



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

DAVID C. HESPE
Acting Commissioner

October 9, 2014

Mr. Jeffrey Rutzky, Superintendent
West Orange Public Schools
179 Eagle Rock Avenue
West Orange, NJ 07052

Dear Mr Rutzky:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **West Orange 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 April 30, 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 West Orange 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:West Orange BOE Cover Letter/consolidated monitoring
Enclosures

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David C. Hespe
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PO BOX 500
TRENTON, NJ 08625-0500**

WEST ORANGE BOARD OF EDUCATION
179 EAGLE ROCK AVENUE
WEST ORANGE, NJ 07052
PHONE: (973) 669-5400



New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
OCTOBER 2014**

District: West Orange Public Schools
County: Essex
Dates On-Site: June 11, 12 and 13, 2014
Case #: CM-020-13

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 817,115
IDEA Basic	1,617,915
IDEA Preschool	63,816
Title II, Part A	128,331
Title III	74,945
Race to the Top	68,430
Carl D. Perkins	54,704
Total Funds	<u>\$ 2,825,256</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 West Orange 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; Race to the Top and Carl D. Perkins for the period July 1, 2012 through April 30, 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, Race to the Top and Carl D. Perkins from July 1, 2012 through April 30, 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, RACE TO THE TOP
AND CARL D. PERKINS FUNDS**

Title I Projects

The district used Title I funds to support teacher salaries and benefits, as well as supplies and professional services.

IDEA Projects

The IDEA funds were utilized to offset the salaries and benefits of employees, professional development, and supplies/materials for students attending nonpublic schools.

Race to the Top

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

Carl D. Perkins

The district operates the following nine Career and Technical Education programs: Architectural Drafting and CADD 151303; Printing Management 100302; Broadcast Journalism 090402; Entrepreneurship/Entrepreneurial Studies 520701; Business/Office Automation 520407; Child Development 190706; Accounting Technology/Technician 520302; Cooking and Related Culinary Arts/General 120506; and Computer Systems Networking and Telecommunications 11901.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district conducted Adult Literacy classes to teach parents/guardians to read, write and communicate as Title I parental involvement activities. The district failed to directly link these classes with an identified need that would result in increased student academic achievement.

Citation: ESEA §1118: *Parental Involvement*.

Required Action: For FY 2014-2015, the district must provide parental involvement activities that are directly related to student academic achievement. The district must provide a copy of its FY 2014-2015 Title I parental involvement activities in narrative form to the NJDOE for review. The district must reverse any Title I costs associated with the Adult Literacy classes and allocate state/local funds for these costs. The district must provide evidence of the journal entry to reverse the expenditures to the NJDOE for review and the final expenditure report must also reflect this reversal.

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Finding 2: The district's Title I parental notification letters did not explicitly and consistently state the multiple, educationally related, objective entrance and exit criteria used for Title I student identification, and include an option for parents to opt-out of the program. This information is necessary for parents/guardians of Title I students to understand the reason 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 letters to include the multiple, educationally related, objective criteria used for Title I student identification, plus the option for parents to opt-out of the program. The district must provide a copy of its FY 2014-2015 Title I participation letters to the NJDOE for review.

Finding 3: The district did not provide evidence that the multiple, educationally related, objective criteria were consistently applied to determine which students in the district 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. This mechanism must include documentation that multiple educationally related objective criteria were applied and how the student either met or did not meet the criteria.

Finding 4: The district did not have a parental involvement program that reflected the requirements of the Title I legislation. The FY 2013-2014 district parental involvement policy did not include all Title I legislative requirements and was not annually reviewed and board adopted. Additionally, the district did not provide evidence that the school-level parental involvement policies were board adopted.

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

Required Action: For FY 2014-2015, the district must develop a district Title I parental involvement policy that includes all the legislative requirements. A template of a Title I district parental involvement policy can be found at: <http://www.state.nj.us/education/title1/program/parent/>. The school-level parental involvement policies need to have current board adoption. A copy of the FY 2014-2015 district parental involvement policy must be submitted to the NJDOE for review.

Finding 5: The district's web page contained Title I information, such as the parental involvement policy, that was outdated.

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

Required Action: The district must review and update its website to include the current parental involvement policy to meet the ESEA broader dissemination requirement. Upon updating its website, the district must forward the link to the NJDOE for review.

Finding 6: The district's use of Title I to fund registration and travel expenses for the NCLB Project Director and two individuals from its business office, the Business Administrator and the Assistant to the Business Administrator, to attend the National Title I Conference in San Diego, California did not meet the necessary and reasonable standard for the use of Title I funds.

Citation: OMB Circular A-87, Attachment A: General Principles for Determining Allowable Costs.

Required Action: The district must allocate state/local funds for the cost of registration and travel expenses for the Assistant to the Business Administrator attendance at the National Title I conference. The district must provide evidence of the journal entry to reverse the expenditures to the NJDOE for review. The district's FY 2013-2014 Title I final expenditure report must also reflect this reversal.

Title II

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

Title III

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

IDEA (Special Education)

Finding 7: In the 2013-2014 grant years, the district did not consistently enter into contracts with independent consultants and agencies that provide services directly to students. In addition, when contracts are developed they do not contain a not to exceed amount.

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, and must be approved by board resolution.

Finding 8: The district did not consistently provide parents of students referred and/or eligible for special education and related services and students referred and/or eligible for speech-

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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 copies of notices of meetings for meetings conducted between January 2015 and March 2015, and to review the oversight procedures.

Finding 9: The district did not consistently conduct identification meetings within 20 calendar days of receipt of a written request for evaluation for special education and related services and/or speech-language services to determine if an evaluation was warranted.

Citation: N.J.A.C. 6A:14-2.5(b)6; 3.3(e) and 3.6(b).

Required Action: The district must ensure identification meetings are conducted within 20 calendar days of receipt of a written request for evaluation. 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 from meetings conducted between January 2015 and March 2015, and to review the oversight procedures.

Finding 10: The district did not consistently conduct multidisciplinary initial evaluations for students referred for speech-language services by obtaining an educational impact statement from the classroom teacher.

Citation: N.J.A.C. 6A:14-2.5(b)6 and 3.6(b).

Required Action: The district must ensure a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining a written 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 citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students referred for speech-language services between January 2015 and March 2015, and to review the oversight procedures.

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Finding 11: The district did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students referred for special education and related services and for students referred for speech-language services. Initial evaluation reports did not contain a review of prior interventions documented by the teacher(s) or others who work with the student.

Citation: N.J.A.C.6A:14-3.4(f)4(i-vi); 20 U.S.C. §1414(b)(4) and (5); and 34 CFR §300.306(c)(i).

Required Action: The district must ensure all components of the functional assessment are conducted as part of all initial evaluations. 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. The district is referred to the sample report form for speech-language evaluations which is located at: www.state.nj.us/education/speced/forms. A monitor from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students evaluated between January 2015 and March 2015, and to review the oversight procedures.

Finding 12: 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)2x and 3.7(e)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. 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 copies of invitations to IEP meetings to students age 14 and above for meetings conducted between January 2015 and March 2015, and to review the oversight procedures.

Finding 13: The district did not consistently document all required considerations and statements in the IEPs of students eligible for speech-language services.

IEPs did not consistently include:

- statement of how the students disability affects involvement and progress in the general curriculum;
- strengths of student;
- measurable annual goal(s) and objective(s);
- statement of how progress towards annual goal(s) will be measured;
- for students 14 and older, documentation of the student's strengths, interests and preferences; and

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- participation in district wide assessments.

Citation: N.J.A.C. 6A:14-3.7(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 speech-language specialists 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 IEPs for specific students who 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 sample of IEPs for students whose annual review meetings were conducted between January 2015 and March 2015, and to review the oversight procedures. For assistance with correction of noncompliance, the district is referred to the state IEP sample forms which are located at: www.statenj.us/education/specialed/forms.

Finding 14: 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 January 2015 and March 2015, and to review the oversight procedures.

Finding 15: 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;
- the potentially beneficial or harmful effects which placement in general education may have on the students with disabilities or other students in the class; and
- for students in separate settings, activities to move the student to a less restrictive setting.

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

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 document them in each IEP. 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, along with a sample of IEPs developed at meetings conducted between January 2015 and March 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 16: 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 the 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.

Race to the Top

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

Carl D. Perkins

A review of the expenditures charged to the Carl D. Perkins grant yielded no findings.

Administrative

Finding 17: 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

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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.

Finding 18: The board minutes contained - for fully and partially funded employees - some but not all the required information such as account number, position, annual/funded salary and percentage charged. Also, the board minutes contained - for stipend compensation - some but not all of the required information such as account number, position, hourly rate, number of hours and not to exceed amount.

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 should update its internal controls to ensure that the board minutes contain the required information.

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.

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