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New Jersey K-12 Education

CONSOLIDATED MONITORING REPORT
APRIL 2014

District: Netcong Elementary School District
County: Morris
Dates On-Site: December 18 and 19, 2013
Case #: CM-040-13

FUNDING SOURCES

Program	Funding Award
Title I	\$ 75,465
IDEA Basic	97,871
IDEA Preschool	5,334
Title IIA	20,648
Race To The Top	4,522
Total Funds	<u>\$ 203,840</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 Race to the Top). 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 Netcong Elementary 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); IDEA Basic and Preschool; and Race to the Top for the period July 1, 2012 through November 30, 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; IDEA Basic and Preschool, and Race to the Top from July 1, 2012 through November 30, 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 RACE TO THE TOP FUNDS

Title I Projects

The district operates a Title I targeted assistance program in its one elementary school. The district uses its Title I funds to support the salary of 1.25 FTE for the Title I/Basic Skills Instruction Program, as well as materials and supplies to support the program.

IDEA Projects

The district utilized the FY 2012-2013 and FY 2013-2014 IDEA Basic and Preschool funds for tuition for students in private special education placements, consultants to work directly with students, and instructional supplies and materials for use within the classroom. In addition, the district utilized IDEA nonpublic funds for supplies and materials for students in nonpublic settings.

Race to the Top

No Race to the Top funds had been expended as of the monitoring visit.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district did not have supporting documents to verify the activity of Title I paid 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. This documentation is necessary to verify that funded staff are actually performing allowable grant activities.

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 2013-2014 Title I funded staff, salaries, funding percentages and appropriate time sheets to date to the NJDOE for review.

Finding 2: The Title I participation letter informing the Title I parents of the Title I program did not clearly state the multiple measures, including both entrance and exit criteria. Without this information, parents are unable to understand the reasons for their child being selected to participate in the Title I program, and what is needed for their child to exit the program.

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

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Required Actions: In its Title I participation letter, the district must include the multiple measures used to identify the students, as well as clearly defined exit criteria. The district must provide a copy of its revised FY 2013-2014 Title I participation letter to the NJDOE for review.

Finding 3: The district did not provide evidence that educationally related, objective criteria were consistently applied to determine which students in the district were eligible to receive Title I services. The monitors were unable to verify if the district is actually serving its lowest performing students and that all students receiving services actually met the eligibility criteria.

Citation: ESEA §1115: *Targeted Assistance Schools*.

Required Action: The district must establish a tracking mechanism for proper Title I student identification. This mechanism must include documentation of which criteria were applied and how the student either met or did not meet the criteria.

Finding 4: The district did not have a parental involvement program that reflects the requirements of the Title I legislation and regulations. There is no evidence the district's parental involvement policy was reviewed and board adopted since October 2005 and no evidence was provided that the policy was developed in conjunction with parents. The annual review and current board adoption allow parents and other stakeholders to impact the parental involvement process and identify the unique needs of the Title I schools and parents of Title I students.

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

Required Action: The district must have a written district parental involvement policy evaluated annually with current board adoption. Copies of a recent board approved district parental involvement policy must be submitted to the NJDOE for review. Evidence of the annual review must be documented with meeting agenda, sign in sheets and minutes and should be indicated at the bottom of the document.

Finding 5: The district did not have a parental involvement program that reflects the requirements of the Title I legislation and regulations. For 2013-2014, the district did not provide evidence of the school-parent compact and that the school-parent compact was developed in conjunction with Title I parents. The absence of parent participation in developing these required documents excludes parents from more active participation in their child's educational program.

Citation: ESEA §1118: *Parental Involvement*.

Required Action: The district must include the associated stakeholder groups in the development of the school-parent compact. The district must provide to the NJDOE for review evidence of the FY 2013-2014 school-parent compact along with evidence that the compact was developed in conjunction with parents of the Title I students.

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Finding 6: For FY 2013-2014, the district did not provide evidence of convening an annual Title I parent meeting. Not conducting an annual meeting to explain the Title I legislation and the district's Title I programs in the beginning of the year does not allow parents of identified Title I students to be informed and vested in the Title I process from the start.

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

Required Action: 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 including the invitational letter/flyer, agenda, meeting minutes, and sign in sheets 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.

Finding 7: The district did not provide evidence that the FY 2013-2014 Parents' Right-to-Know Highly Qualified Teacher (HQT) letter was sent to parents. The Parents' Right-to-Know HQT letter informs parents of their right to ask about the qualifications of their child's teachers.

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

Required Action: The district must send the FY 2013-2014 Parents' Right-to-Know (HQT) letter to the parents of all students. A template of the HQT letter can be found at: <http://www.state.nj.us/education/title1/hqs/rtk.htm>.

Finding 8: The district's "NCLB Parent Info" web page contained Title I information such as the parent involvement policy, school-parent compact and Parents' Right-to-Know HQT letter that were outdated.

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

Required Action: The district must review and update the website to reflect the current versions of the parental involvement policy, school-parent compact and Parents' Right-to-Know HQT letter.

Finding 9: On the NCLB application in Electronic Web Enabled Grant, the district incorrectly reported total enrollment at selected nonpublic schools, rather than the enrollment of resident students attending those nonpublic schools. In addition, the district did not contact nonpublic schools outside the district to accurately account for all district students attending nonpublic schools and for nonpublic low-income counts. Due to the inaccurate total nonpublic enrollment, lack of documentation to substantiate the number of low-income nonpublic students, and the exclusion of nonpublic schools outside the district, the monitors could not verify that eligible resident nonpublic students were afforded the opportunity to participate in the Title I program.

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

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Required Action: The district must immediately contact nonpublic schools within a 50 mile radius of the district for enrollment and low-income figures. In the future, no later than May of each school year, the district must contact the nonpublic schools that enroll resident students to inform the schools of their opportunity to participate in the district's Title I program for the upcoming school year. After contacting nonpublic schools that enroll resident students, the district must then begin the consultation process with the nonpublic schools to identify eligible students and develop a service delivery plan. The district must revise its FY 2013-2014 NCLB Consolidated Application to accurately reflect both the number of resident nonpublic school students and the number of low-income resident nonpublic school students. The district must send documentation of the consultation process (e.g., invitational letters, agendas, meeting notes, sign in sheets) to the NJDOE for review.

Finding 10: The district did not provide documentation including, but not limited to, affirmation of consultation and refusal forms to verify that its consultation with nonpublic school officials was timely, ongoing, and meaningful. Title I regulations stipulate that consultation must continue throughout the implementation and assessment of services to ensure that Title I services align to the needs of the identified nonpublic students.

Citation: ESEA §1120 and §9501 and §200.63 of the Title I regulations.

Required Action: In order to ensure timely, ongoing, and meaningful nonpublic school consultation, it is required that the district institute steps to enhance its record keeping of its ongoing contact with nonpublic school officials. The district must submit to the NJDOE all documentation to verify that consultation was timely, ongoing and meaningful, covered all appropriate topics, and resulted in program designs that had a reasonable expectation of success. The district should review the NJDOE and/or USDE guidance on the provision of equitable services to eligible nonpublic schoolchildren to ensure all requirements and maintenance of records are satisfied. Additionally, the district can review NJDOE Nonpublic School Documentation, which is located at: <http://www.nj.gov/education/grants/entitlement/nclb/>.

Title II

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

IDEA (Special Education)

Finding 11: In both the 2012-2013 and 2013-2014 grant years, the contracts the district is entering into with agencies, other school districts, educational service commissions, or independent consultants that provide services directly to students did not include all required components; contracts did not contain a per-service or hourly rate and a not to exceed amount. In addition, the contracts were not approved by board resolution.

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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.

Required Action: The district must enter into a contract with all agencies or consultants where services are being provided and contracts must include a per-service or hourly rate, a not to exceed amount, and must be approved by board resolution.

Finding 12: In the 2013-2014 grant year, the district misclassified expenditures for professional development activities in their accounting classification as Instructional Supplies (100-600) when these expenditures should have been listed as Non-Instructional Purchased Professional Services (200-320).

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 update its applications and corresponding accounting records to classify items purchased according to their correct function.

Finding 13: In the 2012-2013 school year, the district contracted with Educational Services Commission of Morris County (ESCMC) for supplies to students with disabilities in nonpublic settings. ESCMC billed the district \$13,287.36 for Smartboards, however the district did not require a vendor invoice demonstrating actual cost of the supplies.

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 require detailed vendor invoices when reimbursing the ESCMC for supplies purchased.

Finding 14: The district did not consistently provide notice of a meeting for identification, eligibility, reevaluation planning and IEP team meetings to parents of students referred and/or eligible for speech-language services.

Citation: N.J.A.C. 6A:14-2.3(k)1-5; 20 U.S.C. §1414(b)(1); and 34 CFR §300.304(a).

Required Action: The district must provide parents notice of a meeting in writing that contains all required components, early enough to ensure they have an opportunity to attend. In order to demonstrate correction of noncompliance, the district must conduct training for 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 documentation for

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meetings conducted between June 2014 and October 2014, and to review the oversight procedures.

Finding 15: The district did not conduct meetings within 20 calendar days of receipt of a written request for evaluation for students referred for speech-language services.

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

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 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 the dated initial request for evaluation for students referred for speech-language services from the resulting meetings conducted between June 2014 and October 2014, and to review the oversight procedures.

Finding 16: The district did not consistently convene identification meetings with required participants for students referred for special education and related services and for students referred for speech-language services. Specifically, a general education teacher and a social worker were not in attendance.

Citation: N.J.A.C. 6A:14-3.3(e); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

Required Action: The district must ensure identification meetings are conducted with required participants and that documentation of participation is maintained in students' records. 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 meeting documentation, including the sign in sheets, for meetings conducted between June 2014 and October 2014, and to review the oversight procedures.

Finding 17: The district did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for students referred for special education and related services and for students referred for speech-language services. Initial evaluation reports did not consistently include observation in a non-testing setting, parent interviews, teacher interviews, a review of developmental or education history, and a review of interventions documented by the teacher(s) or others who work with the student.

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 district must ensure all components of the functional assessment are conducted as part of all initial evaluations. 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

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with the requirements in the citation listed above. The district is referred to the sample report form for speech-language evaluations which is located at: www.state.nj.us/education/speced/forms. Monitors from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students evaluated between June 2014 and October 2014, and to review the oversight procedures.

Finding 18: The district did not consistently conduct multidisciplinary initial evaluations for students referred for speech-language services by obtaining an educational impact statement from the classroom teacher.

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

Required Action: The district must ensure a multidisciplinary evaluation is conducted for students referred for speech-language services by obtaining a statement from the general education teacher that details 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 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 review initial evaluation reports for students referred for speech-language services whose eligibility meetings were held between June 2014 and October 2014, and to review the oversight procedures.

Finding 19: The district did not consistently provide copies of evaluation reports to parents at least 10 days prior to the determination of initial eligibility or continued eligibility for students referred and/or eligible for special education and related services and for students referred and/or eligible for 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, review documentation of the provision of copies of evaluation reports provided 10 days prior to eligibility meetings conducted between June 2014 and October 2014, and to review the oversight procedures.

Finding 20: The district did not consistently ensure students were found eligible for speech-language services at a properly configured eligibility meeting. Review of student records demonstrated that determination of eligibility is included in the speech-language evaluation rather than being determined at the eligibility meeting.

Citation: N.J.A.C. 6A:14-2.3(k)1, 3.7(c); and 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

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Required Action: The district must ensure required participants are in attendance at eligibility meetings and the criteria set forth in N.J.A.C. 6A:14-3.6(b) are used to determine eligibility for speech-language services. In order to demonstrate correction of noncompliance, the district must conduct training for 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 of eligibility at meetings conducted between June 2014 and October 2014, and to review the oversight procedures.

Finding 21: The district did not consistently ensure that students were found eligible for special education and related services in accordance with the criteria set forth for each disability category found in N.J.A.C 6A:14.

Citation: N.J.A.C. 6A:14-3.5(a-c).

Required Action: The district must ensure that students found eligible for special education and related services meet the criteria for one or more of the disability categories as defined in N.J.A.C. 6A:14-3.5(c). 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 documentation of eligibility from meetings conducted between June 2014 and October 2014, and to review the oversight procedures.

Finding 22: The district did not consistently include required considerations and statements in each IEP for students eligible for speech-language services. The following considerations and required statements were missing in IEPs:

- Results of most recent evaluation;
- Language and communication needs;
- Visual needs;
- Auditory needs; and
- Participation on district wide assessments.

In addition, the IEPs of students eligible for special education and related services did not indicate whether related services would be provided individually or in a small group.

Citation: N.J.A.C. 6A:14-3.7(e) 1&7, and (f); and 20 U.S.C. §1414(d)(3)(A)(B); and 34 CFR §300.324(a)(1)(2).

Required Action: The district must ensure each IEP contains the required considerations and statements. 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. To demonstrate the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings

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and revise IEPs for specific students whose IEPs were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, a sample of IEPs for students whose annual review meetings were conducted between June 2014 and October 2014, and to review the oversight procedures. The names of the students whose IEPs were identified as noncompliant will be provided to the district by the monitor.

Finding 23: The district child study team does not include a school social worker, either independently or through another local education agency or through jointure commissions, county special services school districts, or educational services commissions.

Citation: N.J.A.C. 6A:14-3.1(b) and 5.1(a)1, 2 and 3.

Required Action: The district must ensure it employs or contracts with child study members in accordance with the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff and review documentation that demonstrates inclusion of a school social worker on the child study team.

Finding 24: The district does not have a policy for the provision of accommodations and modifications or, when appropriate, an alternate assessment for students with disabilities participating in district wide assessments.

Citation: 34 CFR §300.160.

Required Action: The district must revise policies and procedures to ensure students with disabilities participate in district wide assessments and each IEP contains a statement of any individual modifications to be provided to the student in the administration of district wide assessments. The policy must include the provision of accommodations and modifications and the provision of alternate assessments for those children who cannot participate in the regular assessment. If the district reports publicly on the district wide assessment, the district must also report with the same frequency and in the same detail as it reports on the assessment of nondisabled children. 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. In addition, a monitor from the NJDOE will conduct an on-site visit to review the policy.

Race to the Top

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

Administrative

Finding 25: The district failed to formally appoint all individuals charged to the federal programs by board resolution.

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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.

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

Finding 26: 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.

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.