within 20 days of receipt of a written referral including all required participants;
- all components of a functional assessment, specifically teacher interview and observation of the student in other than a testing setting; and
- a statement from the classroom teacher that identifies the educational impact of the speech problem on the student's progress in general education.

Citation: N.J.A.C. 6A:14-2.5(b)6 and 3.6(b); N.J.A.C. 6A:14-3.4(f)4(i-vi); 20 U.S.C. §1414(b)(1-3); 1412(a)(6)(b); and 34 CFR §300.304(b)(1).

Required Action: The district must ensure identification meetings are held within 20 days of receipt of referral and all components of a functional assessment are conducted as part of the initial evaluation process. In addition, the district must ensure that a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining a statement from the general education teacher that details the educational impact of the speech problem on the student's progress in general education. 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 citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review documentation from initial evaluations conducted between November 2014 and January 2015, and to review the oversight procedures.

Administrative

Finding 13: The school was unable to provide evidence of competitively contracting for the provision of goods and services by vendors. In accordance with the Public School Contracts Law (PSCL) [N.J.S.A. 18A:18A:10(a)], a board of education may place its order with a vendor offering the lowest price, including delivery charges, that best meets the requirements of the board of education. However, for all federal funds, districts need to review 34 CFR Part 80.36 on procurement requirements. The federal procurement regulations under this section do not include all the exemptions allowed under the PSCL and therefore, these federal regulations require districts to competitively contract or bid all goods and services under the bid threshold, whether exempt under PSCL or not. The federal rules do include provisions for procurement by "noncompetitive proposals," but only under certain circumstances.

Citation: EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

Required Action: The school should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible. The school should also analyze and include

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documentation in its files that demonstrates the school ensured the costs were reasonable.

The NJDOE thanks you for your time and cooperation during the monitoring visit and looks forward to a successful resolution of all findings and implementation of all recommendations contained in this report.

If you have any questions, please contact Anthony Hearn via phone at (609) 633-2492 or via email at anthony.hearn@doe.state.nj.us .