



State of New Jersey  
DEPARTMENT OF EDUCATION  
PO Box 500  
TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

CHRISTOPHER D. CERF  
*Commissioner*

November 20, 2012

Mr. Charles Maranzano, Superintendent  
Hopatcong Borough Board of Education  
PO Box 1029  
Hopatcong, NJ 07843

Dear Mr. Maranzano:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Hopatcong Borough 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 January 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 LEA/Agency Response, Corrective Action Plan and Appeal Process," the Hopatcong Borough 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:Hopatcong Boro BOE Cover Letter/ Ed Jobs  
Enclosures

Distribution List

Christopher D. Cerf

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Stephen M. Eells

STATE OF NEW JERSEY  
DEPARTMENT OF EDUCATION  
PO BOX 500  
TRENTON, NJ 08625-0500

HOPATCONG BOROUGH BOARD OF EDUCATION  
2 WINDSOR AVENUE  
HOPATCONG, NJ 07843  
PHONE: (973) 770-8844



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

EDUCATION JOBS CONSOLIDATED MONITORING REPORT  
NOVEMBER 2012

**District:** Hopatcong Borough Public Schools  
**County:** Sussex  
**Dates On-Site:** March 12, 13, 14 and 15, 2012  
**Case #:** Ed Jobs-062-11

**FUNDING SOURCES**

<u>Program</u>	<u>Funding Award</u>
Ed Jobs	\$ 427,058
Title I	244,528
IDEA Basic	630,196
IDEA Preschool	21,264
Title IIA	55,015
Title III	4,292
Total Funds	<u><u>\$1,382,353</u></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 district for their intended purpose and achieving the overall objectives of the funding initiatives.

**INTRODUCTION**

The NJDOE visited the Hopatcong Borough 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 Basic and Preschool for the period July 1, 2010 through January 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, student records, classroom visitations and interviews with instructional staff to verify implementation of the Individualized Education Programs (IEPs). The visit also included a review of student class and related service schedules, interviews of the child study team members and speech-language specialists, and an interview of the program administrator regarding the IDEA grant and 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 Ed Jobs, Title I, Title IIA, Title III, IDEA Basic and Preschool from July 1, 2010 through January 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 support teacher salaries and benefits, supplement the district's Academic Skills Improvement Program, upgrade computer hardware and software, and develop a targeted tutoring program.

**IDEA Projects (Special Education)**

The majority of the FY 2012 IDEA Basic 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. In addition, funds were utilized to support teachers, aides, related service and nursing personnel for the extended school year program for special education students. Funds were also utilized for general supplies and a web-based IEP program.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Ed Jobs Act**

**Finding 1:**

**Condition:** The district was not separately tracking Ed Jobs revenue and expenditures as required. Fund 18 was not established at the time of the monitoring visit.

**Citation:** *American Recovery and Reinvestment Act (ARRA) section 1512.*

**Required Action:** The district must use Fund 18 to formally track Ed Jobs revenue and expenditures. The district had their financial systems modified to establish Fund 18 during the monitoring visit.

**Finding 2:**

**Condition:** The district's reporting of jobs created and jobs retained for Ed Jobs funding was not calculated using the proper methodology.

**Citation:** *American Recovery and Reinvestment Act (ARRA) section 1512.*

**Required Action:** The jobs retained reported on the 1512 report must be calculated using the appropriate federal methodology.

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**Title I**

**Finding 3:**

**Condition:** The district has clear and distinguishable identification criteria for its Title I students, but has limited evidence to confirm that the Title I students meet the multiple measures established by the district.

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

**Required Action:** The district must establish a mechanism to clearly reflect the selection criteria and the supporting data elements for all of its Title I students served in its Title I funded schools.

**Finding 4:**

**Condition:** The district's board of education did not conduct its annual review and adoption of the parental involvement policy.

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

**Required Action:** The district's parental involvement policy was adopted in December 2005. The district must have a written parental involvement policy, developed in collaboration with parents of Title I students evaluated annually. The policy must be distributed to parents of Title I students in an understandable and uniform format, and to the extent practicable, in a language the parent understands. A copy of the board adopted parental involvement policy must be submitted to the NJDOE for review.

**Finding 5:**

**Condition:** The district did not develop school-level Title I parental involvement policies.

**Citation:** ESEA §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:** Each Title I school must have a school-level parental involvement policy. The district should provide technical assistance to its schools in the development of school-level parental involvement policies and ensure its schools' work with their stakeholder groups to develop the policies. Each school must distribute a school parental involvement policy to parents of Title I students and the district must send a copy to the NJDOE for review. The school-level policies must be board approved and the board adoption date must match the date in the FY 2012-2013 NCLB Consolidated Application on the Electronic Web Enabled Grant (EWEG) system.

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**Finding 6:**

**Condition:** The school did not provide evidence of convening the annual Title I meeting for parents to inform them of the school's participation in Title I and the Title I parental involvement requirements and rights.

**Citation:** NCLB §1118(c)(1) (2): *Parental Involvement (Policy Involvement)*.

**Required Action:** The school must submit the invitational letter/flyer, meeting notes, sign in sheets, and the agenda from the FY 2012-2013 meeting to the NJDOE for review.

**Finding 7:**

**Condition:** The district did not include all of the required elements in the Title I parent notification letters such as Title I program selection criteria, why the child met the selection criteria and the course of action the district has determined to remediate the child and the defined exit criteria. All of these elements must be included in the notification letter to parents about their child's participation in the Title I program. In addition, the district did not provide the parent or guardian with the right to "opt out" of the program.

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

**Required Action:** The district must include in its parent notification letter the multiple measures used to identify the students, as well as clearly defined exit criteria. In addition, the district must provide a mechanism for the parent to opt out of the program. The district must revise the Title I parent notification letters and provide copies of the letters to the NJDOE for review.

**Finding 8:**

**Condition:** The district did not include nonpublic enrollment numbers on the FY 2011-2012 NCLB Application in Step One of the Title I, Part A eligibility tab despite evidence from a Title I Nonpublic Assurance Form that reflects resident students being transported to nonpublic schools both within and outside the district.

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

**Required Action:** For FY 2012-2013, the district's EWEG application must reflect the accurate number of nonpublic resident students in its attendance area.

**Title IIA**

There were no findings related to the Title IIA grant.

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**Title III**

There were no findings related to the Title III grant.

**IDEA (Special Education)**

There were no findings related to IDEA grant.

**Special Education Programs**

**Finding 9:**

**Condition:** The district did not consistently provide parents written notice that contains all required components, within 15 calendar days following identification meetings for students identified for speech and language services. Noncompliance was due to a lack of implementation of district procedures.

**Citation:** 20 U.S.C. §1414(b)(1)(c)(4)(A); 34 CFR §300.304(a)(4); and 34 CFR §300.305(a) and N.J.A.C. 6A:14-2.3(f) and 2.3(g)1-7.

**Required Action:** The district must ensure parents are provided written notice of identification meetings that contains all required components within 15 calendar days of the meeting. In order to demonstrate correction of noncompliance, the district must provide training for speech-language specialists regarding the procedures for implementing the requirements in the citation listed above. In addition, the district must submit copies of notices of identification meetings that were conducted between May 2012 and July 2012 to the NJDOE for review.

**Finding 10:**

**Condition:** The district did not consistently complete transition planning for students ages 14 and above and document decisions in the IEP. Noncompliance was due to a lack of implementation of district procedures.

**Citation:** N.J.A.C. 6A:14-3.7(e)11.

**Required Action:** The district must ensure that transition is discussed at each IEP meeting for students age 14 or above, and decisions are documented in the IEP. 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 conduct annual review meetings to review/revise IEPs for the specific students whose IEPs were identified as noncompliant during monitoring and submit along with IEPs for students whose annual review meetings were conducted between May 2012 and July 2012 to the

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NJDOE for review. Names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

**Finding 11:**

**Condition:** The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed. Noncompliance was due to a lack of implementation of district procedures.

**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. Additionally, the district must submit copies of invitations to IEP meetings to students age 14 and above for meetings conducted between May 2012 and September 2012 to the NJDOE for review.

**Finding 12:**

**Condition:** The district did not consistently document all required considerations and statements in each IEP for students eligible for speech-language services. Specifically, IEPs did not consistently include:

- documentation of students' strengths in the Present Level Academic Achievement and Functional Performance Statement;
- consideration of extended school year; and
- documentation of how the student will participate in statewide assessment.

Noncompliance was due to a lack of implementation of district 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 district must ensure that each IEP contains the required considerations and statements. 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. In addition, the district must conduct annual review meetings and revise IEPs for the specific students whose IEPs were identified as noncompliant during monitoring and submit to the NJDOE for review, along with IEPs for three additional students whose annual review meetings were conducted subsequent to the last day of monitoring. Names of the students whose IEPs were identified as noncompliant will be provided to the school by the monitor. For assistance with correction of noncompliance, the district is referred to the state IEP sample form at: [www.statenj.us/education/specialed/forms](http://www.statenj.us/education/specialed/forms).

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**Administrative**

**Finding 13:**

**Condition:** 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 14:**

**Condition:** The district failed to formally appoint all individuals charged to federal Title I and Title II 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 15:**

**Condition:** The district charged several expenditures to the incorrect object codes in general ledger accounts.

**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 expenditures are charged to the appropriate general ledger account in accordance with the Uniform Minimum Chart of Accounts.

**Recommendation 1:** Although the district does not have formal written policies for requesting reimbursement from the EWEG system, the district's practices for requesting reimbursement were verified through questions concerning the district's internal controls.

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**Citation:** EDGAR, PART 80--*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

**Recommended Action:** The district must have a formal board policy concerning the reimbursement of grant funds and should submit this to the NJDOE for review.

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).