



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

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

DAVID C. HESPE
Acting Commissioner

June 10, 2014

Mrs. Janice Hodge, Chief School Administrator
Montague Township School District
475 Route 206
Montague, NJ 07827-3018

Dear Mrs. Hodge:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Montague Township 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 March 31, 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 Montague 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 Steven Hoffmann at (973) 621-2750.

Sincerely,

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

RJC/SH/dk:Montague Twp. BOE Cover Letter/consolidated monitoring
Enclosures

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New Jersey K-12 Education

**CONSOLIDATED MONITORING REPORT
JUNE 2014**

District: Montague Township School District
County: Sussex
Dates On-Site: April 15 and 16, 2014
Case #: CM-050-13

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 150,143
IDEA Basic	112,784
IDEA Preschool	4,416
Title II, Part A	8,124
Total Funds	<hr/> <u>\$ 275,467</u>

**MONTAGUE TOWNSHIP SCHOOL DISTRICT
CONSOLIDATED MONITORING REPORT
JUNE 2014**

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 and IDEA). 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 Montague Township 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); and IDEA Basic and Preschool for the period July 1, 2012 through March 31, 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, 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, and IDEA Basic and Preschool from July 1, 2012 through March 31, 2014. 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

The district operates a Title I targeted assistance program. The district uses its Title I funds to support the Title I/Basic Skills instruction program in mathematics and English language arts literacy content areas.

IDEA Projects

The IDEA Basic and Preschool funds were utilized in FY 2013 for tuition of out-of-district students with disabilities. The district allocated IDEA FY 2014 Basic and Preschool funding for the same purposes.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district's needs assessment in the FY 2013-2014 ESEA Consolidated Application indicated only English Language Arts Literacy (ELA) as the district's priority problem; however, the district implements a Title I program that includes both ELA and mathematics content areas.

Citation: ESEA §1112: *Local Educational Agency Plans*.

Required Action: For FY 2014-2015, the district must align its Title I priority problems on the needs assessment in the ESEA Consolidated Application with the components of the Title I program the district will implement.

Finding 2: The district's Title I parental notification letter did not include the multiple, educationally related, objective entrance and exit criteria used for Title I student identification, the remediation actions the district is using and the option for parents to opt-out of Title I services. This information is necessary for parents/guardians of Title I students to understand the reasons their child was selected to participate in the Title I program, and what is needed for their child to exit the program.

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

Required Action: The district must revise its Title I participation letter to include the multiple, educationally related, objective criteria used for Title I student identification, the remediation actions the district is using and the option for parents to opt-out of Title I services. The district must provide a copy of its revised FY 2014-2015 Title I participation letter to the NJDOE for review.

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Finding 3: The district did not provide evidence of convening the annual Title I parent meeting. Evidence was not provided that the Basic Skills Program meeting that occurred fulfilled the legislative requirements. Not conducting an annual meeting to explain the Title I legislation and the district's Title I program does not allow Title I parents/guardians to be informed and vested in the Title I process.

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

Required Action: The district must convene its FY 2014-2015 annual Title I meeting for the parents/guardians of Title I students in the beginning of the school year (no later than mid-October). Evidence of the meeting which includes invitational letters/flyers, agendas, meeting minutes, and sign in sheets must be submitted to the NJDOE for review.

Finding 4: The district did not have a parental involvement program that reflected the requirements of the Title I legislation. There was no evidence the district's FY 2013-2014 parental involvement policy was reviewed and board adopted since October 22, 2008 and that the policy was developed in conjunction with parents. The annual review and current board adoption of the district parental involvement policy allows parents/guardians of Title I students to impact the parental involvement process and identify the unique needs of the Title I schools.

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

Required Action: The district must have the district parental involvement policy reviewed annually with current board adoption. Copies of recent board approved district parental involvement policy must be submitted to the NJDOE for review. The inclusion of parents/guardians of Title I students must be documented with meeting agendas, sign in sheets and minutes.

Finding 5: The district did not provide evidence that the FY 2013-2014 school-parent compact was developed in conjunction with Title I parents. The absence of parent participation in developing this required document excluded parents from more active participation in their child's educational program.

Citation: ESEA §1118: *Parental Involvement*.

Required Action: The district must include the parents/guardians of Title I students in the development of the school-parent compact. The district must submit documentation supporting the participation of Title I parents in the development of the FY 2014-2015 school-parent compact to the NJDOE for review.

Finding 6: The district's website was missing the school-parent compact and the website contained the outdated district parental involvement policy.

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

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Required Action: The district must review and update its website to include the school-parent compact and the current district parental involvement policy to meet the ESEA broader dissemination requirement. Upon updating its website, the district must forward the link to the NJDOE for review.

Finding 7: Because the district did not contact nonpublic schools outside the district's attendance area, it reported zero nonpublic enrollment and low-income counts on the FY 2013-2014 ESEA Consolidated Application in Step One of the Title I, Part A eligibility tab. The district's submission of zero nonpublic enrollment and low-income counts prevented the generation of an equitable participation share of funding for eligible resident nonpublic school students.

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

Required Action: For FY 2014-2015, the district must contact nonpublic schools within a 50 mile radius of the district to obtain nonpublic enrollment and low income data no later than June. The district must contact the nonpublic schools that enroll Montague 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 send documentation of the consultation process (e.g., invitational letters, agendas, meeting notes, sign in sheets) to NJDOE for review.

Finding 8: The district's use of Title I funds supplanted state/local funds. The district expended FY 2013-2014 Title I funds to purchase mathematics curriculum kits (\$28,589.73) that benefited both Title I and non-Title I students. As such, this expenditure supplanted state/local funds. The district also budgeted Title I funds for computer professional development and support (\$70,000), consumable items (\$65,000), textbooks and workbooks (\$2,143), field trip transportation (\$9,000), and copying/duplicating (\$4,000) that would benefit both Title I and non-Title I students.

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

Required Action: The district must allocate state/local funds rather than using Title I funds to support this expenditure. The district must provide evidence of the adjusting accounting entry for the expenditure of \$28,589.73 to the NJDOE for review. After identifying allowable uses for Title I funds previously budgeted for unallowable expenditures, the district may need to amend its FY 2013-2014 ESEA Consolidated Application in the Electronic Web Enabled Grant system. Additionally, if the district is unable to expend at least 85% of its FY 2013-2014 Title I allocation, it will need to request a carryover waiver.

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Title II

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

IDEA (Special Education)

Finding 9: 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. The district is referred to the sample report form for speech-language evaluations which is located at: www.state.nj.us/education/speced/forms. A monitor from the NJDOE will conduct an on-site visit to interview staff, review speech language evaluations for students whose meetings were conducted between September 2014 and December 2014, and to review the oversight procedures.

Finding 10: 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. Specifically, the assessments did not include:

- an observation of the student in other than a testing setting; and
- review of prior interventions.

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 with the requirements in the citation listed above. A monitor from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports of students evaluated between September 2014 and December 2014, and to review the oversight procedures.

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Finding 11: The district did not consistently conduct an annual IEP team meeting for each student eligible for speech-language services.

Citation: N.J.A.C. 6A:14-3.7(i); 20 U.S.C. §1414(d); and 34 CFR §300.324(b)(1).

Required Action: The district must ensure that IEP team meetings are conducted annually or more often if necessary to review, revise and determine the programs and placement of each classified student. In order to demonstrate correction of noncompliance, the district must conduct training for speech-language therapists 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 evaluations of students whose initial meetings were conducted between September 2014 and December 2014, and to review the oversight procedures.

Finding 12: The district does not have a policy for the provision of students with disabilities participating in district wide assessments.

Citation: 34 CFR §300.160.

Required Action: The district must revise its policies and procedures to ensure students with disabilities participate in 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. A monitor from the NJDOE will conduct an on-site visit to review this policy revision.

Administrative

Finding 13: 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: The district does not have a purchasing manual that details procedures for the procurement of goods and services.

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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. N.J.A.C. 6A:23A-6.6 Standard operating procedures for business functions.

Recommended Action: The district should prepare and adopt a detailed purchasing manual to ensure compliance with current state and federal procurement regulations.

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.