



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

September 8, 2014

Mr. James Giaquinto, Superintendent
Absecon Public Schools
800 Irelan Avenue
Absecon, NJ 08201

Dear Mr. Giaquinto:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Absecon 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 May 5, 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 Absecon 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:Absecon BOE Cover Letter/consolidated monitoring
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
SEPTEMBER 2014**

District: Absecon Public Schools
County: Atlantic
Dates On-Site: May 5 and 6, 2014
Case #: CM-001-13

FUNDING SOURCES

	Program	Funding Award
Title I, Part A		\$ 260,051
IDEA Basic		300,810
IDEA Preschool		8,571
Title II, Part A		34,883
	Total Funds	<hr/> <hr/> <u>\$ 604,315</u>

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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 Absecon 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 May 5, 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 school policies and procedures. The monitoring team members also conducted interviews with school 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 5, 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 AND IDEA FUNDS

Title I Projects

The district used its FY 2013-2014 Title I funds to implement targeted assistance programs in both the elementary and middle schools. Primarily, the district provided tutoring services through in-class support, pullout programs, after school, and extended year programs. Title I funds in previous project periods were spent on similar programs.

Title II Projects

The district used its FY 2013-2014 Title II funds to partially fund the salary for a staff member to enable class size reduction and professional development activities in accordance with the District Professional Development Plan.

IDEA Projects

The district used its FY 2013-2014 IDEA Basic funds to reduce district tuition expenditures for students receiving special education services at Atlantic County Special Services School District. Funds were also used to partially fund the salary of an instructional aide in the preschool disabled program. Nonpublic funds were used for supplementary instructional support for students at Holy Spirit High School.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district's Title I schools had entrance and exit criteria for Title I student identification, but incorrectly included poverty measures (free and/or reduced lunch) as one of the entrance criteria. Title I schools must have multiple, educationally related, objective criteria to identify the low-performing students for supplemental services.

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

Required Action: The school must remove poverty as one of its entrance criteria for Title I student identification. The school must submit the revised FY 2014-2015 entrance and exit criteria to the NJDOE for review.

Finding 2: The district did not provide evidence that the established entrance and exit criteria were consistently applied to determine Title I student eligibility. The monitors were unable to verify the process used to select and serve Title I students.

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

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Required Action: The district must establish a tracking mechanism for proper Title I student identification. This mechanism must include documentation of the use of multiple, educationally related, objective criteria to identify students for eligibility to receive Title I services.

Finding 3: The district's Title I parental notification letter did not include the multiple, educationally related, objective entrance and exit criteria used for Title I student identification, the remediation actions the district is using and the option for parents to opt-out of Title I services. This information is necessary for parents to understand the reasons their child was selected to participate in the Title I program, and what is needed for their child to exit the program.

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

Required Action: The district must revise its Title I participation letter to include the multiple, educationally related, objective criteria used to identify students for Title I services, and the criteria used to exit students from the Title I program. 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 provide a school-level Title I parental involvement policy for the middle school. Additionally, there is 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).

Finding 5: The district's and individual school's web pages did not contain updated required annual notifications for parental involvement.

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

Required Action: The district's Title I schools must review and update their 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.

Finding 6: The district's use of Title I funds to support the district's Focused Instruction Time program, which benefits all students, supplanted state/local funds. Some of the courses highlighted on the sample schedules appear to be replacement classes, not supplemental. The defining feature of a targeted assistance program is that Title I funds may be used only to benefit eligible Title I students, and the benefit must be supplemental to what the child would have otherwise received. The use of this program by all students does not provide Title I students with instructional support above and beyond that which non-Title I students are receiving.

Citation: ESEA §1115(c) *Targeted Assistance Programs, Components of a Targeted Assistance Program*; USDE Policy letter October 6, 2008.

Required Action: The district has reallocated the portion of Title I funds that were being used to run the replacement classes, and will use state/local funds instead. No further action is required.

Finding 7: In its FY 2013-2014 ESEA Consolidated Application on the Electronic Web Enabled Grant System (EWEG) the district did not report any resident students that attend nonpublic schools. Section 1120 of the ESEA requires that districts receiving Title I funds provide equitable services to eligible resident nonpublic school students. The district is responsible for counting and entering the nonpublic enrollment numbers and the low-income counts for nonpublic students that reside in its district's attendance areas on Eligibility Page-Step One of the Title I portion of the district's ESEA-NCLB Consolidated Application. The omission of enrollment data for nonpublic students results in inaccurate Title I school-level allocations and deprives eligible resident nonpublic students of critical services.

Citation: ESEA §1120 (b)(E)(F): *Participation of Children Enrolled in Private Schools.*

Required Action: In preparation for the completion of the district's FY 2014-2015 ESEA/NCLB Consolidated Application, the district must develop a process to locate and document resident students that attend nonpublic schools. The district must report nonpublic enrollment data and nonpublic low-income data in the Title I portion of the district's FY 2014-2015 Consolidated Application.

Finding 8: The district could not provide evidence of holding consultation meetings with nonpublic schools that enroll resident students. Per the legislative requirement, the district must ensure that it performs its due diligence in meeting with the nonpublic school officials to ensure that eligible students from its attendance area receive appropriate Title I services. During the

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consultation meeting, the district must discuss the following items: collection of poverty data, student identification, and services for eligible students, parents, and teachers.

Citation: ESEA §1120 (b): *Participation of Children Enrolled in Private Schools*.

Required Action: For FY 2014-2015, the district must formalize its nonpublic consultation process. The district must retain signed/certified receipts of its correspondence to nonpublic schools, copies of Affirmation of Consultation signed by all consulted parties, and refusal forms. The district must also provide copies of meeting agenda, minutes, and sign in sheets to the NJDOE for review.

Finding 9: 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; NCLB §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 and if successful, that will alleviate this finding. The district must submit an approved amendment to the NJDOE and demonstrate expenses by location for FY 2013-2014.

Title II

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

IDEA Special Education

Finding 10: The district did not consistently obtain written parental consent for excusal of a team member at an IEP meeting.

Citation: N.J.A.C. 6A:14-2.3(a); 20 U.S.C. §1414(a)(1)(b); and 34 CFR §300.300.

Required Action: The district must ensure that informed parental consent to excuse a team member from an IEP meeting is obtained when required and maintained in student 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 citations listed above. A monitor from the

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NJDOE will conduct an on-site visit to interview staff, review documentation of written parental consent for excusal of a team member from IEP meetings conducted between November 2014 and February 2015, and to review the oversight procedures.

Finding 11: 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 14 post-school transition components.

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 the required considerations and statements. 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. 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 along with a random sample of IEPs developed at meetings conducted between November 2014 and February 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 which is located at: www.statenj.us/education/specialed/forms.

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 did not 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.

In addition, the district does not offer the full-continuum of program options. Specifically, students are not offered the option of an in-class resource program. Through interviews with district staff it was determined that placement is based on space in existing programs and not on individual needs of the students.

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

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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 identified 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 revised IEPs, along with a random sample of IEPs developed at meetings conducted between November 2014 and February 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.

Finding 13: 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;
- the educational impact statement from the classroom teacher that identifies the educational impact of the speech problem on the student's progress in general education; and
- all components of a functional assessment, specifically, observation in other than a testing setting.

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. 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 February 2015, and to review the oversight procedures.

Administrative

Finding 14: The district 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

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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.

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 .