



State of New Jersey

DEPARTMENT OF EDUCATION
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TRENTON, NJ 08625-0500

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Lt. Governor

DAVID C. HESPE
Acting Commissioner

July 28, 2014

REVISED

Mrs. Cheryl Dyer, Acting Superintendent
Bridgewater-Raritan Regional School District
836 Newmans Lane
Bridgewater, NJ 08807

Dear Mrs. Dyer :

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Bridgewater-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, 2013 through April 15, 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 Bridgewater-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

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Enclosures

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BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
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BRIDGEWATER, NJ 08807
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New Jersey K-12 Education

**REVISED CONSOLIDATED MONITORING REPORT
JULY 2014**

District: Bridgewater-Raritan Regional School District
County: Somerset
Dates On-Site: April 23 and 24, 2014
Case #: CM-053-13

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 263,863
Title II, Part A	135,808
Title III	50,292
Title III Immigrant	26,398
IDEA Basic	1,746,613
IDEA Preschool	58,375
Race to the Top	19,291
Total Funds	<u>\$ 2,300,640</u>

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BACKGROUND

The Elementary & 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 Bridgewater-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; Race to the Top; and IDEA Basic and Preschool for the period July 1, 2013 through April 23, 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, Race to the Top, and IDEA Basic and Preschool for the period July 1, 2013 through April 23, 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 THE USE OF TITLE I, TITLE II, TITLE III,
TITLE III IMMIGRANT, RACE TO THE TOP AND IDEA FUNDS**

Title I

The district used FY 2013-2014 Title I funds to operate a targeted assistance program at its two Title I funded schools: John F. Kennedy Primary School and Adamsville Primary School. The district has identified Closing the Achievement Gap for its Economically Disadvantaged and Limited English Proficient students as its identified priority problems.

Title II

The district used Title II funds for professional development and class-size reduction.

Title III

The district used its Title III funds for a bilingual parent liaison.

Title III Immigrant

The district used its Title III Immigrant funds for professional development for teachers of immigrant students.

Race to the Top

The district used its Race to the Top funds to implement a Teacher and Leader Evaluation System.

IDEA (Special Education)

The FY 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. IDEA funds were also being used for salaries of special education staff and instructional supplies 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. Nonpublic special education services include instructional aides, in class support, related services, and technology equipment.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district does not track Title I expenditures by school attendance areas in its accounting system. This disaggregation is necessary to ensure funds spent for Title I schools are

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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 Part 80 §20: *Standards for financial management systems*; NCLB §9306(a)(5): *Other General Assurances (Assurances)*.

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 parental notification letters sent by the district to the parents/guardians of identified Title I students did not include clearly defined entrance and exit criteria for students participating in the Title I program. 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.

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

Required Action: The district must include clearly defined entrance and exit criteria in its parental notification letters. The district must provide a copy of its revised Title I parental notification letter to the NJDOE for review.

Finding 3: The district failed to provide evidence of when its Title I written parental involvement policy was distributed to the parents/guardians of students participating in the Title I program for the 2013-2014 school year. In accordance with legislative requirements, parents/guardians of Title I students have a right to be involved in the development of the written parental involvement policy, as well as be informed of ways they can further engage themselves in the academic performance and achievement of their children.

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

Required Action: For the 2014-2015 school year, the district must ensure that all of its funded Title I schools distribute the district's written parent involvement policy to parents/guardians of the Title I students and submit the letter and documentation of distribution to the NJDOE for review.

Finding 4: The district failed to provide evidence documenting that it convened the annual Title I parent meeting for its Title I funded schools. The parents/guardians of identified Title I students are entitled to be informed about the district'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)*.

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Required Action: For the 2014-2015 school year, the district must convene the annual Title I parent meeting for the parents/guardians of its identified Title I students at all of its Title I funded schools. Further, the district must submit the invitational letter/flier, agenda, meeting minutes, and sign in sheets documenting that each meeting was held to the NJDOE for review.

Finding 5: The district does not fully comply with the timekeeping standards for Title I funded grants, as required by federal law. The documentation must reflect what the staff is doing, when and where they are working and it must support their funded percentage. Employees whose salaries are funded 100% by the federal program must complete a semi-annual certification attesting to their performance of Title I related duties. Staff members whose salaries are partially funded by Title I must prepare monthly personal activity reports.

Citation: 2 CFR Part 225 Appendix B §8(h): *Support of salaries and wages.*

Required Action: The district must ensure employees submit detailed personal activity reports that have been verified by supervisors, as required.

Title II

Finding 6:

A review of the teaching schedules, licenses, and High Objective Uniform Standard of Evaluation (HOUSE) Matrix documents identified several instances where teachers were not highly qualified for their assignment.

Example A: A veteran teacher holding the K-8 Elementary Education and Teacher of the Handicapped certificates was assigned to teach middle grades Mathematics and Science. The HOUSE Matrix documents contained erroneous calculations, rendering Highly Qualified Teacher (HQT) status in Mathematics invalid. No HQT documentation was on file to support highly qualified status in Science.

Example B: A veteran teacher holding the K-8 Elementary Education and Reading Specialist certificates was assigned to teach middle grades English Language Arts. The Reading Specialist certificate is not an instructional certificate and does not constitute highly qualified status in English/Language Arts.

Citation: ESEA §1119 – *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 HQT in core subjects. LEAs must notify parents of students attending Title I schools whether the teacher meets State qualification/licensure requirements. Title I schools must give each parent timely notice when their child has been assigned, or has been taught for four or more consecutive weeks, by a teacher who is not highly qualified. [Section

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1111(h)(6)(B)(ii), ESEA.] The term “highly qualified” for this purpose is defined in section 200.56 of the Title I regulations (67 Fed. Reg. 71730, December 2, 2002), available at: <http://www.ed.gov/legislation/FedRegister/finrule/2002-4/120202a.html>.

Recommendation: In the sampling of files, HQT status granted to staff members was not fully supported by needed documentation. It is recommended that the district review HQT files to include transcripts, test scores, and teaching certificates to support the HQT packets as needed.

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 direct instructional settings comply with current HQT guidelines.

Title III

A review of the expenditures charged to the Title III grant 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 April 24, 2014, carryover funds of \$26,398 from FY 2012-2013 had not been spent.

Citation: 34 CFR Part 80 §20: *Standards for financial management systems.*

Required Action: Prior to the end of FY 2013-2014, the district must identify and implement the necessary programs to enhance instructional opportunities for its immigrant student population and expend its Title III award accordingly. All unused Title III Immigrant funds must be released by the district to the NJDOE at the end of the FY 2013-2014 project period.

Race to the Top

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

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): *Placement in the least restrictive environment.*

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Required Action: The district must 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 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 random sample of IEPs for students whose annual review meetings were conducted between October 2014 and December 2014, and 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: 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 §C(1): *Factors affecting allowability of costs.*

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

Administrative

Finding 10: The district does not have formal written policies for requesting reimbursement from the Electronic Web Enabled Grant (EWEG) system or the System for Administering Grants Electronically (SAGE). However, the monitoring team did verify the district's practice for requesting reimbursement through inquiries about the district's internal controls.

Citation: 34 CFR Part 80 §20: *Standards for financial management systems.*

Required Action: The district must have a formal board policy concerning the reimbursement of grant funds.

Finding 11: On several occasions, the district failed to issue a purchase order prior to services being rendered (confirming order). The district's policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

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

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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's internal control manual does not reflect procedures designed to prevent the execution of contracts with suspended, disbarred or ineligible vendors.

Citation: 34 CFR Part 80 §36: *Procurement*.

Required Action: The district must update its internal control manual to ensure contracts are not awarded to the vendors mentioned.

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.