



*State of New Jersey*

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

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*Governor*

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*Lt. Governor*

DAVID C. HESPE  
*Acting Commissioner*

August 28, 2014

Dr. Triantafillos Parlapanides, Superintendent  
Central Regional School District  
509 Forest Hills Parkway  
Bayville, NJ 08721

Dear Mrs. Wood:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Central 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 March 7, 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 Central 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:Central Reg. BOE Cover Letter /consolidated monitoring  
Enclosures

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**STATE OF NEW JERSEY  
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**CENTRAL REGIONAL SCHOOL DISTRICT  
509 FOREST HILLS PARKWAY  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
AUGUST 2014**

**District:** Central Regional School District  
**County:** Ocean  
**Dates On-Site:** March 5, 6 and 7, 2014  
**Case #:** CM-048-13

**FUNDING SOURCES**

Program	Funding Award
Title I, Part A	\$ 405,470
Title II, Part A	35,395
IDEA Basic	474,744
Total Funds	<u>\$ 915,609</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 Central 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 meet 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 for the period July 1, 2012 through March 7, 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 and IDEA Basic for the period July 1, 2012 through March 7, 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 AND IDEA FUNDS**

**Title I**

The district operates targeted assistance programs at its Title I funded schools: Central Regional Middle School and Central Regional High School. The district identified English Language Arts and Mathematics for all students as its priority problems.

**Title II**

The district used Title II funds for English Language Arts and Mathematics professional development and for the partial salary of one Class Size Reduction teacher.

**IDEA (Special Education)**

The FY 2013-2014 IDEA funds were used to reduce district tuition expenditures for students receiving special educational services in other public school districts and approved private schools for students with disabilities.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** The district's use of Title I funds for the following expenditure supplanted state/local funds: Plato, Inc. (PO# 14A-000). In a targeted assistance Title I program, services may benefit only those students who meet the established Title I eligibility criteria defined by the school. Services funded by Title I cannot benefit the entire school. Rather these funds must be used to supplement the existing educational program of the school, by devising programs and services to bolster the academic performance of low-achieving students.

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

**Required Action:** The district must reverse the charge for this unallowable activity and allocate state/local funds, rather than Title I funds, to support the expenditure. The district must provide documentation of the adjusting journal entry to the NJDOE for review.

**Finding 2:** The notification letters sent to the parents/guardians of identified Title I students did not include clearly defined entrance and exit criteria based upon multiple measures. The parents/guardians of identified Title I students must be informed of the multiple educationally related criteria, as well as benchmark assessment scores used to identify their child/children for Title I services.

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**Citation:** ESEA §1115(B): *Targeted Assistance Programs (Eligible Children from Eligible Population)*.

**Required Action:** The district must include in its parental notification letters clearly defined entrance and exit criteria consisting of multiple educationally related criteria. The district must provide a copy of its revised FY 2014-2015 parental notification letter to the NJDOE for review.

**Finding 3:** The district could not provide evidence as to when its Title I written parental involvement policy was distributed. Distribution of the policy enables parents/guardians of Title I students to understand how they can further engage in the academic performance and achievement of their children.

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

**Required Action:** For FY 2014-2015, the district must ensure its Title I funded schools distribute their written parental involvement policy to parents/guardians of Title I students no later than mid-October. The district must send a copy of the policy, along with a description of the mechanism to distribute the policy, to the NJDOE for review.

**Finding 4:** The district could not provide evidence its Title I schools developed school-parent compacts. The school-parent compact is a mechanism to inform parents/guardians of the roles and responsibility of the school, parents/guardians, and students in achieving academic success. The exclusion of parents in the development and appraisal of these documents does not offer them the opportunity for full participation in their child's educational program.

**Citation:** ESEA §1118(d): *Parental Involvement (Shared Responsibilities for High Student Academic Achievement)*.

**Required Action:** For FY 2014-2015, the district's Title I schools must develop and distribute their Title I school-parent compacts to the participating students and parents/guardians no later than mid-October. The compacts must reflect the legislative requirements by including how each of the following: the school, parent, and students will share in the responsibility for improved student academic achievement. The district must provide a copy of the distributed school-parent compacts, along with a description of the mechanism to distribute the school-parent compacts, to the NJDOE for review.

**Finding 5:** The district could not provide documentation that its Title I schools convened 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 the 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)*.

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**Required Action:** For FY 2014-2015, the district's Title I schools must convene the annual Title I parent meeting for the parents/guardians of identified Title I students no later than mid-October. 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 6:** The district could not provide documentation of a process to consult with nonpublic schools that enroll resident students. The district must ensure it performs its due diligence in meeting with nonpublic school officials to ensure that eligible students from its attendance area are receiving appropriate Title I services by discussing the following: 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 documentation of the consultation process (e.g., meeting agenda, minutes, and sign in sheets) to the NJDOE for review.

## **Title II**

**Finding 7:** A review of the teaching schedules, licenses and High Objective Uniform Standard of Evaluation (HOUSE) Matrix documents revealed a veteran teacher on staff who was not highly qualified (HQ) for her position.

**Example:** A special education teacher assigned to teach mathematics in grades 6-8 holds the Elementary School and Teacher of the Handicapped certificates. There are HOUSE Matrix documents on file, but they were not completed. Points were not reported for mathematics to establish her HQ status.

**Citation:** ESEA §1119(a)(1): *Qualifications for Teachers and Paraprofessionals*; ESEA §1111(h)(6)(B)(ii): *Right to Know letter.*

**Required Action:** Students receiving direct instruction must be taught by a highly qualified teacher (HQT) in core subjects. Districts must notify parents of students attending Title I funded schools if the teacher does not meet state or federal qualifications/requirements. Where HQT status has been incorrectly granted based on miscalculations or errors on the HOUSE Matrix forms, it is recommended that the documentation be identified as "invalid for assignment" and that teachers assigned to 6-8 departmentalized instructional settings comply with current HQT guidelines. Additionally, the district must notify parents of students being taught by teachers that are not HQ with the required "Right to Know" letter in Title I funded programs or schools.

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**IDEA (Special Education)**

**Finding 8:** Tuition costs associated with out-of-district placement of students at an approved private school for students with disabilities (PSSD) were not included in the board minutes. The district must access the tentative tuition rates published by the Office of School Finance on the New Jersey Department of Education's website or use the previous year's amount when there is a question about the cost of sending a student to a PSSD. Direct costs charged to a federal grant have to be adequately documented and approved.

**Citation:** 2 CFR Part 225, Appendix A, Section C(1).

**Required Action:** The district must ensure all costs charged to federal awards are adequately documented and approved.

**Finding 9:** The district did not consistently ensure that general education teachers were in attendance at annual review and eligibility/IEP meetings for students eligible for speech-language services.

**Citation:** N.J.A.C. 6A:14-2.3(k); 20 U.S.C. §1414(b)(4); and 34 CFR §300.321(a).

**Required Action:** The district must ensure IEP meetings are conducted with required participants and that documentation of attendance is maintained in student files. 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 meeting documentation, including the sign in sheets, for meetings conducted between December 2014 and February 2015, and to review the oversight procedures.

**Finding 10:** 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, 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.

**Citation:** N.J.A.C. 6A:14-4.2(a)4 and 8(i), (ii) and (iii): *Placement in the least restrictive environment.*

**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 that all required decisions regarding the placement are documented in the IEP for each



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student 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 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 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 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 the IEPs for students whose annual review meetings were conducted between December 2014 and February 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.

**Administrative**

**Finding 11:** On several occasions, the district failed to issue a purchase order prior to services being rendered (confirming order) in contravention of state regulations. It is imperative that purchase orders are issued by the purchasing agent to: authorize vendors to provide goods and perform services to the district; reduce the duplication of items and services acquired; and avoid the likelihood of overpayment to vendors.

**Citation:** N.J.S.A 18A:18A(2)(v) *Public School Contracts Law*.

**Required Action:** The district must implement a process to ensure that purchase orders are issued prior to receiving goods and services from vendors.

**Finding 12:** The district does not have internal control policies and procedures to prevent the execution of contracts with suspended, disbarred or ineligible vendors.

**Citation:** 34 CFR §80.36: *Procurement*.

**Required Action:** The school must update internal control policies to prevent errors from potentially occurring.

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

**Citation:** 34 CFR §80.20: Standards for financial management systems; and N.J.A.C. 6A:23A-6.6: Standard operating procedures for business functions.

**Recommended Action:** The district should prepare and adopt an updated 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 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).