



*State of New Jersey*

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

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*Governor*

KIM GUADAGNO  
*Lt. Governor*

DAVID C. HESPE  
*Acting Commissioner*

June 13, 2014

Mr. David C. Mango, Superintendent  
Hackettstown Public Schools  
315 Washington Street  
PO Box 465  
Hackettstown, NJ 07840

Dear Mr. Mango:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Hackettstown 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 December 31, 2013. 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 Hackettstown 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:Hackettstown BOE Cover Letter/consolidated monitoring  
Enclosures

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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
JUNE 2014**

**District:** Hackettstown Public Schools  
**County:** Warren  
**Dates On-Site:** January 23, 24 and 27, 2014  
**Case #:** CM-055-13

**FUNDING SOURCES**

Program	Funding Award
Title I	\$ 152,669
IDEA Basic	330,693
IDEA Preschool	9,844
Title IIA	34,936
Title III	17,253
Carl D. Perkins	17,943
Total Funds	<u>\$ 563,338</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, 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 Hackettstown 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; and Carl D. Perkins for the period July 1, 2012 through December 31, 2013.

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, and Carl D. Perkins from July 1, 2012 through December 31, 2013. 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 AND CARL D. PERKINS FUNDS**

**Title I Projects**

The district operates Title I targeted assistance programs in Hatchery Hill Elementary, Willow Grove Elementary and Hackettstown Middle Schools. The district's FY 2013-2014 ESEA Consolidated Application indicates that the district uses its Title I funds for the salary of one Basic Skills teacher, as well as materials and supplies for the Title program.

**IDEA Projects**

The majority of the FY 2012-2013 IDEA Basic funds were used to reduce district tuition expenditures for students receiving special education services in approved private schools for students with disabilities. In addition, funds were used for the development of a new in-district elementary program for students with Autism Spectrum Disorder, supplies, instructional and non-instructional equipment. The IDEA Preschool funds were used to provide related services through a contracted provider. The nonpublic proportionate share of the grant was utilized to provide occupational, physical and speech therapies. Additionally, a teacher of the deaf was charged to the grant to provide instructional services to a student placed in a nonpublic school.

**Carl D. Perkins**

The district operates Career and Technical Education (CTE) programs for which they receive Carl D. Perkins funds to support the implementation of programs. The monitoring of the CTE program revealed that all Carl D. Perkins funds were utilized to support the strategies and activities identified in the district's current funding application. Funds are being used to support supplies, equipment, and other purchased services for three currently approved programs: Applied Horticulture/Horticulture Operations, General 010601; Woodworking 480701; and CAD/CADD Drafting and/or Design Technology/Technician 151302.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** The district did not have a Title I program that is distinct from its Basic Skills Instruction (BSI) program.

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

**Required Action:** To avoid violating the "supplement not supplant" provision of the Title I legislation, the district must revamp its Title I program to ensure it is indeed providing supplemental instruction beyond the BSI program for its identified Title I

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students. Equally, the district should consider identifying its Title I program by another designation as opposed to *Basic Skills*; preferably, *Academic Support Program*. The district must provide a copy of its revised Title I program in narrative form to the NJDOE for review.

**Finding 2:** The district did not have clear and distinguishable identification criteria for its Title I students.

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

**Required Action:** The district must establish clear and distinguishable identification criteria based upon multiple educationally related criteria for its Title I students served in all three of its Title I funded schools.

**Finding 3:** The district did not provide evidence of convening the annual Title I parent meeting. Evidence was not provided that the Back to School Nights that occurred fulfilled the legislative requirements. Not conducting an annual meeting to explain the Title I legislation and the district's Title I programs did not allow parents of identified Title I students to be informed and vested in the Title I process.

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

**Required Actions:** The district must convene its FY 2013-2014 annual Title I meeting for the parents/guardians of its identified Title I students immediately and submit evidence (see list below) of said meeting to the NJDOE for review.

In the future, the annual Title I parent meeting must be held in the beginning of the year, no later than mid-October. Evidence of these meetings which include invitational letter/flyer, agenda, meeting minutes, and sign in sheets must be obtained and copies maintained at the school and district-level as evidence of compliance.

**Finding 4:** The district did not have a parental involvement program that reflected the requirements of the Title I legislation. There was no evidence the district's parental involvement policy was reviewed and board adopted since October 2012, and no evidence that the policy was developed in conjunction with parents. In addition, there was no evidence that the district's Title I schools developed school-level parental involvement policies. The annual review and board adoption of the district-level parental involvement policy, and the development of school-level policies allows parents and other stakeholders to impact the parental involvement process and identify the unique needs of the Title I schools and their parents.

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

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**Required Action:** The district must have both a written district parental involvement policy and school-level parental involvement policies that are evaluated annually. The district should provide technical assistance to its schools in the development of school-level parental involvement policies and ensure that its schools work with their stakeholder groups to develop the policies and review them annually. Copies of a recent board approved district parental involvement policy and school-level policies must be submitted to the NJDOE for review. Evidence of the annual district-level review must appear at the bottom of the document and appear in the board minutes. The evidence of school-level annual review must be documented with meeting agenda, sign in sheets and minutes.

**Finding 5:** In FY 2013-2014, the district did not provide evidence that the school-parent compact was developed in conjunction with Title I parents. The absence of parent participation in developing these required documents excluded parents from more active participation in their child's educational program.

**Citation:** ESEA §1118: *Parental Involvement*.

**Required Action:** The district must include the parents of Title I students in the development of the school-parent compact. The school must submit documentation to the NJDOE of the participation of Title I parents in the development of the FY 2014-2015 school-parent compact.

**Finding 6:** The notification letters sent to the parents/guardians of identified Title I students did not include clearly defined entrance and exit criteria and an opt-out option. The parents/guardians of identified Title I students must be informed of the multiple educationally related criteria used to identify their child/children for Title I services and have the right to opt-out of the program.

**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 and an option to opt-out of the program. The district must provide a copy of its revised FY 2013-2014 parental notification letter to the NJDOE for review.

**Finding 7:** Despite outreach to nonpublic schools in the district and surrounding areas, the district did not provide the documentation such as income surveys to support the nonpublic low-income figures reflected on Step One of the Title I, Part A eligibility tab in the FY 2013-2014 ESEA Application. Without this documentation, the monitors could not verify whether or not the nonpublic low-income figures used to generate an amount for nonpublic equitable services were accurate.

**Citation:** ESEA §1120: *Participation of Children Enrolled In Private School*.

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**Required Action:** For FY 2014-2015, the district must maintain documentation such as nonpublic income surveys to support the low-income nonpublic figures.

**Finding 8:** The district's website contained information, such as the district parental involvement policy and the at-risk and Title I policy, which were outdated. In addition, the website was missing the school-level parental involvement policies.

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

**Required Action:** The district must review and update their website. They must address the school-level parental involvement policies to meet the ESEA broader dissemination requirement.

**Finding 9:** The district's use of Title I funds for the following activities and items for the BSI program supplanted state/local funds:

- Waterford software and related professional development;
- Laptops and laptop cart;
- Smartboards;
- Video Recorders; and
- Salary and benefits for a BSI/Title I Instructor.

**Citation:** OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments*. ESEA §1120A(b): Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal funds).

**Required Action:** The district must reverse the charges for these unallowable activities and allocate state/local funds, rather than Title I funds, to support these expenditures. The district must submit evidence of the adjusting journal entries and a narrative describing its revised Title I program and associated costs to the NJDOE for review.

## **Title II**

**Finding 10:** During the Summer of 2013, Professional Learning Community (PLC), the Assessment Committee and Writing Rubric PLC used Title IIA funds to pay stipends to staff for writing rubrics for non-tested subjects, and benchmark assessments and development. However, during the consolidated monitoring, the district could not provide documentation (i.e. planning documents, educational activities, samples of rubrics and benchmark assessments, budget information) linked to professional development to demonstrate that the district would not be able to meet state mandates without the use of Title IIA funds. Moreover, that the activities staff were paid stipends under Title IIA funding, are in fact, supplemental, even though some of the activities are mandated by the state. These include Common Core State Standards, Model Curriculum, Partnership for Assessment of Readiness for College and Careers.

**Citation:** NCLB §2123: *Supplement Not Supplant*.



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**Required Action:** The district must reverse the charges for stipends paid to staff for writing rubrics, benchmark assessments, and development, and identify state/local funds for these expenditures. The district must submit evidence of the adjusting journal entries to the NJDOE for review.

**Title III**

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

**IDEA (Special Education)**

**Finding 11:** The district did not provide a summary of academic achievement and functional performance to parents or adult students prior to graduation.

**Citation:** N.J.A.C. 6A:14-4.11(b)4; 20 U.S.C. §1414(c)(5)(B); and 34 CFR §300.305(e)(3).

**Required Action:** The district must ensure parents or adult students are provided with a summary of academic achievement and functional performance prior to graduation. 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 summaries of academic achievement and functional performance provided to students exiting in June 2014, and to review the oversight procedures.

**Finding 12:** The district did not conduct a meeting within 20 calendar days of receipt of a written request for evaluation for special education and related services or for 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 a meeting is conducted within 20 calendar days of receipt of a written request for evaluation to determine if an evaluation is warranted. 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 May 2014 and October 2014, and to review the oversight procedures.

**Finding 13:** The district did not consistently provide written invitations to meetings where post-school transition was being discussed to students age 14 and above. In addition, notice of a meeting did not include transition as a purpose of the meeting for students who would turn age 14 during the implementation period of the IEP.

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**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 and that notice of a meeting includes transition as a purpose of the meeting. 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 invitations to students age 14 and above for meetings conducted between May 2014 and October 2014, and to review the oversight procedures.

**Finding 14:** The district did not consistently provide copies of evaluation reports to parents at least 10 days prior to the determination of initial eligibility or determination of continued eligibility for students referred and/or eligible for special education and related services or speech-language services.

**Citation:** N.J.A.C. 6A:14-3.5(a); 20 U.S.C. §1414(b)(4); and 34 CFR §300.306(a).

**Required Action:** The district must ensure parents are provided copies of evaluation reports not less than 10 days prior to the determination of eligibility. 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, to review evidence of provision of evaluation reports to parents prior to meetings conducted between May 2014 and October 2014, and to review the oversight procedures.

**Carl D. Perkins**

**Finding 15:** The district did not provide evidence of opportunities for student participation in Structured Learning Experiences in the two programs currently operating (Woodworking 480701 and CAD/CADD Drafting and/or Design Technology/Technician 151302).

**Citation:** Perkins §135(b)(3) and N.J.A.C. 6A:19-4.

**Required Action:** The district must offer all high school students opportunities to explore career interests through participation in structured learning experiences linked to the New Jersey Core Curriculum Content Standards in all approved CTE programs.

**Finding 16:** There was no evidence the district collected student performance data at the end of program for the Technical Skill Assessments for Woodworking 480701 and CAD 151302.

**Citation:** Perkins §135(b)(3) and N.J.A.C. 6A:19-5

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**Required Action:** The district must implement an appropriate end of program for the Technical Skill Assessment in Woodworking 480701 and CAD 151302.

**Finding 17:** There was no evidence students have been exposed to and provided the opportunity to participate in nontraditional occupations such as: pamphlets or other materials that advertise nontraditional programs offered to students; and lists/descriptions of career counseling activities to expose students to nontraditional careers.

**Citation:** Perkins §134 (10).

**Required Action:** The district must utilize its guidance system to identify student's enrollment in CTE programs as noted in the district's Perkins 5 Year Plan. Using the information obtained, the district must provide students of the underrepresented gender with information on career opportunities for the gender based nontraditional programs. The district did not utilize Perkins funds to promote student preparation for careers in nontraditional fields; accordingly, the district's performance report indicates that several programs are not meeting the State Negotiated Performance Level for the Nontraditional indicator.

**Finding 18:** The district could not provide documentation that curricula is current and incorporates the New Jersey 9.4 Career and Technical Standards.

**Citation:** Perkins §134(b) 1-12.

**Required Action:** The district must align their CTE curriculum to the New Jersey Core Curriculum Content Standard 9.4 for secondary programs.

**Finding 19:** The district does not have evidence of two advisory board meetings for each approved CTE program.

**Citation:** Perkins: P.L. 109-270§134 (b) (5) and N.J.A.C. 6A:19-3.1 *Program Requirements*.

**Required Action:** The district must establish an advisory board for each approved CTE program. The advisory board must have membership representation as indicated in the regulations noted above and the program approval applications. Each advisory board must meet at least twice per project period. Once the advisory boards have been established, the district must submit a copy of the advisory board minutes to their Perkins program officer. Programs without evidence of functioning advisory boards will not be considered approved programs and will not be eligible for future Perkins funding.

**Finding 20:** Equipment purchased with Perkins funds did not have a visible, permanently attached, numbered inventory tag with the federal funding source included.

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**Citation:** OMB Circular A-87; EDGAR 80.32. Perkins: P.L. 109-270 § 135 (b) 7, Perkins One Year Grant Application Guidelines July 1, 2011-2012 Section A: 4.4 *Supplement Not Supplant* and Section D:1.5.7 Equipment.

**Required Action:** The district must place visible, permanently attached, numbered inventory tags on all equipment. The tags must also identify the source of funding (federal). The district must ensure that equipment purchased with Perkins funds is utilized primarily in the CTE programs for which it was approved.

**Administrative**

**Finding 21:** 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 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 22:** The district failed to formally appoint all individuals charged to the federal programs by board resolution.

**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:** All staff charged to federal grants should be reappointed annually by board resolution.

**Finding 23:** The district did not maintain a current inventory of equipment by funding source.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

**Required Action:** The district should maintain a current inventory of equipment. The inventory should be maintained in such a fashion that equipment purchased with federal funds can be identified by the funding grant.

**Finding 24:** The district charged several expenditures to the incorrect general ledger accounts. Errors in both program and object codes were noted.

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**Citation:** *Uniform Minimum Chart of Accounts (Handbook 2R2)*. 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 should ensure that expenditures are charged to the appropriate general ledger account in accordance with the Uniform Minimum Chart of Accounts.

**Finding 25:** The district charged equipment purchases to the incorrect general ledger account. Equipment purchases with a total unit cost in excess of \$2,000 were improperly charged to supplies. New Jersey regulations and district policy require that equipment with a unit cost greater than \$2,000 be charged as equipment and inventoried.

**Citation:** Uniform Minimum Chart of Accounts for New Jersey Public Schools, EDGAR, PART 80—*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 32, Equipment.

**Required Action:** The district should charge all equipment purchases of \$2,000 or greater to an equipment account. Ancillary costs, such as installation and delivery, should be included in the unit cost.

**Finding 26:** The district could not provide supporting invoices for several of the expenditures reviewed by monitors.

**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:** All expenditures to vendors must be supported by a vendor prepared invoice.

**Finding 27:** The district did not provide detailed schedules by individual of Title I and IDEA salaries that agreed to the expenditures charged to the programs in the general ledger.

**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 maintain records that account for the salary amounts charged to the federal grants by individual.

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.

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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](mailto:steven.hoffmann@doe.state.nj.us).