



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

CHRIS CHRISTIE
Governor

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Lt. Governor

DAVID C. HESPE
Acting Commissioner

August 18, 2014

Mr. Scott McCue, Superintendent
Eatontown School District
5 Grant Avenue
Eatontown, NJ 07724

Dear Mr. McCue:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Eatontown 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 June 30, 2014. 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 Eatontown 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 Lori Ramella at (609) 984-0937.

Sincerely,

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

RJC/LR/dk: Eatontown BOE Cover Letter /consolidated monitoring
Enclosures

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**STATE OF NEW JERSEY
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**EATONTOWN SCHOOL DISTRICT
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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
AUGUST 2014**

District: Eatontown School District
County: Monmouth
Dates On-Site: July 9 and 10, 2014
Case #: CM-036-13

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 349,374
Title II, Part A	36,195
Title III	31,525
IDEA Basic	381,875
IDEA Preschool	12,639
Race To The Top	20,393
Total Funds	<u>\$ 832,001</u>

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BACKGROUND

The Elementary and 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, Carl D. Perkins 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 Eatontown 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); Title III; IDEA Basic and Preschool; and Race to the Top for the period July 1, 2012 through June 30, 2014.

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, and current district policies and procedures. The monitoring team members reviewed the supporting documentation for a sample of expenditures and conducted internal control reviews, as well as conducted interviews with program administrators and other district personnel as required. Additionally, the IDEA grant review included 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, and interviews of child study team members and speech-language specialists.

EXPENDITURES REVIEWED

The grants that were reviewed included Title I, Title II, Title III, IDEA, and Race to the Top for the period July 1, 2012 through June 30, 2014. A sampling of purchase orders was taken from the entire population and later identified as to the grant that was charged.

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**GENERAL DISTRICT OVERVIEW OF USE OF TITLE I, TITLE II, TITLE III, IDEA
AND RACE TO THE TOP GRANT FUNDS**

Title I

The district operates targeted assistance programs at two of its Title I funded schools: Memorial Middle School and Woodmere Elementary School. Additionally, the district operates a Title I schoolwide program at its Vetter Elementary School. The district has identified Closing the Achievement Gap, English Language Arts and mathematics for all students as its priority problems.

Title II

The district used Title II funds for mathematics, English Language Arts, technology and writing professional development that was supported by the district's Professional Development Plan.

Title III

The district used Title III funds for an after school program, summer program, parental involvement activities, and supplies.

IDEA (Special Education)

The fiscal year 2014 IDEA funds were used to reduce district tuition expenditures for students receiving special educational services in approved private schools for students with disabilities. IDEA funds were also allocated to support students who attend nonpublic schools located within the district. The remainder of the IDEA funds was allocated for the provision of related services, specifically physical therapy and occupational therapy, required by the IEPs of students with disabilities.

Race to the Top

The district expended its Race to the Top funds for teacher evaluation and professional development for the Danielson model.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district is not tracking Title I expenditures by school attendance areas in its accounting system. School-level disaggregation is necessary to ensure the funds spent for Title I schools are consistent with each attendance area's allocation, as recorded on the Title I Eligibility Page - Step 4 of the FY 2013-2014 ESEA-NCLB Consolidated Application.

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Citation: 34 CFR §80.20: *Standards for financial management systems*; and ESEA §9306(a)(5): *Other General Assurances (Assurances)*.

Required Action: The district must track its Title I funds to ensure and verify that it is expending Title I funds in a manner consistent with its school-level allocations reflected on the FY 2013-2014 ESEA-NCLB Consolidated Application, Title I Eligibility Page - Step 4. Documentation of this tracking for FY 2013-2014 must be submitted to the NJDOE for review.

Finding 2: The notification letters sent to the parents/guardians of identified Title I students did not include clearly defined entrance and exit criteria. The parents/guardians of identified Title I students must be informed of the multiple educationally related criteria, as well as benchmark assessment scores used to identify their child/children for Title I services.

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. The district must provide a copy of its FY 2014-2015 revised parental notification letter to the NJDOE for review.

Finding 3: The district could not provide documented evidence that its Title I schools convened the annual Title I parent meeting. The parents/guardians of identified Title I students are entitled to be informed about the school's participation in Title I program, legislative requirements, and ways in which they can be involved in helping their child/children succeed academically.

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

Required Action: For the 2014-2015 school year, the district's Title I funded schools must convene their annual Title I parent meeting for the parents/guardians of their identified Title I students no later than October 15, 2014. The district must submit documentation that the meetings were held (e.g., letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Title II

A review of the Title II grant yielded no findings.

Title III

A review of the Title III grant yielded no findings.

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IDEA (Special Education)

Finding 4: The district did not consistently document in the IEPs of students removed from the general education setting for more than 20 percent of the school day, including students placed in separate settings, consideration of placement in the least restrictive environment. Specifically, IEPs did not consistently include:

- the supplementary aids and services considered and an explanation of why the supplementary aids and services were rejected; and
- for those students placed in separate settings, activities to transition the student to a less restrictive environment.

Citation: N.J.A.C. 6A:14-4.2 (a)8(i),(ii) and (iii): *Least Restrictive Environment*.

Required Action: The district must ensure when determining the educational placement of a child with a disability, the IEP team considers the general education class first and that all required decisions regarding the placement are documented in the IEP for each student removed from general education for more than 20 percent of the school day. The district must also ensure for students placed in separate settings, the IEP team identifies activities to transition the student to a less restrictive environment and document them in each IEP. 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. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings and revise the IEPs for specific students with IEPs that were identified as noncompliant. A monitor from the NJDOE will conduct an on-site visit to interview staff, review the revised IEPs, along with a random sample of IEPs for students whose meetings were conducted between April 2015 and June 2015, and to review the oversight procedures. The names of the students with IEPs that were identified as noncompliant will be provided to the district by the monitor.

Finding 5: The district did not consistently document that required participants were in attendance at identification, annual review, reevaluation planning, eligibility and IEP meetings for students eligible for special education and related services, including students in out-of-district placements, and for students eligible for speech-language services.

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 meetings are conducted with required participants and that documentation of attendance and/or written parental consent to excuse a member of the team is maintained in student files. 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

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NJDOE will conduct an on-site visit to interview staff, review meeting documentation for meetings conducted between April 2015 and June 2015, and to review the oversight procedures.

Finding 6: The district did not consistently document all required considerations and statements in each IEP for students eligible for speech-language services. Specifically, IEPs of student's eligible for speech language services did not contain documentation of student strengths.

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 each IEP contains all required components. 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. To demonstrate that the district has corrected the individual instances of noncompliance, the district must conduct annual review meetings 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, along with a random sample of IEPs for students whose meetings were conducted between April 2015 and June 2015, 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 7: The district did not consistently maintain documentation of the description, frequency, duration and effectiveness of the interventions provided in the general education setting through the Intervention and Referral Service (I&RS) process.

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

Required Action: The district must ensure interventions are provided in the general education setting for students exhibiting academic and/or behavioral difficulties prior to referring the student for an evaluation. In addition, the district must ensure when the I&RS team identifies interventions to meet the needs of a struggling learner that the team identifies and maintains documentation of the nature, description, frequency, and duration of the interventions and measures the effectiveness. In order to demonstrate correction of noncompliance, the district must conduct training for administrators and I&RS staff and develop an oversight mechanism to ensure compliance with the requirements in the citations listed above. A monitor from the NJDOE will conduct an on-site visit to interview I&RS team members and teachers, review documentation for students who were provided interventions in general education between April 2015 and June 2015, and to review the oversight procedures.

Race to the Top

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

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Administrative

Finding 8: The district's board of education meeting minutes evidencing the appointment of federally funded staff did not include all of the prescribed information.

Citation: 34 CFR §80.20: *Standards for financial management systems.*

Required Action: The district must ensure the board of education approves the appointment of Title I funded staff, including salaries and funding percentages, before the staff assume their grant funded duties.

Finding 9: On numerous occasions, the district failed to issue a purchase order prior to services being rendered (confirming orders). District policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

Citation: 34 CFR §80.20: *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.

Recommendation 1: The district executed a contract with the Monmouth/Ocean Educational Services Commission (MOESC) for purchased professional services for students with disabilities which reflects a period of 10 years.

Citation: N.J.S.A 18A:18A-42: *Public School Contracts Law.*

Required Action: The district should review the terms and conditions of the MOESC contract on a yearly basis.

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 Lori Ramella via phone at (609) 984-0937 or via email at lori.ramella@doe.state.nj.us.