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DEPARTMENT OF EDUCATION PO Box 500 Trenton, NJ 08625-0500

DAVID C. HESPE *Acting Commissioner* 

August 18, 2014

Mr. Vincent Palmieri Jr., Superintendent Upper Township Public Schools 525 Perry Road Petersburg, NJ 08270

Dear Mr. Palmieri:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the <u>Upper Township Board of Education</u>. 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 May 28, 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 Upper 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:Upper Twp.BOE Cover Letter/consolidated monitoring Enclosures

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# STATE OF NEW JERSEY DEPARTMENT OF EDUCATION PO BOX 500 TRENTON, NJ 08625-0500

## UPPER TOWNSHIP SCHOOL DISTRICT

525 PERRY ROAD PETERSBURG, NJ 08270 PHONE: (609) 628-3500



New Jersey K-12 Education

## CONSOLIDATED MONITORING REPORT AUGUST 2014

**District**: Upper Township School District

**County**: Cape May

**Dates On-Site**: May 28 and 29, 2014

**Case #:** CM-016-13

## **FUNDING SOURCES**

	Program	Funding Award
Title I, Part A		\$ 103,094
IDEA Basic		510,647
IDEA Preschool		16,881
Title II, Part A		44,727
	Total Funds	\$ 675,349

### **BACKGROUND**

The Elementary & Secondary Education Act (ESEA) and the Individuals with Disabilities Act (IDEA) and other federal laws require local education agencies (LEAs) to provide programs and services to their districts based on the requirements specified in each of the authorizing statutes (ESEA, IDEA, Race to the Top, and Carl D. Perkins). The laws further require that state education agencies such as the New Jersey Department of Education (NJDOE) monitor the implementation of federal programs by sub recipients and determine whether the funds are being used by the district for their intended purpose and achieving the overall objectives of the funding initiatives.

#### INTRODUCTION

The NJDOE visited the Upper 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 II, Part A, (Title II); and IDEA Basic and Preschool for the period July 1, 2013 through May 28, 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 May 28, 2014. A sampling of purchase orders and/or salaries was taken from each program reviewed.

# GENERAL DISTRICT OVERVIEW OF USES OF TITLE I, TITLE II AND IDEA FUNDS

## **Title I Projects**

The district used its FY 2013-2014 Title I funds to implement targeted assistance programs in the primary school. Primarily, the district provides tutoring services through in-class support, pullout programs. Title I funds in prior project periods were spent on similar programs.

#### **Title II Projects**

Title II funds were used to partially fund 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.

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

**<u>Finding 2:</u>** The district's web page did not contain the required annual notifications for parental involvement.

**Citation:** ESEA §1111(h)(2)(E): *Public Dissemination*.

**Required Action:** The district must review and update its parental involvement web page containing required annual notifications and documents to meet the broader ESEA dissemination requirement. The district must submit the link for the updated web page to the NJDOE for review.

<u>Finding 3:</u> 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 4:** The district did not track expenditures by attendance areas to ensure the expenses for Title I schools were 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 primary school and if successful that will alleviate this finding. The district must submit an approved amendment to the NJDOE for review.

<u>Finding 5:</u> The district's use of Title I funds for benchmark assessments for the entrance criteria, general library books, paper and office supplies supplanted state/local funds.

**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.

**Required Action:** The district must reverse the expenditure of Title I Funds for these activities and identify state/local funds to support the above mentioned programs. The district must send documentation of the adjusting journal entry to the NJDOE for review.

#### Title II

**Finding 6:** Teachers assigned to departmentalized Grades 6-8 were not licensed or highly qualified for the assignment. Students receiving direct instruction must be taught by HQT in core subjects. Districts must notify parents of students attending Title I schools whether the teacher meets state qualification/licensure requirements. Title I schools must give each parent timely notice when their child has been assigned, or has been taught for four or more consecutive weeks, by a teacher who is not highly qualified. This information is available at: <a href="http://www.ed.gov/legislation/FedRegister/finrule/2002-4/120202a.html">http://www.ed.gov/legislation/FedRegister/finrule/2002-4/120202a.html</a>. The district had a non-highly qualified staff member teaching language arts at the middle school and did not issue the proper notice requirement to the parents informing them of the situation.

**Citation:** ESEA §1119: *Qualifications for Teachers and Paraprofessionals;* ESEA §2123(A)(5)(B): *Local Use of Funds;* ESEA § 1111(h)(6)(B)(ii) *Right to Know letter.* 

**Required action:** The district should review the HQT documentation on file at the time teacher assignments are being made and assure that highly qualified teachers are properly identified with appropriate supporting documentation. The district must issue a letter informing them of the situation. A sample letter can be found at: <a href="http://www.state.nj.us/education/title1/hqs/rtk.htm">http://www.state.nj.us/education/title1/hqs/rtk.htm</a>.

<u>Finding 7:</u> The district's use of Title II funds for teacher evaluation training supplanted state/local funds.

**Citation:** OMB Circular A-87, Attachment B, Cost Principles for State, Local and Indian Tribal Governments, ESEA §2123(b) Local Use of Fund, Federal Funds To Supplement, Not Supplant, Non-federal Funds.

**Required Action:** The district must reverse the expenditure of Title II funds for these activities and identify state/local funds to support the above mentioned programs. The district must send documentation of the adjusting journal entry to the NJDOE for review.

#### **IDEA Special Education**

A review of the IDEA grant yielded no findings.

#### **Administrative**

<u>Finding 8:</u> 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 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 <a href="mailto:anthony.hearn@doe.state.nj.us">anthony.hearn@doe.state.nj.us</a>.