



State of New Jersey  
DEPARTMENT OF EDUCATION  
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TRENTON, NJ 08625-0500

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Commissioner

March 5, 2013

Mrs. Marnie McKoy, School Lead  
Community Charter School of Paterson  
75 Spruce Street  
Paterson, NJ 07501-1720

Dear Mrs. McKoy:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Community Charter School of Paterson**. The funding sources reviewed include titled programs for the Education Jobs Act of 2010 (Ed Jobs) in particular, and/or Elementary and Secondary Education (ESEA) and the Individuals with Disabilities Education Act (IDEA). The review covered the period July 1, 2010 through August 31, 2012. The resulting report is enclosed. Please provide a copy of the report to each board member. All issued Ed Jobs monitoring reports will be posted on the department's website at <http://www.state.nj.us/education/finance/jobs/monitor/>.

Utilizing the process outlined in the attached "Procedures for Charter Schools Response, Corrective Action Plan and Appeal Process," the Community Charter School of Paterson Board of Trustees 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 school'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:Community Charter School of Paterson Cover Letter/ Ed Jobs  
Enclosures

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**Education Jobs Fund Program**  
*New Jersey K-12 Education*

**EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
MARCH 2013**

**District:** Community Charter School of Paterson  
**County:** Passaic  
**Dates On-Site:** October 1, 2 and 3, 2012  
**Case #:** Ed Jobs-056-11

**FUNDING SOURCES**

Program	Funding Award
Title I	\$ 372,060
IDEA Basic	102,226
Title IIA	419
Total Funds	<u>\$ 474,705</u>

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**BACKGROUND**

The *Education Jobs Act of 2010 (Ed Jobs)* 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 Ed Jobs). 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 school for their intended purpose and achieving the overall objectives of the funding initiatives.

**INTRODUCTION**

The NJDOE visited the Community Charter School of Paterson to monitor the school's use of *Ed Jobs* funds and the related program plans, where applicable, to determine whether the school'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; Title IIA; and IDEA Basic; for the period July 1, 2010 through August 31, 2012.

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 record review, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEP). The visit also included a review of student class and related service schedules, interviews of the child study team members and speech-language specialist, and an interview of the program administrator regarding the IDEA grant and current school policies and procedures. The monitoring team members also conducted interviews with school personnel, reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews.

**EXPENDITURES REVIEWED**

The grants that were reviewed included Title I, Title IIA, and IDEA Basic from July 1, 2010 through August 31, 2012. 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 AND IDEA FUNDS**

**Title I Projects**

Title I funds were expended to provide supplemental instruction to identified students during the school day using a push in and/or pull out model. In addition, Title I funds were used for professional development, supplies and to enhance parental involvement.

**IDEA Projects (Special Education)**

The majority of the FY 2011- 2012 IDEA Basic funds were used to support contracted services with independent child study team members and related service providers. In addition, a portion of the funds were used for special education instructional supplies and software.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:**

**Condition:** The school does not have supporting documents to verify the activity of Title I teachers as required by federal law. The documentation must reflect what the staff is doing, when and where and it must match their funded percentage.

**Citation:** OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services)*.

**Required Action:** The school must verify the time and activity of staff charged to the grant. The school must submit a list of FY 2012-2013 Title I funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review.

**Finding 2:**

**Condition:** The Parents' Right-to-Know letter informing parents of their right to request teachers' and paraprofessionals' professional qualification information was only distributed to Title I parents and not to all school parents.

**Citation:** ESEA §1111(h)(6): *State Plans: Reports (Parents Right-to-Know)*.

**Required Action:** The school must inform all school parents, not just the Title I parents, of their right to request information regarding professional qualifications of teachers and paraprofessionals. For FY 2012-2013, the school must send the Parents' Right-to-Know letter to all parents of students in the school and retain evidence of distribution at the school.

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**Finding 3:**

**Condition:** The FY 2011-2012 Title I eligibility participation letter did not clearly state the multiple measures, including both entrance and exit criteria, used to identify Title I eligible students.

**Citation:** ESEA §1115: *Targeted Assistance Program*; ESEA §1118(c): *Parental Involvement (Policy Involvement)*.

**Required Actions:** In its Title I participation letter, the school must include the multiple measures used to identify the students, as well as clearly defined exit criteria. The school must provide a copy of its FY 2012-2013 Title I participation letter to the NJDOE for review.

**Finding 4:**

**Condition:** The school's use of Title I, Part A funds to pay for the following parental involvement activities is unallowable: Pyramid Dance Company Black History Workshop, Family Worker PSEI Grief Therapy Workshop, and Creative Cooks Healthy Living and Cooking Parent Workshops. The use of Title I funds for activities that do not have an academic focus is unallowable.

**Citation:** ESEA §1118(e): *Parental Involvement (Building Capacity for Improvement)*.

**Required Action:** This matter will be referred to the OFAC for further review.

**Finding 5:**

**Condition:** The school contracted with Edmund Markman to provide grant administrative services. The contract stipulates that the school pay Mr. Markman in two equal installments in September 2011 and January 2012 instead of payment for actual services rendered. In addition, the administration reserve in Title I Eligibility - Step 4 of the school's application is incongruent with the amount indicated on the Administration costs page in the ESEA application.

**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 school must revise its contract with Mr. Markman to reflect that payments will be issued for services rendered and not on an installment basis. For FY 2012-2013, the administration reserve, Title I Eligibility - Step 4 amount must reflect the amount indicated on the Administration costs page in the ESEA application to accurately reflect the contracted amount.

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**Title IIA**

There were no findings related to the Title IIA grant.

**IDEA (Special Education)**

There were no findings related to the IDEA grant.

**Special Education Programs**

**Finding 6:**

**Condition:** The school did not consistently convene identification and IEP meetings for students referred and/or eligible for special education and related services with required participants in attendance. Specifically, general education teachers did not attend eligibility and IEP meetings and all required child study team members did not attend eligibility meetings. Additionally, the school did not convene IEP meetings for students referred and/or eligible for speech and language services with general education teachers in attendance. Noncompliance was due to a lack of implementation of school procedures.

**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 school must ensure identification and IEP meetings are conducted with required participants and documentation of attendance and/or written parental consent to excuse a member of the team. In order to demonstrate correction of noncompliance, the school must conduct training for child study team members and speech language specialists regarding the procedures for implementing the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to review the IEP participant signature page for meetings conducted between February 2013 and April 2013.

**Finding 7:**

**Condition:** The school did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students evaluated for special education and related services or speech-language services. Specifically, the school did not include the review of prior interventions, observation of the student outside of testing, teacher interviews and an educational impact statement from the classroom teacher when required. Noncompliance was due to a lack of implementation of school procedures.

**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 school must ensure all components of the functional assessment are conducted as part of all initial evaluations. In order to demonstrate correction of

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noncompliance, the school must conduct training for child study team members and speech-language specialists regarding the school's procedures for implementing the requirements in the citation listed above. The school is referred to the sample report form for speech-language evaluations at [www.state.nj.us/education/speced/forms](http://www.state.nj.us/education/speced/forms). A monitor from the NJDOE will conduct an on-site visit to interview staff and review initial evaluation reports developed between February 2013 and April 2013.

**Finding 8:**

**Condition:** The school did not consistently provide copies of evaluation report(s) to parents at least 10 days prior to the determination of initial continued eligibility when assessments were conducted for students evaluated for special education and related services or speech-language services. Noncompliance was due to a lack of implementation of school procedures.

**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 school 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 school must conduct training for child study team members and speech-language specialists regarding procedures for implementing the requirements in the citation listed above. A monitor from NJDOE will conduct an on-site visit to review documentation of provision of evaluation report(s) to parents for students evaluated for special education and related services and speech-language services between February 2013 and April 2013.

**Finding 9:**

**Condition:** The school did not include required considerations and statements in the Present Levels of Academic Achievement and Functional Performance section of the IEP for students eligible for speech-language services. Noncompliance was due to a lack of implementation of school procedures.

**Citation:** N.J.A.C. 6A:14-3.7(c)1-11, (e) 1-17, and (f); 20 U.S.C. §1414(d)(3)(A)(B); and 34 CFR §300.324(a)(1)(2).

**Required Action:** The school must ensure each IEP contains all required considerations and statements. In order to demonstrate correction of noncompliance, the school must conduct training for speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. For assistance with correction of noncompliance, the school is referred to the state IEP sample form at [www.state.nj.us/education/specialed/forms](http://www.state.nj.us/education/specialed/forms). A monitor from NJDOE will conduct an on-site visit to review IEPs developed between February 2013 and April 2013.



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**Finding 10:**

**Condition:** The school did not maintain evidence of frequency and duration of the interventions provided in the general education setting through the Intervention and Referral Service (I&RS). Noncompliance was due to a lack of implementation of school procedures.

**Citation:** N.J.A.C 6A:14-3.3(c).

**Required Action:** The school must ensure when the I&RS team identifies interventions to meet the needs of a struggling learner, they identify and maintain documentation of the nature, description, frequency, and duration of the interventions and measure the effectiveness. In order to demonstrate correction of noncompliance, the school must conduct training for staff regarding the procedures for implementing the requirements in the citation listed above. In addition, a monitor from the NJDOE will conduct an on-site visit to review documentation for students who were provided interventions in general education between February 2013 and April 2013.

**Administrative**

**Finding 11:**

**Condition:** On several occasions, the school failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). School 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 12:**

**Condition:** The school failed to formally appoint individuals charged to 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 against federal grants should be reappointed annually by board resolution.

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**Recommendation 1:** Under the New Jersey’s Public School Contracts Law (PSCL), districts are not required to advertise for bids or competitively contract the provision of goods and services by vendors on the state contract list. In accordance with the PSCL [N.J.S.A. 18A:18A:10(a)], a board of education may place its order with a vendor offering the lowest price, including delivery charges, that best meets the requirements of the board of education. However, for all federal funds, districts need to review 34 CFR Part 80.36 on procurement requirements. The federal procurement regulations under this section do not include all the exemptions allowed under the PSCL and therefore, it is our understanding these federal regulations require districts to competitively contract or bid all goods and services over the bid threshold, whether exempt under PSCL or not. The federal rules do include provisions for procurement by “noncompetitive proposals,” but only under certain circumstances.

**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 36, Procurement.

**Recommended Action:** The school should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible. The school should also analyze and include documentation in its files that demonstrates the school ensured the costs were reasonable.

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 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).