



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

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Lt. Governor

CHRISTOPHER D. CERF
Commissioner

August 13, 2012

Mr. Edward Seto, Superintendent
Franklin Township Public Schools
1755 Amwell Road
Somerset, NJ 08873

Dear Mr. Seto:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by **Franklin Township Board of Education**. 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 May 30, 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 LEA/Agency Response, Corrective Action Plan and Appeal Process," Franklin Township 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 Patricia Lagarenne at (609) 633-3643.

Sincerely,

Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

RJC/PL/dk:FranklinTwp. BOE Cover Letter/ Ed Jobs
Enclosures

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Education Jobs Fund Program
New Jersey K-12 Education

EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012

District: Franklin Township Public Schools
County: Somerset
Dates On-Site: May 30, 31 and June 1, 2012
Case #: Ed Jobs-061-11

FUNDING SOURCES

Program	Funding Award
Ed Jobs	\$ 526,318
Title I	684,311
Title IIA	234,834
Title III	97,964
IDEA Basic	1,983,651
IDEA Preschool	<u>65,672</u>
Total Funds:	<u>\$ 3,592,750</u>

FRANKLIN TOWNSHIP PUBLIC SCHOOLS
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012

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 district for their intended purpose and achieving the overall objectives of the funding initiatives.

INTRODUCTION

The NJDOE visited the Franklin Township Public Schools to monitor the district's use of *Ed Jobs* 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: Ed Jobs; Title I; Title IIA; Title III; and IDEA for the period July 1, 2010 through May 30, 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 records, classroom visitations and interviews with instructional staff to verify implementation of Individualized Education Programs (IEP), review of student class and related service schedules, interviews of child study team members, speech-language specialist 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 that were reviewed included Educational Jobs Act, Title I, Title IIA, Title III and IDEA from July 1, 2010 through May 30, 2012. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012**

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

Title I Projects

The district is using its FY 2011-2012 Title I, Part A funds to implement targeted assistance programs in the district. Primarily, the district provides tutoring services through in-class support, but does this in all of its funded and non-funded schools. The district also funds coaches with its School In Need of Improvement (SINI) funds. Two of the schools are operating replacement programs using Read 180 for English.

IDEA Projects

The majority of the FY 2012 IDEA Basic funds are being used to fund salaries for special education teaching staff members, assistants for special education classrooms and for individual special education students, a personal care assistant, partial salaries for special education administration, partial salaries for clerical support for the child study teams staff, salaries for an extended school year program, salaries for child study team staff to conduct evaluations and applicable benefits for all personnel funded through IDEA. In addition, FY 2012 IDEA also funds contracted related services, contracted services for a workplace readiness program for special education students, supplies for special education classrooms and non-instructional equipment (printers, cartridges). Preschool IDEA funds are being used to partially fund the salary and benefits for one speech-language specialist, contracted related services and the purchase of instructional supplies for preschool special education students. The nonpublic proportionate share of the grant is being used to provide supplemental instruction and related services through a vendor, Hunterdon County Educational Services Commission (HCESC), for students with disabilities attending nonpublic schools in the district.

DETAILED FINDINGS AND RECOMMENDATIONS

Ed Jobs Act

There were no findings for Ed Jobs.

Title I

Finding 1: The district is supplanting state/local funds to support the program for low-performing students in its Title I elementary schools (Academic Intervention Services). The district offers a program for low-performing students in all its elementary schools; therefore, students in the Title I schools are not receiving a program that is supplemental to the program offered in the district's non-Title I schools.

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

FRANKLIN TOWNSHIP PUBLIC SCHOOLS
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012

Required Action: The district's Title I schools must develop and implement a program to provide services to its Title I students that are above and beyond the services to students in its non-Title I schools and reverse the charges for salary of staff in the supplanting.

Finding 2: The district is currently running a replacement program for its identified students at the Samson G. Smith Intermediate School and Franklin Middle School. Per the Title I legislation and policy letter, replacement programs are strongly discouraged. In a targeted assistance environment, all identified Title I students must benefit from the full academic core curriculum. The LEA must effectively demonstrate that the services provided to these identified students are in addition to the core program.

Citation: NCLB §1115(c) *Targeted Assistance Programs, Components of a Targeted Assistance Program*; USDE Policy letter October 6, 2008.

Required Action: The district must demonstrate that the services are in addition to the core program or update its Title I program for FY 2011-2012 to reflect the change. The district must submit the documentation or changes to the NJDOE for review.

Finding 3: For the 2011-2012 school year, there is no evidence that an annual meeting was held for parents of participating children at the middle or high school levels to inform them of the Title I program. (It is noted that a letter regarding an annual meeting was distributed to parents of Title I students at the elementary level.)

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

Required Action: The district must hold an annual meeting for parents of Title I children at all grade levels to inform them of the Title I program. Correspondence inviting parents to attend the annual meeting and documentation of the annual meeting (minutes and sign in sheets) must be submitted to the NJDOE and retained at the district.

Finding 4: For the 2011-2012 school year, there is no evidence the district's written parental involvement policy was distributed or board adopted. The board adoption date was not accurately reflected in the FY 2011-2012 NCLB Consolidated Application on the Electronic Web Enabled Grant (EWEG) system.

Citation: ESEA §1118 (a)(2) and (b)(1): *Parental Involvement (Local Educational Agency Policy)*.

Required Action: The district must finalize the "draft" district written parental involvement policy developed in conjunction with parents, obtain board approval for the policy and distribute it to parents of Title I students. The board adoption date of the parental involvement policy must be consistent with the date reflected in the NCLB Application on EWEG. The district parental involvement policy must be posted to the district's website.

FRANKLIN TOWNSHIP PUBLIC SCHOOLS
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012

Finding 5: The district did not develop a school-level Title I parental involvement policy in conjunction with parents.

Citation: NCLB §1118(b): *School Parental Involvement Policy*, United States Department of Education's Title I, Part A Parent Involvement Non-Regulatory Guidance (Item D-1).

Required Action: 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 a school-level parental involvement policy. The school must distribute a newly-developed school parental involvement policy to parents of the Title I students and send a copy to the NJDOE for review. The distribution date must be consistent with the dates reflected in the NCLB Consolidated Application on the EWEG system. The school-level parental involvement policies must be posted on the district's website.

Finding 6: The district did not accurately report nonpublic enrollment in its EWEG application for FY 2011-2012. Although none of the schools accepted the funds, the enrollment must be entered.

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

Required Action: The district must amend its EWEG application to reflect the accurate number of nonpublic resident students. The district must ensure a method to collect poverty data on private schoolchildren and document repeated attempts for nonpublic outreach and follow up on notifications.

Finding 7: The district is not tracking expenditures by attendance areas to ensure that the expenses for Title I schools are consistent with each attendance area's allocation on Eligibility Page, Step 4 of the FY 2011-2012 NCLB Consolidated 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; NCLB §9306(a)(5): *Other General Assurances (Assurances)*.

Required Action: The district must track Title I school-level allocations reflected in the FY 2011-2012 NCLB Consolidated Application for Title I funds (Eligibility Page, Step 4). The tracking for FY 2011-2012 must be submitted to the NJDOE for review.

Finding 8: The district does not have a mechanism to track mandatory reserves, such as SINI professional development and parental involvement, in its accounting system to ensure accuracy of final reports.

FRANKLIN TOWNSHIP PUBLIC SCHOOLS
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012

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 track its restricted reserves to ensure and verify spending of restricted amounts. The district must submit a list of account numbers being used for this purpose with a description of the accounts to the NJDOE for review.

Finding 9: The district is funding a teacher evaluation professional development in its schools identified as its SINI. The schools must only use their SINI reserve funds for these expenditures. The use of any other funds would be considered supplanting state/local funds

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

Required Actions: The district track the SINI funds and only fund the teacher evaluation professional development with the SINI Funds.

Title IIA

Finding 10: The district does not have the required supporting documents to verify the activity of staff charged to the NCLB grants as required by federal law. The documentation must reflect what the staff is doing, when and where and 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 district must verify the time and activity of staff charged to the grant. The district must submit a list of FY 2011-2012 Title IIA, Title III funded staff, salaries, funding percentages and time sheets to date to the NJDOE for review (including administrative staffing).

Title III

Finding 11: The district was funding an English as a Second Language (ESL) teacher that was required under the state's requirement for ESL populations.

Citation: NCLB §3115(g): *Subgrants to Eligible Entities, Supplement not Supplant*. NCLB §2123(b): *Fiscal Requirements (Federal Funds to Supplement, Not Supplant, Non-Federal Funds)*.

Required Action: The district must reverse expenditures for this program back to August 2011 and fund only supplemental expenditures for the program. Also, the district must submit a revised application to the NJDOE for review.

FRANKLIN TOWNSHIP PUBLIC SCHOOLS
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012

IDEA

Finding 12: The district does not have procedures to verify invoices submitted by HCESC for services provided to students with disabilities in nonpublic schools that are funded through IDEA. The invoices for services provided through the IDEA grant do not include sufficient details of the services that were provided for students with disabilities in nonpublic schools in the district. Invoices must include the name of the nonpublic school and the number of times/dates that each service was provided. Student's initials for whom the service provider is requesting payment, must be included for each date/service provision on the invoice, match the service provider sign-in sheet and correlate with the students' Service Plans.

Citation: IDEA Regulations 34 CFR §300.130-300.144.

Required Action: The district must develop policies and procedures to verify invoices submitted by vendors for services provided to students with disabilities. In addition, the district should meet with the vendor, HCESC, to ensure that all Service Plans reflect the required detail of services that must be provided for each student. The details of service must include the frequency, total minutes per session and total minutes per week for each subject class. All sign-in sheets and/or invoices from the vendor must also include the students' initials, frequency per week (time) and total minutes per session for each subject class in which support was provided to the students through the IDEA grant. The district must review all invoices submitted by HCESC during FY2012 to verify provision of services. A monitor from the NJDOE will conduct an on-site visit to review the developed policies and procedures and the verification of invoices submitted by HCESC conducted by the district.

Finding 13: The district did not consistently convene IEP team meetings (reevaluation and annual review) with the required participants. Specifically, reevaluation meetings and annual review meetings for students eligible for special education and related services in an out-of-district placement did not consistently include the general education teacher when required. Noncompliance was due to a lack of implementation of district 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 district must ensure that IEP team meetings (reevaluation IEP meetings and annual review meetings) are conducted with required participants and that documentation of attendance is maintained in student's records. In order to demonstrate correction of noncompliance, the district must conduct training for child study team members regarding the procedures for implementing the requirements in the citation listed above. Additionally, the district must submit documentation of participation at reevaluation IEP and annual review meetings conducted between August 2012 and November 2012, to the NJDOE for review.

Finding 14: The district did not consistently conduct multidisciplinary initial evaluations for students referred for speech-language services by obtaining an educational impact statement

FRANKLIN TOWNSHIP PUBLIC SCHOOLS
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012

from the classroom teacher. Noncompliance was due to a lack of consistent implementation of district procedures.

Citation: N.J.A.C. 6A:14-2.5(b)6 and 3.6(b).

Required Action: The district must ensure that a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining the education impact statement from the general education teacher that indicates the educational impact of the speech problem on the student's progress in general education. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. Additionally, the district must submit copies of initial evaluation reports developed for students referred for speech-language services whose eligibility meetings will be held between August 2012 and November 2012, to the NJDOE for review.

Administrative

Recommendation 1: The district has internal control policies and procedures to prevent contracting with disbarred vendors; however, evidence of such activity did not appear on the purchase orders.

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

Recommended Action: The district should follow the internal control policies to prevent errors from potentially occurring and show evidence of such on the purchase orders.

Recommendation 2: 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.

The NJDOE has requested clarification from the federal government regarding vendors on the state contract list and we are still waiting for a definitive response. It is the department's position and recommendation to the federal government that such contracts do not need any additional documentation beyond the statutory requirement under N.J.S.A. 18A:18A:10(c) that prior to placing orders, the board of education shall document with specificity that the goods and services

FRANKLIN TOWNSHIP PUBLIC SCHOOLS
EDUCATION JOBS CONSOLIDATED MONITORING REPORT
AUGUST 2012

selected best meet the requirements of the board of education. See LFN 2010-3 issued January 15, 2010 for more information on competitive contracting for districts and professional development services.

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

Recommended Action: The district should review 34 CFR Part 80.36 and use open and competitive procedures where at all possible. The district should also analyze and include documentation in its files that demonstrates the district 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 Patricia Lagarenne via phone at (609) 633-3643 or via email at patricia.lagarenne@doe.state.nj.us.