



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

June 10, 2014

Dr. Larrie Reynolds, Superintendent
Mount Olive Township Public Schools
89 US Route 46
Budd Lake, NJ 07828

Dear Dr. Reynolds:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Mount Olive 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, 2012 through January 31, 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 Mount Olive 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 Steven Hoffmann at (973) 621-2750.

Sincerely,

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

RJC/SH/dk:Mount Olive Twp. BOE Cover Letter/consolidated monitoring
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
JUNE 2014**

District: Mount Olive School District
County: Morris
Dates On-Site: February 11, 12 and 20, 2014
Case #: CM-039-13

FUNDING SOURCES

| Program | Funding Award |
|-----------------|--------------------------|
| Title I | \$ 334,852 |
| IDEA Basic | 905,349 |
| IDEA Preschool | 40,508 |
| Title IIA | 78,855 |
| Title III | 18,351 |
| Race To The Top | 8,533 |
| Total Funds | <hr/> <hr/> \$ 1,386,448 |

**MOUNT OLIVE SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
JUNE 2014**

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 Mount Olive 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); Title III; IDEA Basic and Preschool; and Race to the Top for the period July 1, 2012 through January 31, 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 reviewed included Title I, Title II, Title III; IDEA Basic and Preschool, and Race to the Top from July 1, 2012 through January 31, 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, IDEA AND RACE TO THE TOP FUNDS

Title I Projects

Title I funds are used to support academically challenged students in the three Title I schools. Funds are used for salaries and benefits for basic skills instructors, as well as instructional materials supporting that instruction.

IDEA Projects

The district utilized the FY 2012-2013 and FY 2013-2014 IDEA Basic and Preschool funds for teachers, child study team (CST) members, and instructional aides. In addition, funds were utilized for instructional and non-instructional supplies and equipment for students, CST, and administration. Also, funds were utilized for the provision of related services for students in out-of-district placements.

Race to the Top

The district plans to use Race to the Top funds for educator evaluation systems.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district's use of Title I funds for tuition for the K Excel Program provided by a third-party provider to both Title I and non-Title I students supplanted state and local funds. The K Excel Program does not provide Title I students with instructional interventions and strategies above and beyond those non-Title I students are receiving.

Citation: ESEA §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds).*

Required Action: The district must reverse the Title I K Excel Program tuition costs and allocate state/local funds for the tuition for the K Excel Program. The district must provide evidence of the adjusting journal entry to the NJDOE for review.

Finding 2: The district's Title I program is not supplemental to its state/locally funded elementary Basic Skills Instruction (BSI) program. The district provided the same services for students attending non-Title I elementary schools and students attending Title I elementary schools. As required by legislation, Title I students must receive academic services that are above and beyond the academic services provided to students in non-Title I schools.

Citation: ESEA §1115(c): *Targeted Assistance Programs (Components of a Targeted Assistance Program).*

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Required Action: The district can conduct the BSI program in its elementary schools using state/local funds. To avoid violating the “supplement not supplant” provision of the Title I legislation, the district must provide the state/locally funded BSI program to students in its Title I schools and Title I funded services that supplement the BSI program. The district must provide a copy of its revised Title I program in narrative form to the NJDOE for review.

Finding 3: The district’s use of Title I funds to pay for the salaries and benefits of two BSI teachers and associated instructional supplies at Tinc Road and Chester M. Stephens Elementary Schools supplanted state/local funds.

Citation: ESEA §1120A(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

Required Action: The district must reverse the Title I costs for the salaries and benefits for the two BSI teachers and associated instructional supplies at Tinc Road and Chester M. Stephens Elementary Schools and allocate state/local funds for those costs. The district must provide evidence of the adjusting journal entry to the NJDOE for review.

Finding 4: The Title I participation letter informing the Title I parents of the Title I program did not clearly state the specific multiple measures used as entrance and exit criteria for the program. Without this information, parents are unable to understand the reasons for their child being selected to participate in the Title I program, and what is needed for their child to exit the program.

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

Required Actions: In its Title I participation letter, the district must include the multiple measures including both entrance and exit criteria used to identify the students. The district must provide a copy of its revised FY 2014-2015 Title I participation letter to the NJDOE for review.

Finding 5: The district did not provide evidence that multiple educationally related, objective criteria were consistently applied to determine which students were eligible to receive Title I services. The monitors were unable to verify if the district is actually serving its lowest performing students and that all students receiving services actually met the eligibility criteria.

Citation: ESEA §1115: *Targeted Assistance Schools*.

Required Action: The district must establish a tracking mechanism for proper Title I student identification that is aligned to the multiple educationally, objective criteria. This mechanism must include documentation of which criteria were applied and how the student either met or did not meet the established criteria.

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Finding 6: The district did not have a parental involvement program that reflected the requirements of the Title I legislation. There is no evidence that the district's parental involvement policy was reviewed and board adopted since February 2013 and no evidence of school-level parental involvement policies. No evidence was provided that the district's parental involvement policy was developed in conjunction with parents. The annual review and current board adoption allows parents/guardians to impact the parental involvement process and identify the unique needs of the Title I schools and parents of Title I students.

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

Required Action: The district must have a written district parental involvement policy evaluated annually with current board adoption along with school-level parental involvement policies. For FY 2014-2015, Title I parents and associated stakeholders must be included in the development process of both the district and the school-level parental involvement policies. Copies of a recent board approved district parental involvement policy and school-level parental involvement policies must be submitted to the NJDOE for review. Evidence of the annual review must be documented with meeting agenda, sign in sheets and minutes and should be indicated at the bottom of the document.

Finding 7: For FY 2013-2014, the district did not provide evidence that the school-parent compact was developed in conjunction with Title I parents. The absence of parent participation in developing these required documents excludes parents from more active participation in their child's educational program.

Citation: ESEA §1118: *Parental Involvement*.

Required Action: The district must develop a school-parent compact in conjunction with parents and the associated stakeholder groups in the development process for FY 2014-2015. For FY 2014-2015, the district must provide evidence to NJDOE that Title I parents/guardians are included in the development process.

Finding 8: For FY 2013-2014, the district did not provide evidence of convening an annual Title I parent meeting that met the legislative requirements. Not conducting an annual meeting to explain the Title I legislation and the district's Title I programs in the beginning of the year does not allow parents of identified Title I students to be informed and vested in the Title I process from the start.

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

Required Action: The district must convene its FY 2014-2015 annual Title I meeting for the parents/guardians of its identified Title I students no later than mid-October. The

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district must provide documentation of the meeting (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Finding 9: The district's web page did not include Title I information such as the school-level parental involvement policies and a current version of the district parental involvement policy.

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

Required Action: The district must update the website to reflect current versions of the district and school-level parental involvement policies.

Finding 10: Because the district did not contact nonpublic schools outside the district's attendance area that enroll resident students, the district reported zero nonpublic enrollment and low-income counts on the FY 2013-2014 ESEA Consolidated Application in Step One of the Title I eligibility tab. The district's submission of zero nonpublic enrollment and low-income counts prevented the generation of an equitable participation share of funding for eligible resident nonpublic school students.

Citation: ESEA §1120: *Participation of Children Enrolled In Private School*.

Required Action: For FY 2014-2015, the district must contact nonpublic schools within a 50 mile radius of the district no later than June 2014 to obtain enrollment and low income data. The district must contact the nonpublic schools that enroll Mount Olive resident students to inform the schools of their opportunity to participate in the district's Title I program for the upcoming school year. After contacting nonpublic schools that enroll resident students, the district must then begin the consultation process with the nonpublic schools to identify eligible students and develop a service delivery plan. The district must send documentation of the consultation process (e.g., invitational letters, agendas, meeting notes, sign in sheets) to NJDOE for review.

Title II

Finding 11: The district did not have adequate supporting documents as required by federal law to verify the activity of the Literacy Supervisor partially funded with Title II funds. The documentation provided did not clearly reflect that 55% of the position is dedicated to allowable grant funded activities. Time and Activity Reports for partially grant funded staff must delineate grant funded activities that are consistent with the percentage of the salary supported with grant 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 must revise the Time and Activity Report of the Literacy Supervisor to specify the position's responsibilities that are supported with Title II funds. The district must submit appropriate time sheets to date to the NJDOE for review.

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Finding 12: For FY 2012-2013, documents reviewed at the time of the consolidated monitoring verified that the district used Title II funding to compensate Strong and Associates \$1,200 for consultant services rendered for district wide, in-service training to teachers, administrators, and non-instruction staff. Further interviews with district officials verified that the district wide, in-service training sessions were in accordance with teachers and administrators contractual agreements with the district. Therefore, the use of Title II funds for these sessions supplanted state/local funding.

Citation: ESEA §2123: *Supplement Not Supplant.*

Required Action: The district must reverse the charges for these unallowable expenditures and allocate state/local funds, rather than Title II funds, to support these expenditures. The district must submit documentation of the adjusting journal entry to the NJDOE for review.

Title III

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

IDEA (Special Education)

Finding 13: In both the 2012-2013 and 2013-2014 grant years, the district did not enter into contracts with independent consultants and agencies that provide services directly to students.

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 enter into a contract with all agencies or consultants where services are being provided to students. Contracts must include a per-service or hourly rate and a not to exceed amount. In addition, the contracts must be approved by board resolution.

Finding 14: The district did not consistently provide parents of students referred and/or eligible for special education and related services and speech-language services notice of a meeting for identification, eligibility, reevaluation planning and IEP team meetings.

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 provide parents notice of a meeting in writing early enough to ensure they have 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 documentation of the provision of

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notice of a meeting for meetings conducted between September 2014 and November 2014, and to review the oversight procedures.

Finding 15: The district did not conduct meetings within 20 calendar days of receipt of a written request for evaluation for students referred for speech-language services.

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

Required Action: The district must ensure a meeting is conducted within 20 calendar days of receipt of a written request for evaluation to determine if an evaluation is warranted. 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 citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, and review documentation of identification meetings conducted between September 2014 and November 2014, and to review the oversight procedures.

Finding 16: The district did not consistently convene meetings with required participants for students referred and/or eligible for special education and related services and for students referred and/or eligible for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(k)1(i-vii), 2(i-x); 3.3(e); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

Required Action: The district must ensure all meetings are conducted with required participants and documentation of participation is maintained in students' records. 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 meeting documentation, including the sign in sheets, for meetings conducted between September 2014 and November 2014, and to review the oversight procedures.

Finding 17: 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;
- an explanation of why the supplementary aids and services were rejected; and
- 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.

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

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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. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the district's procedures 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 specific students with IEPs 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 additional IEPs developed at meetings conducted between September 2014 and November 2014, 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 18: The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed.

Citation: N.J.A.C. 6A:14-2.3(k)2(x), 3.7(e)13; 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. 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 and review copies of invitations to students for IEP meetings where transition was being discussed between September 2014 and November 2014, and to review the oversight procedures.

Finding 19: The district did not consistently provide to students eligible for special education and related services a summary of academic achievement and functional performance, containing all required components, prior to graduating and/or exiting.

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

Required Action: The district must ensure students are provided with a summary of academic achievement and functional performance prior to graduation that addresses all required components. 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 summary of academic achievement and functional performance provided to students at the conclusion of the 2014-2015 school year, and to review the oversight procedures.

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Finding 20: The district does not have a policy for the provision of an alternate assessment, when appropriate, for students with disabilities participating in district wide assessments.

Citation: 34 CFR §300.160.

Required Action: The district must revise policies and procedures to ensure students with disabilities participate in district wide assessments or an appropriate alternative. The policy must include the provision of alternate assessments for those children who cannot participate in the regular assessment. If the district reports publicly on the district wide assessment, the district must also report with the same frequency and in the same detail as it reports on the assessment of nondisabled children. 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. A monitor from the NJDOE will conduct an on-site visit to review the policy.

Race to the Top

A review of the expenditures charged to Race to the Top grant yielded no findings.

Administrative

Finding 21: On several occasions, the district failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). District policy and state regulations require that a properly executed purchase order be issued prior to the purchase of goods or the rendering of services.

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.

Recommendation 1: The district does not have a purchasing manual that details procedures for the procurement of goods and services.

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 prepare and adopt a detailed purchasing manual to ensure compliance with current state and federal procurement regulations.

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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 Steven Hoffmann via phone at (973) 621-2750 or via email at steven.hoffmann@doe.state.nj.us.