



State of New Jersey

DEPARTMENT OF EDUCATION

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Commissioner

April 23, 2015

Dr. Mary Kildow, Interim Superintendent
Hasbrouck Heights Public Schools
379 Boulevard
Hasbrouck Heights, NJ 07604

Dear Dr. Kildow:

The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the **Hasbrouck Heights 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, 2013 through December 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 Hasbrouck Heights 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

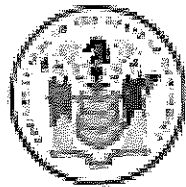
RJC/SH/dk:Hasbrouck Heights BOE Cover Letter/consolidated monitoring
Enclosures

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New Jersey K-12 Education

CONSOLIDATED MONITORING REPORT
APRIL 2015

District: Hasbrouck Heights Public Schools
County: Bergen
Dates On-Site: January 6, 7 and 8, 2015
Case #: CM-005-14

FUNDING SOURCES

Program	Funding Award
Title I, Part A	\$ 135,112
IDEA Basic	430,267
IDEA Preschool	17,989
Title II, Part A	36,384
Title III	37,352
Title III Immigrant	7,769
Total Funds	<u>\$ 664,873</u>

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

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 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 Hasbrouck Heights Public Schools 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; Title III Immigrant and IDEA Basic and Preschool for the period July 1, 2013 through December 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, Title III, Title III Immigrant and IDEA Basic and Preschool from July 1, 2013 through December 31, 2014. A sampling of purchase orders and/or salaries was taken from each program reviewed.

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

GENERAL DISTRICT OVERVIEW OF USES OF TITLE I AND IDEA FUNDS

Title I Projects

The district used Title I funds to support teacher salaries and benefits, before and after school programs, instructional supplies and professional services.

IDEA Projects

The district used the FY 2013-2014 and FY 2014-2015 IDEA Basic and Preschool funds to reduce district tuition costs for students receiving special educational services in approved private schools for students with disabilities. Funds were also used for the provision of related services to students with disabilities in nonpublic settings.

DETAILED FINDINGS AND RECOMMENDATIONS

Title I

Finding 1: The district's use of FY 2013-2014 Title I funds to pay for the salaries and benefits of paraprofessionals hired from March to June to level the main school libraries supplanted state/local funds. In a targeted assistance program, Title I funds may be used to address the needs of identified low-performing students only. However, the library is utilized by 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 reverse the Title I costs for the salaries and benefits for the paraprofessionals and allocate state/local funds for those costs. The district must provide evidence of the journal entry to reverse the expenditures to the NJDOE for review.

Finding 2: The district's before school Title I program at Hasbrouck Heights Middle School and the after school programs at the two elementary schools, Euclid and Lincoln, started in January, which is late in the project period. Not beginning the Title I services earlier in the project period limits the time that Title I students receive academic support, which does not maximize the use of the funds to address students' academic needs.

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

Required Action: For FY 2015-2016, the district's Title I services should begin Title I programming earlier in the project period ideally in the beginning of the project period, or at the start of the school year. The district must provide a description and time line of the Title I services to the NJDOE for review.

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

Finding 3: For FY 2014-2015, the district did not provide evidence that its Title I schools convened the annual Title I parent meetings that met the legislative requirements. Not conducting the annual meeting at the beginning of the year to explain the Title I legislation and the district's Title I programs at each school 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 ensure that its Title I schools convene and sufficiently document their FY 2015-2016 annual Title I meetings for the parents/guardians of its identified Title I students no later than mid-October. The district must submit evidence of the meetings (e.g., invitational letter/flyer, agenda, meeting minutes, and sign in sheets) to the NJDOE for review.

Finding 4: The district did not provide the Title I parental participation letter for the Hasbrouck Heights Middle School informing parents of their child's eligibility to participate in the Title I program. The Title I parental participation letters for the two elementary schools, Euclid and Lincoln, did not clearly state the entrance criteria, include the exit criteria and the content area(s) for Title I services. 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)*.

Required Action: The district's Title I schools must revise the Title I parental participation letter(s) to include clearly defined entrance and exit criteria used for Title I student identification. The district must provide a copy of each school's revised FY 2015-2016 Title I parental participation letter to the NJDOE for review.

Finding 5: The district's Title I schools did not have a parental involvement program that reflected the requirements of Title I. There was no evidence of current Title I school-level parental involvement policies developed with parent and other stakeholder input in the process. For FY 2015-2016, Title I parents and associated stakeholders must be included in the development processes.

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

Required Action: The district's Title I schools must have current school-level parental involvement policies. Copies of the school-level parental involvement policies must be submitted to the NJDOE for review. Evidence of parental input into the development of the Title I parental involvement policies must be documented with meeting agendas, sign in sheets and minutes and submitted to the NJDOE for review.

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

Finding 6: On the FY 2014-2015 ESEA-NCLB Application in Step One of the Title I, Part A eligibility tab, the district included nonpublic enrollment counts, but zero low-income counts based on data from only two nonpublic schools within the attendance area. The district did not conduct outreach to nonpublic schools within a 25 mile radius that enroll resident students. As such, nonpublic equitable shares and services were not generated or provided.

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

Required Action: The district must contact nonpublic schools outside the attendance area that enroll resident students to generate accurate enrollment and use the Nonpublic School Survey to gather low-income nonpublic student data. The district must amend its FY 2014-2015 NCLB Consolidated Application to include the nonpublic enrollment and nonpublic low-income counts outside the attendance area. In addition, the district must reach out to those nonpublic schools and begin the consultation process with the nonpublic schools to identify eligible Title I 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 the NJDOE for review.

Title II

Finding 7: For FY 2013-2014, the district could not provide evidence of a signed and approved Professional Development Plan. However, for FY 2014-2015, the district provided evidence of a signed and approved Professional Development Plan prepared by the chief school administrator. As of the consolidated monitoring for FY 2014-2015, there was no evidence of approved, professional development activities charged to Title II program.

Citation: ESEA §2122. *Documentation should verify that the professional development plans are consistent with the funded activities and are being implemented in accordance with the approved application.* N.J.A.C. 6A:9-15.6. As of July 1, 2013, New Jersey professional development regulations have been revised. Excerpts from the regulations states: *“The Chief school administrator has primary responsibility for creating and implementing the plan and complete flexibility for organizing the process. The Local Professional Development Committee and County Professional Development Board are no longer required to convene or to approve the plan. The role of the local board of education changed from approval of the full plan to approval of just the fiscal impacts of the plan.”*

Required Action: The district must ensure that Professional Development Plans are consistent with the funded activities and are being implemented in accordance with the approved application as required by Title II federal regulations, and in accordance with New Jersey professional development regulations. The district must submit copies of FY 2014-2015 professional development activities (sign in sheets, agendas, and summaries) to the NJDOE for review.

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

Finding 8: A review of FY 2013-2014 expenditures showed unallowable costs charged to the Title II program, specifically contract services for “training.” Training was not in the mutual signed Memorandum of Agreement between the vendor and local board of education. The approved Memorandum of Agreement must explicitly and fully state and specify professional development “training” to verify if the activities address the Core Curriculum Content Standards’ strategies for continuous improvement in the classroom and is in accordance with Title II regulations and being implemented with the approved application.

Citations: ESEA §1112, 1119, 2122-2123 *Supplement Not Supplant.*

Required Action: Only allowable expenses should be charged to the Title II grant. The district must remit funds for all unallowable expenses and send documentation of the adjusting journal entry to the NJDOE for review.

Title III

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

Title III Immigrant

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

IDEA (Special Education)

Finding 9: The district did not consistently convene meetings with required participants 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:14-2.3(k)1-2; 3.3(e); 20 U.S.C. §1414(d)(1)(B); and 34 CFR §300.321(a).

Required Action: The district must ensure meetings are conducted with required participants and 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 May 2015 and September 2015, and to review the oversight procedures.

Finding 10: The district did not conduct meetings within 20 calendar days of receipt of a written request for evaluation for students referred for special education and related services and for students referred for speech-language services.

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

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

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 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 the dated initial request for evaluation and documentation from the resulting meetings conducted between May 2015 and September 2015, and to review the oversight procedures.

Finding 11: 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.

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. Monitors from the NJDOE will conduct an on-site visit to interview staff, review initial evaluation reports for students evaluated between May 2015 and September 2015, and to review the oversight procedures.

Finding 12: 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:

- an explanation of why the supplementary aids and services were rejected;
- comparison of the benefits provided in the regular class and the benefits provided in the special education class;
- the potentially beneficial or harmful effects which a placement in general education may have on the students with disabilities or other students in the class; 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-iii) and 3.7(k).

Required Action: The district must ensure that 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

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

day. The district must also ensure that 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 regarding the district's procedures and develop an oversight mechanism to ensure compliance with the

requirements in the citations 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 developed at meetings conducted between May 2015 and September 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 13: The district did not consistently provide to students eligible for special education and related services a summary of academic achievement and functional performance prior to graduating or exiting.

Citation: N.J.A.C. 6A:14-4.11(b)4; and 20 U.S.C. §1414(c)(5)(B); and 34 CFR §300.305(e)(3).

Required Action: The district must ensure a summary of academic achievement and functional performance is provided to parents or adult students prior to graduating or exiting. 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 copies of the summary of academic achievement and functional performance provided to students graduating or exiting at the conclusion of the school year, and to review the oversight procedures.

Finding 14: The district did not consistently provide to students beginning at age 14, written invitations to meetings where post-school transition was being discussed.

Citation: N.J.A.C. 6A:14-2.3(k)5(2); 20 U.S.C. §1414 (d)(1)(A)(i)(1)(VIII); and 34 CFR §300.322.b(2).

Required Action: The district must ensure that 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. 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 copies of invitations to meetings to students age 14 and older conducted between May 2015 and September 2015, and to review the oversight procedures.

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

Finding 15: The district did not consistently conduct reevaluations within three years of the previous classification date for students eligible for special education and related services and for students eligible for speech-language services.

Citation: N.J.A.C. 6A: 14-3.8(a) and 20 U.S.C. §1414(a)(2)(B)(ii) and (d); and 34 CFR §300.324(b)1.

Required Action: The district must ensure that reevaluations are conducted within required time lines with required participants in attendance. 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 from eligibility meetings held as part of the reevaluation process between May 2015 and September 2015, and to review the oversight procedures.

Finding 16: 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 its 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.

Administrative

Finding 17: 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.

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

Required Action: The district must issue purchase orders to all vendors prior to goods or services being provided.

Finding 18: For employees charged to federal grants, the board minutes contained some, but not all, the required information such as funding grant, account number, position, annual/funded salary and percentage charged.

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 should update its internal controls to ensure that the board minutes contain the required information.

Finding 19: The district did not comply with required timekeeping standards for federally funded grants. Employees with 100 percent of their salary paid with Title I funds must complete a semi-annual certification attesting to their performance of Title I related duties, and employees with less than 100 percent of their salary paid with Title I funds must complete monthly personal activity reports.

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 ensure that employees submit personal activity reports that have been verified by supervisors, as required.

Finding 20: On several occasions, the district did not obtain multiple quotes for purchases between \$3,900 and the bid threshold of \$29,000 as required by New Jersey Public School Contracts Law (PSCL), federal procurement law and district policy.

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-37 Award of purchases, contracts or agreements.

Required Action: The district must comply with current federal and state procurement regulations and obtain multiple quotes as required.

Finding 21: The district is comingling IDEA Basic and IDEA Preschool expenditures in its general ledger. Both are being recorded under program code 250.

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.

**HASBROUCK HEIGHTS PUBLIC SCHOOLS
CONSOLIDATED MONITORING REPORT
APRIL 2015**

Required Action: The district must account for IDEA Basic and Preschool funds separately in its general ledger. Separate program codes must be used in accordance with the Uniform Minimum Chart of Accounts.

Recommendation 1: The district did not have a purchasing manual that details procedures for the procurement of goods and 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.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.