



*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 11, 2014

Mr. Gregory Nolan, Superintendent  
Flemington-Raritan Regional School District  
50 Court Street  
Flemington, NJ 08822

Dear Mr. Nolan:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Flemington-Raritan Regional 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 May 8, 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 Flemington-Raritan Regional 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 Lori Ramella at (609) 984-0937.

Sincerely,

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

RJC/LR/dk:Flemington-Raritan Reg. BOE Cover Letter /consolidated monitoring  
Enclosures

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**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT**  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
SEPTEMBER 2014**

**District:** Flemington-Raritan Regional School District  
**County:** Hunterdon  
**Dates On-Site:** May 7 and 8, 2014  
**Case #:** CM-030-13

**FUNDING SOURCES**

Program	Funding Award
Title I, Part A	\$ 94,107
Title II, Part A	78,592
Title III	41,469
Title III Immigrant	11,707
IDEA Basic	988,508
IDEA Preschool	33,403
Race To The Top	8,039
Total Funds	<u>\$ 1,255,825</u>

**FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
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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 Flemington-Raritan Regional 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); Title III; Title III Immigrant; IDEA Basic and Preschool; and Race to the Top for the period July 1, 2012 through May 8, 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, and current district policies and procedures. The monitoring team members reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews, as well as conducted interviews with program administrators and other district personnel as required. Additionally, the IDEA grant review included 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, and interviews of child study team members and speech-language specialists.

**EXPENDITURES REVIEWED**

The grants that were reviewed included Title I, Title II, Title III, Title III Immigrant, IDEA Basic and Preschool, and Race to the Top for the period July 1, 2012 through May 8, 2014. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

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**GENERAL DISTRICT OVERVIEW OF USE OF TITLE I, TITLE II, TITLE III, IDEA  
AND RACE TO THE TOP FUNDS**

**Title I**

The district operated a targeted assistance program at its two Title I funded schools: Francis A. Desmares School and Robert Hunter School. The district has identified Closing the Achievement Gap for Economically Disadvantaged and Limited English Proficient students as its priority problems.

**Title II**

The district used Title II funds to supplement a variety of professional development needs to support educational programs and to increase student academic achievement in the district.

**Title III**

The district used Title III funds for English as a Second Language (ESL) after-school and summer programs, including salaries for the teachers of these programs.

**IDEA (Special Education)**

The district used the FY 2013-2014 IDEA funds to reduce district tuition expenditures for students receiving special educational services in other public school districts and approved private schools for students with disabilities. IDEA funds were also spent on salaries of special education staff and instructional supplies and services required by the IEPs of students with disabilities. The remainder of the IDEA funds were allocated to support students who attend nonpublic schools located within the district.

**Race to the Top**

Race to the Top funds were used on teacher evaluation tools, such as Teachscape.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** The district is not tracking Title I expenditures by school attendance areas in its accounting system. School-level disaggregation is necessary to ensure the funds spent for Title I schools are consistent with each attendance area's allocation, as recorded on the Title I Eligibility - Step 4 page of the FY 2013-2014 ESEA-NCLB Consolidated Application.

**Citation:** 34 CFR §80.20: Standards for financial management systems; and ESEA §9306 (a)(5): *Other General Assurances (Assurances)*.

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**Required Action:** The district must expend Title I funds in a manner consistent with its school-level allocations reflected on the FY 2013-2014 ESEA-NCLB Consolidated Application, Title I Eligibility - Step 4 page. Documentation evidencing this tracking for FY 2013-2014 must be submitted to the NJDOE for review.

**Finding 2:** The district could not provide evidence of when its Title I written parental involvement policy was distributed to the parents/guardians of Title I students. The legislation requires that districts distribute their written parental involvement policy to the parents/guardians of Title I students.

**Citation:** ESEA §1118(b): *Parental Involvement (School Parental Involvement Policy)*.

**Required Action:** For the 2013-2014 school year, the district must ensure that its Title I schools distribute their written parental involvement policy to parents/guardians of the Title I students. The district must send a copy and a description of the mechanism used to distribute the policy to the NJDOE for review.

**Finding 3:** The district could not provide documented evidence of its schools convening the annual Title I parent meeting. The parents/guardians of identified Title I students are entitled to be informed about the school's participation in Title I programs, legislative requirements, and ways in which they can be involved in helping their child/children succeed academically.

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

**Required Action:** The district's Title I schools must convene their 2014-2015 annual Title I parent meeting for the parents/guardians of its identified Title I students no later than October 15, 2014. The district must submit documentation (e.g., invitational letter/flyer, agenda, minutes, sign in sheets) to the NJDOE for review.

**Finding 4:** The district could not provide documented evidence of engaging Hunterdon Youth Services Group Home in the use of \$4,160 set aside for resident neglected children reported on the district's October 30, 2013 survey to the NJDOE. The use of the neglected set-aside is the same as the use of the regular Title I allocation; these funds must be used to supplement the facility's general educational program.

**Citation:** ESEA §1411: *State Agency Programs (Eligibility)*; ESEA §1415(a): *State Agency Programs (Uses of Funds)*.

**Required Action:** In consultation with the Hunterdon Youth Services Group Home, the district has to provide assurances that the Title I funds will be used to supplement the number of instructional hours the students receive from the facility. The funds must be used for instructional services, not just materials and supplies. The district must submit documentation of its consultation process with the facility to the NJDOE for review.

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**Finding 5:** The district reserved \$2,000 for services to homeless children in its non-Title I schools. However, the district could not provide documentation on the use of these funds to address the needs of homeless students.

**Citation:** McKinney-Vento Act §722(g)(1)(J)(ii); ESEA §1115(b)(2)(E); and ESEA §1113(c)(3)(A).

**Required Action:** The district must conduct a needs assessment to coordinate services provided under the McKinney-Vento Act and Title I to ensure it provides the needed supports to those identified students experiencing homelessness. Funds may be used to provide services that provide additional support to students experiencing homelessness, not typically allowed to other children receiving Title I services. The district must submit evidence of its needs assessment process to the NJDOE for review.

## **Title II**

**Finding 6:** Printing costs for a tri-fold brochure titled “A Teacher’s Guide to the New Evaluation Procedure” (P.O. #14-6086) supports the state requirement to implement teacher evaluation. The use of Title II funds for this expenditure supplants state/local funds.

**Citation:** ESEA §1120A(b)(1): *Federal Funds to Supplement, Not Supplant, Non-Federal Funds.*

**Required Action:** The district must reverse the charges and use state/local funds for the unallowable expenditures. The district must provide documentation of the adjusting journal entry to the NJDOE for review.

## **Title III**

A review of the Title III program yielded no findings.

### **Title III Immigrant**

**Finding 7:** The district is not spending its Title III Immigrant funds and is in jeopardy of having to return unused funds to the NJDOE. As of May 8, 2014, the district had not expended any portion of this federal award.

**Citation:** 34 CFR §80.20: Standards for financial management systems.

**Required Action:** The district must release any unused FY 2012-2013 Title III Immigrant funds to the NJDOE at the end of the FY 2013-2014 project period. The district must identify and implement the necessary programs to enhance instructional opportunities for its immigrant student population and use its Title III Immigrant funds accordingly.

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**IDEA (Special Education)**

**Finding 8:** The district did not consistently document in the IEPs of students placed in separate settings consideration of placement in the least restrictive environment. Specifically, IEPs did not consistently include activities to transition a student placed in an out of district setting to a less restrictive environment.

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

**Required Action:** The district must ensure for students placed in separate settings that the IEP team identifies activities to transition the student to a less restrictive environment and documents 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 citation 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 NJDOE will conduct an on-site visit to interview staff and review the revised IEPs, along with a random sample of IEPs for students whose annual review meetings were conducted between November 2014 and January 2015, and to review the oversight procedures. The names of the students with IEPs that were identified as noncompliant will be provided to the district by the monitor.

**Finding 9:** The district did not consistently ensure that required participants were in attendance at IEP team meetings for students eligible for special education and related services who attend an out-of-district placement.

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

**Required Action:** The district must ensure IEP team meetings for students placed in out-of-district settings are conducted with required participants and that documentation of attendance and/or written parental consent to excuse a member of the team is maintained in student files. 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 interview staff and review meeting documentation, including the sign in sheets, for meetings conducted between November 2014 and January 2015, and to review the oversight procedures.

**Race to the Top**

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



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**Administrative**

**Finding 10:** The amounts appropriated for NCLB titled grants in the district's accounting records could not be reconciled with corresponding amounts budgeted in Electronic Web Enabled Grant system.

**Citation:** 34 CFR §80.20: Standards for financial management systems; and ESEA Reference Manual Section IV: *Fiscal regulations and responsibility*.

**Required Action:** The district must implement a process to ensure that amounts awarded through a grant are recorded appropriately in the financial records.

**Finding 11:** As of May 8, 2014, the FY 2012-2013 carryover figures included in the district's FY 2013-2014 Title II and Title III grants were posted incorrectly in its accounting records.

**Citation:** 34 CFR §80.20: Standards for financial management systems; N.J.A.C. 6A:23A-16.2: Principles and directives for accounting and reporting.

**Required Action:** The district must correct the Title III carryover appropriations in its general ledger and submit this documentation to the NJDOE for review. Prior to the issuance of this report, the district furnished records evidencing correction of the Title II carryover appropriations on April 30, 2014. As a result, no further action is required with regard to the Title II carryover appropriations.

**Finding 12:** A review of the approved Title II and Title III budgets revealed nonpublic appropriations were not posted correctly and tracked separately in the district's accounting records.

**Citation:** 34 CFR §8020: Standards for financial management systems; N.J.A.C. 6A:23A-16.2: Principles and directives for accounting and reporting; and ESEA §1120: *Participation of children enrolled in private schools*.

**Required Action:** The district must implement a process to ensure nonpublic amounts awarded through a grant are recorded appropriately in the financial records.

**Finding 13:** The district recorded Title II and Title III expenditures in incorrect general ledger accounts. For example, the district recorded student transportation costs as non-instructional salaries and an annual software license as an instructional supply.

**Citation:** 34 CFR §80.20: Standards for financial management systems; and N.J.A.C. 6A:23A-16.2: Principles and directives for accounting and reporting.

**Required Action:** The district must charge expenditures to the appropriate general ledger account. The district should review its FY 2013-2014 Title II and Title III expenditures

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and transfer all improperly recorded transactions to the appropriate accounts prior to submitting its FY 2013-2014 Final Expenditure Report.

**Finding 14:** The district is charging Race to the Top (RTT) expenditures incorrectly to account numbers which contain program code 090 in its general ledger. The Uniform Chart of Accounts for New Jersey School Districts (Chart of Accounts), as required by N.J.A.C. 6A:23A-16.2, designates the use of program codes 290-299 to record expenditures for other special programs like RTT.

**Citation:** 34 CFR §80.20: Standards for financial management systems; and N.J.A.C. 6A:23A-16.2: Principles and directives for accounting and reporting.

**Required Action:** The district must establish accounts with appropriate program codes in conformity with the Chart of Accounts when recording transactions in the general ledger.

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 Lori Ramella via phone at (609) 984-0937 or via email at [lori.ramella@doe.state.nj.us](mailto:lori.ramella@doe.state.nj.us).