



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

DAVID C. HESPE  
*Commissioner*

March 29, 2016

Mr. Gerald North  
Chief School Administrator  
Keansburg School District  
100 Palmer Place  
Keansburg, NJ 07734

Dear Mr. North:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Keansburg 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, 2014 through January 6, 2016. 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/compliance/monitor/>.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," the Keansburg 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 Kathryn Holbrook at (609) 292-0198.

Sincerely,

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

RJC/KH/dk:Keansburg BOE CM Cover Letter  
Enclosures

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**KEANSBURG SCHOOL DISTRICT  
100 PALMER PLACE  
KEANSBURG, NJ 07734  
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*New Jersey K-12 Education*

**CONSOLIDATED MONITORING REPORT  
MARCH 2016**

**District:** Keansburg School District  
**County:** Monmouth  
**Dates On-Site:** January 6, 2016  
**Case #:** CM-028-15

**FUNDING SOURCES**

Program	Funding Award
Title I, Part A	\$ 1,066,785
Title II, Part A	88,125
Title III	26,146
IDEA Basic	568,545
IDEA Preschool	15,352
Total Funds	<u>\$ 1,764,953</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, and Carl D. Perkins). 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 Keansburg 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; and IDEA Basic and Preschool for the period July 1, 2014 through January 6, 2016.

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, and IDEA Basic and Preschool for the period July 1, 2014 through January 6, 2016. 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 AND IDEA FUNDS**

**Title I**

The district operates schoolwide programs in each of its three Title I funded schools. The district identified Closing the Achievement Gap, English Language Proficiency, English Language Arts/Literacy, and Mathematics for all students as priority problems.

**Title II**

The district used Title II funds for travel in order to participate in professional development opportunities and professional development aligned with the District Professional Development Plan.

**Title III**

The district used Title III funds on professional development and instructional supplies.

**IDEA (Special Education)**

The district used IDEA funds to reduce district tuition costs for students receiving special educational services in other public school districts and approved private schools for students with disabilities.

**DETAILED FINDINGS AND RECOMMENDATIONS**

**Title I**

**Finding 1:** Title I Schoolwide plans submitted for Joseph C. Caruso and Port Monmouth Road Schools were not completed. Schools running Title I schoolwide programs must annually complete a comprehensive plan (Title I Schoolwide Plan) that addresses all essential components contained in the legislation. The use of Title I funds for activities not included in the schoolwide plan is unallowable, and funds are therefore subject to recovery.

**Citation:** ESEA §1114(b)(2): *Schoolwide Programs (Components of a Schoolwide Program – The Plan)*.

**Required Action:** For FY 2015-2016, the district must immediately ensure that all Title I schoolwide plans are completed in their entirety in accordance to the legislative requirements. Upon resubmission, the NJDOE will review all schoolwide plans to ensure they meet the legislative requirements. If the submitted plans do not meet the legislative requirements, the district runs the risk of having the schoolwide status rescinded for all designated schoolwide schools.

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**Finding 2:** The district was unable to provide evidence of school-parent compacts for the following schools: Joseph C. Caruso and Joseph R. Bolger. The Port Monmouth Road School is missing the role of the student in its school-parent compact. All Title I funded schools must provide a mechanism to ensure that its parents/guardians are informed of the roles and responsibility of the school, parents/guardians, and students in achieving academic success.

**Citation:** ESEA §1118(d): *Parental Involvement (Shared Responsibilities for High Student Academic Achievement)*.

**Required Action:** For FY 2015-2016, the district must immediately develop, revise and distribute its Title I school-parent compacts to the students and parents/guardians in all of its Title I funded schools. The compacts must reflect the legislative requirements by including how each of the following: the school, parent, and students will share in the responsibility for improved student academic achievement. The district must provide a copy of the distributed school-parent compacts to the NJDOE for review.

**Finding 3:** The district was unable to provide documentation that the district's Title I schools convened an annual Title I Parent meeting. In a Title I Schoolwide program, all parents/guardians must be informed of and given an opportunity to provide feedback on the school's Title I program and how they can become actively engaged in helping their child/children succeed academically.

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

**Required Action:** The district's Title I schools must convene their FY 2016-2017 annual parent meeting no later than October 15, 2016. The district must then submit documentation of the meetings (e.g., agendas, sign in sheets, flyers, and minutes) to the NJDOE for review.

**Finding 4:** The district was unable to provide documented evidence of how it tracked and provided services funded through the Title I, Part A reserve for identified homeless students. Funds may be used to provide services and supports to students experiencing homelessness, not typically allowed to other children receiving Title I services.

**Citation:** McKinney-Vento Act, 42 U.S.C. §722(g)(1)(J)(ii): *Grants for State and Local Activities for the Education of Homeless Children and Youths (State Plan)*. ESEA § 1113 (c)(3)(A): *Eligible School Area Attendance Areas (Allocations)* and §1115(b)(2)(E): *Targeted Assistance Schools (Eligible Children)*.

**Required Action:** The district must conduct a needs assessment in an effort to coordinate services provided under McKinney-Vento and Title I to ensure that it provides the needed supports to identified students experiencing homelessness. Additionally, the district must provide documented evidence of the service(s) provided, including a mechanism to track and account for its Homeless Student reserve listed in the

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ESEA/NCLB Consolidated Application in the Electronic Web-Enabled Grant (EWEG) System. The district must submit evidence to the NJDOE for review.

**Recommendation #1:** The district reserved \$4,250 for homeless students. The minimum reserve is \$250 for each homeless student attending a school that is not served with Title I funds. Based on this, there were only two students identified as homeless in the high school, which is the only school in the district not served with Title I funds. Therefore, the reserve should have been \$500 instead of \$4,250. In the future, the district should use the results from its comprehensive needs assessment to determine the amount of funds to reserve for homeless student in non-Title I schools.

**Citation:** ESEA §1113(c)(3)(A): *Eligible School Attendance Areas (Allocations - Reservations)*.

## **Title II**

**Finding 5:** The district is not in compliance with current federal and state requirements for Highly Qualified Teacher (HQT) status. A review of two of the district's teachers of students requiring special education who provided primary instruction in a self-contained environment, do not have supporting HQT documentation in their personnel files.

**Citation:** ESEA §1119: *Qualifications for Teachers and Paraprofessionals*. ESEA §1111(h)(6)(B)(ii): *Reports (Parents Right-to-Know)*.

**Required Action:** As the NJDOE transitions from the federal regulations under NCLB to ESSA, where requirements regarding HQT are out of compliance, it is noted. No further action is required.

## **Title III**

**Finding 6:** The district's use of FY 2015-2016 Title III funds totaling \$180.00 to pay a stipend to a district employee for translation services supplanted state and local funds.

**Citation:** ESEA §3115(g): *Supplement, Not Supplant*.

**Required Action:** The district must reverse the expenditure of Title III funds described above and provide documentation of the adjusting journal entry to the NJDOE.

## **IDEA (Special Education)**

**Finding 7:** The district did not consistently ensure that required participants were in attendance at identification, annual review and reevaluation planning meetings for students eligible for speech-language services.

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**Citation:** N.J.A.C. 6A:14-2.3(k)1(i-vii). 20 U.S.C. §1414(d)(1)(B). 34 CFR §300.321(a).

**Required Action:** The district must ensure 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 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 for meetings conducted between September 2016 and November 2016, and to review the oversight procedures.

**Finding 8:** The district did not consistently conduct all required sections of the functional assessment as a component of an initial evaluation for students referred for special education and related services.

**Citation:** N.J.A.C. 6A:14-3.4(f)4(i-vi). 20 U.S.C. §1414(b)(1)-(3) and §1412(a)(6)(b). 34 CFR 300.304(b)(1).

**Required Action:** The district must ensure that 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 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 for students evaluated between September 2016 and November 2016, and to review the oversight procedures.

**Finding 9:** The district did not consistently ensure that the full child study team was in attendance at identification meetings for students referred for special education and related services.

**Citation:** N.J.A.C. 6A:14-2.3(k)1(i-vii). 20 U.S.C. §1414(d)(1)(B). 34 CFR §300.321(a).

**Required Action:** The district must ensure that identification meetings are conducted with all members of the child study team in attendance. 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 meeting documentation for meetings conducted between September 2016 and November 2016, and to review the oversight procedures.

**Finding 10:** On several occasions, the district failed to issue a purchase order prior to services being rendered (confirming order) in contravention of state regulations. It is imperative that purchase orders are issued by the purchasing agent to: authorize vendors to provide goods and



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perform services to the district; reduce the duplication of items and services acquired; and avoid the likelihood of overpayment to vendors.

**Citation:** N.J.S.A. 18A:(2)(v): Public School Contracts Law.

**Required Action:** The district must implement a process to ensure that purchase orders are issued prior to receiving goods and services from vendors.

**Administrative**

**Finding 11:** Certain board approved policies and other operating procedures were out-of-date and in need of revision. For example, the district's Standard Operating Procedures manual had not been updated to reflect the July 1, 2015 adjustment to the New Jersey Bidding Threshold.

**Citation:** 2 CFR §200.302(b)(3): Financial management. 2 CFR §200.318: General procurement standards. N.J.A.C. 6A:23A-6.6: Standard operating procedures for business functions.

**Required Action:** The district must revise/adopt written policies and procedures 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 Kathryn Holbrook via phone at (609) 292-0198 or via email at [kathryn.olbrook@doe.state.nj.us](mailto:kathryn.olbrook@doe.state.nj.us).