



State of New Jersey

DEPARTMENT OF EDUCATION

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TRENTON, NJ 08625-0500

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Governor

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Commissioner

February 4, 2015

Dr. Rocco Tomazic, Chief School Administrator
Freehold Borough School District
280 Park Avenue
Freehold, NJ 07728-2006

Dear Dr. Tomazic:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Freehold Borough 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 June 20, 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 Freehold Borough 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:Freehold Borough BOE Cover Letter /consolidated monitoring
Enclosures

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FREEHOLD BOROUGH SCHOOL DISTRICT
280 PARK AVENUE
FREEHOLD, NJ 07728
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
FEBRUARY 2015**

District: Freehold Borough School District
County: Monmouth
Dates On-Site: June 18, 19 and 20, 2014
Case #: CM-037-13

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 934,884
Title II, Part A	70,533
Title III	57,257
IDEA Basic	344,522
IDEA Preschool	16,864
Race To The Top	87,954
Total Funds	<u>\$ 1,512,014</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 Freehold Borough 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; IDEA Basic and Preschool; and Race to the Top for the period July 1, 2012 through June 20, 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, IDEA Basic and Preschool, and Race to the Top for the period July 1, 2012 through June 20, 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 operates schoolwide programs in its three Title I funded schools: Freehold Intermediate School, Park Avenue Elementary School, and the Freehold Learning Center. The district identified Closing the Achievement Gap, English Language Proficiency, Early Childhood Education, and English Language Arts for all students, limited English proficient students, and parents (English Language Proficiency) as priority problems.

Title II

The district used its Title II funds for class size reduction and Professional Development (PD) expenses.

Title III

The district used its Title III funds to provide parent classes, a transition coach for recently exited limited English proficient students, a portion of the English as a Second Language supervisor's salary, and professional development.

IDEA (Special Education)

The district used its IDEA funds for salaries of teacher assistants assigned to special education students. The remainder of the IDEA funds were allocated to support students who attend nonpublic schools located within the district. Nonpublic special education services include instructional aides, and related services.

Race to the Top

The district used its Race to the Top funds for common core standards training and implementation of the new teacher and leader evaluation system.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district used Title I funds for the following unallowable expenditures:

- The Booksource (PO# M141191);
- Standards Solution Holding, LLC (PO# M141971);
- Bed, Bath, & Beyond (PO# M140489);
- Sweetwater (PO# M141483);
- Oriental Trading, Co. (PO# M140488);

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- Nasco Arts & Crafts (PO# M141299);
- Mentoring Minds (PO# M141828);
- Music & Arts Center (PO# M141432);
- Have Fun Teaching, LLC (PO# M141463); and
- Freehold Intermediate School Improvement Plan (SIP) – Summer and Extended Day PD on CCSS (\$12,600); PD for teachers on CCSS and curriculum implementation (\$300); Purchase curriculum supports/materials (\$20,000); and incomplete Budget Summary.

For Title I schoolwide programs, services and expenditures must be reflected in the Schoolwide Plan(s)/School Improvement Plan (SIP) to be considered allowable. To meet the intent and purpose of the Title I legislation, expenditures must be used for programs/services that are “necessary and reasonable” to address issues identified in the school’s comprehensive needs assessment.

Citation: ESEA §1111-1127: *Improving the Academic Achievement of the Disadvantaged*; 34 CFR 200.25: *Schoolwide programs in general*; ESEA §1120A(b)(1): *Federal Funds to Supplement, Not Supplant, Non -Federal Funds*.

Required Action: The district must allocate state/local funds rather than using Title I funds to support these expenditures. The district must provide evidence of the adjusting accounting entries for the expenditures to the NJDOE for review.

Finding 2: Despite ongoing technical assistance provided by the NJDOE, the Title I schoolwide plans submitted by the district for Park Avenue Elementary School and the Freehold Learning Center did not meet the legislative requirements. Title I schoolwide designated schools must submit a comprehensive plan (Schoolwide Plan) that reflects how the schoolwide program will implement strategies to meet the intent and purpose of the Title I legislation. Therefore, Title I funds spent during the 2013-2014 grant period are subject to recovery.

Citation: ESEA §1114(2): *Schoolwide Programs (The Plan)*; OMB Circular A-87.

Required Action: For FY 2014-2015, the Title I schoolwide status for the Park Avenue Elementary School and Freehold Learning Center will be rescinded. The district must immediately contact the NJDOE to obtain technical assistance in establishing viable targeted assistance programs in these schools. Additionally, the nature of this finding has been referred to the Office of Fiscal Accountability and Compliance (OFAC) for further review.

Finding 3: The district could not provide evidence of when its Title I schools distributed their written parental involvement policy. Per the legislative requirement, parents/guardians have a right to be involved in the development of the written parental involvement policy, as well be informed of ways they can further engage themselves in the academic performance and achievement of their children.

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

Required Action: For FY 2014-2015, the district must ensure that its Title I schools distribute their written parental involvement policy to parents/guardians of participating students. The district must submit evidence of distribution to the NJDOE for review.

Finding 4: The district could not provide evidence that its Title I schools convened an annual Title I parent meeting. In a Title I schoolwide program, all parents/guardians are entitled to be informed about the school's Title I program, legislative requirements, and how they can be actively engaged in helping their child/children succeed academically.

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

Required Action: For the 2014-2015 school year, the district must ensure that its Title I schools convene an annual Title I meeting for the parents of participating students. The district must submit documentation of the meetings (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Finding 5: The district could not provide documentation of its nonpublic consultation process. Per the legislative requirement, the district must meet with nonpublic school officials to ensure that eligible students from its attendance areas receive appropriate Title I services. As part of the consultation process, the district must discuss the following: collection of poverty data, student identification criteria, 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 correspondence to nonpublic schools, copies signed Affirmation of Consultation forms, and refusal forms. The district must submit copies of meeting agenda, minutes, and sign in sheets to the NJDOE for review.

Finding 6: In its FY 2013-2014 ESEA-NCLB Consolidated Application on the Electronic Web-Enabled Grant System (EWEG) the district did not report any resident students that attend nonpublic schools. ESEA §1120 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 attendance areas. The omission of enrollment data for nonpublic students resulted in inaccurate Title I school-level allocations and deprived eligible resident nonpublic students of critical services.

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

Required Action: In its FY 2014-2015 ESEA-NCLB Consolidated Application the district must demonstrate that it devised a process to locate and document resident

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students that attend nonpublic schools. The district must report nonpublic enrollment data and nonpublic low-income data in the Title I, Part A portion of the district's FY 2014-2015 Consolidated Application.

Title II

Finding 7: A teacher was hired to reduce the class size of a fourth grade class, but a review of the district's class sizes indicated that every class in that grade level remained the same size. Title II A funds cannot be used for activities that the district would otherwise carry out in the absence of these funds.

Citation: ESEA §2123(5)(10)(b): *Local Use of Funds (Supplement, Not Supplant)*.

Required Action: The district must allocate state/local funds rather than using Title II funds to support these expenditures. The district must provide evidence of the adjusting accounting entries for the expenditures to the NJDOE for review.

Finding 8: Review of High Objective Uniform Standard of Evaluation (HOUSE) Matrix and other supporting documentation identified a teacher who was not highly qualified for assignment based on incorrect calculations supporting "elementary generalist" status.

Example: A veteran Teacher of the Handicapped and holder of the Elementary Education certificate was stated on the HOUSE Matrix to have satisfied 10 points to be an elementary generalist. Six points were incorrectly awarded for "Activities" over a three year period. A maximum of one point per year was permitted. This teacher's HOUSE Matrix fails to satisfy the 10 points required to meet the requirement for elementary generalist.

Citation: ESEA Part A: *Improving basic programs operated by local educational agencies*; ESEA §1119: *Qualifications for teachers and paraprofessionals*; and ESEA §1111(h)(6)(B)(ii): *Right to know letter*.

Required Action: The district must ensure that students receiving direct instruction are taught by a highly qualified teacher in core subjects. Additionally, the district must notify parents of students attending Title II funded schools if the teacher does not meet state or federal qualifications/requirements.

Recommendation: The district should review teacher certifications, highly qualified status, Highly Qualified Teacher Approved Forms, and HOUSE Matrix documentation to support appropriate teaching assignments. Where the HOUSE documentation is found to be incorrect, it is recommended that the district mark it as "invalid for assignment." It is further recommended that the district maintain all supporting documentation in an orderly manner. Documents may include teaching certificates, transcripts, Highly Qualified Teacher ID Forms, test scores, etc.

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Title III

A review of the Title III grant yielded no findings.

Race to the Top

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

IDEA (Special Education)

Finding 9: 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.

Citation: N.J.A.C. 6A:14-4.2 (a) 8(i), (ii) and (iii); and N.J.A.C. 6A:14-4.2 (a) 4.

Required Action: The district must ensure that when determining the educational placement of a child with a disability, the IEP team considers the general education class first and that 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 IEPs for students whose annual review meetings were conducted between March 2015 and May 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 10: The district did not consistently ensure that the required participants were in attendance at meetings. Specifically, the district did not consistently have a general education teacher in attendance at IEP meetings for students placed in separate settings.

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 that meetings 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

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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 meeting documentation, including the sign in sheets, for meetings conducted between March 2015 and May 2015, and to review the oversight procedures.

Finding 11: The district did not consistently complete transition planning for students ages 14 and above and document decisions in the IEP.

Citation: N.J.A.C. 6A:14-3.7(e)11: *Transition Components*.

Required Action: The district must ensure that transition is discussed at each IEP meeting for students age 14 or above, and that decisions are documented in the 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 the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, along with IEPs for students whose annual review meetings were conducted between March 2015 and May 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 12: The district did not consistently conduct all required sections of the functional assessment as a component of an initial evaluation for students referred for speech-language services.

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 the initial evaluations process for students referred for speech-language services. 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 developed between March 2015 and May 2015 for students referred for speech-language services, and to review the oversight procedures. For assistance with correction of noncompliance, the district is referred to the sample report form for speech-language evaluations which is located at: www.state.nj.us/education/speced/forms.

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Finding 13: The district executed a contract with the Monmouth/Ocean Educational Services Commission (MOESC) for purchased professional services for students with disabilities which reflects a period of 10 years.

Citation: N.J.S.A. 18A:18A-42: *Public School Contracts Law*.

Required Action: The district should review the terms and conditions of the MOESC contract on a yearly basis.

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.