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September 14, 2005

**Control Number
ED-OIG/A02-F0006**

Lucille E. Davy
Acting Commissioner of Education
New Jersey Department of Education
100 River View Plaza
P.O. Box 500
Trenton, NJ 08625

Dear Ms. Davy:

This **Final Audit Report** presents the results of our audit of the *New Jersey Department of Education's (NJDOE) compliance with Title I, Part A (Title I), of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001, Public School Choice and Supplemental Educational Services (SES) provisions* for the 2004-2005 school year that began July 1, 2004. The objectives of our audit were to determine if (1) NJDOE had an adequate process in place to review local educational agency (LEA) and school compliance with Adequate Yearly Progress (AYP), Public School Choice, and SES provisions of ESEA; (2) LEAs provided to students attending schools identified for improvement (failed AYP two consecutive years) the option of attending another public school; and (3) LEAs provided SES to students attending schools that failed to make AYP while identified for improvement, corrective action or restructuring.¹ To achieve these objectives, we reviewed NJDOE and five judgmentally selected LEAs with schools identified for improvement, corrective action, or restructuring.²

In its August 18, 2005 response to our draft report, NJDOE concurred with our findings and recommendations. NJDOE stated in its response that it has already begun to take steps to correct the deficiencies cited in the audit report. NJDOE's response is included as Attachment 1 to the report. Because of the voluminous number of attachments included in NJDOE's comments on

¹ To accomplish our objectives, we reviewed compliance with selected provisions of ESEA. See **Objectives, Scope, and Methodology** section of this report for more detail.

² We reviewed Upper Deerfield Township (Upper Deerfield), Vineland City (Vineland), Plainfield City (Plainfield), Newark City (Newark), and Camden City (Camden).

the draft report, we have not included them in this enclosure. Copies of the attachments are available upon request.

AUDIT RESULTS

Our audit disclosed that, for the 2004-2005 school year, NJDOE did not have an adequate process in place to review LEAs' compliance with AYP, Public School Choice, and SES. NJDOE also did not provide sufficient data for LEAs to timely determine AYP for schools, and had an inadequate process to timely monitor approved SES providers. As a result of NJDOE's inadequate process, all five LEAs reviewed did not comply with Public School Choice and SES provisions of ESEA. However, we determined that the LEAs reviewed provided the option of school choice for students attending schools identified for improvement, when it had another school for students to transfer, and generally provided SES to students.

Finding 1 – NJDOE Did Not Have an Adequate Process to Review LEAs for Compliance with ESEA Public School Choice and SES Provisions

NJDOE did not have an adequate process to annually review the progress of each LEA's compliance with Public School Choice and SES provisions of the ESEA. NJDOE officials indicated that, before approving each Title I application, NJDOE personnel reviewed sections that listed (1) schools required to offer school choice and SES, and (2) funds budgeted for schools in need of improvement. However, for the 2004-2005 school year, the process was not adequate to determine whether all LEAs actually offered, timely and properly, school choice and SES to all eligible students. As a result, all five New Jersey LEAs we reviewed did not comply with requirements for providing parental notification letters of both school choice and SES options, and one LEA transferred students from schools identified for improvement to other schools identified for improvement.

ESEA § 1116 (c)(1)(A) requires a state to annually review the progress of each LEA receiving Title I funds to determine if each LEA is carrying out its responsibilities under ESEA.³

Had NJDOE reviewed LEAs as required by ESEA, it could have reduced the risk of the following deficiencies occurring at New Jersey LEAs.

Five LEAs Had School Choice Notification Letter Deficiencies

All five LEAs reviewed did not comply with Public School Choice provisions of ESEA. Two LEAs did not send school choice parental notification letters (Upper Deerfield and Vineland), two LEAs (Newark and Camden) sent timely but deficient letters, and one LEA (Plainfield) sent late and deficient letters.

- One LEA (Plainfield) mailed notifications to parents of eligible students at the elementary schools that were in need of improvement, but not to parents of students attending the middle schools also identified for improvement.

³ LEA responsibilities under ESEA § 1116 are discussed in detail later in this finding and the **BACKGROUND** section of this report. All regulatory citations are as of July 1, 2004.

- Two LEAs (Plainfield and Camden) did not send notification letters for all of its schools identified for improvement. Plainfield did not mail letters to parents of students attending one of its elementary schools that was required to offer school choice.⁴ Camden did not send notification letters for one of its schools required to offer school choice.
- One LEA (Newark) sent notification to parents stating their child's schools "may be" eligible for school choice, but did not follow up with any determination of actual school status.
- One LEA (Camden) did not provide school choice information directly to parents through such means as regular mail as required by 34 C.F.R. § 200.36 (c). Camden delivered the notification letters to the principals of each school to be distributed to the children on the first day of school. The students were responsible for giving the notification to their parents.
- Two LEAs (Newark and Camden) did not identify schools to which a student may transfer. However, Camden did enter into a cooperative agreement that allowed elementary students to transfer to a choice school outside the LEA. In this instance, school choice letters listed the choice option school only to the elementary schools in improvement.
- Two LEAs (Newark and Camden) provided no information on the academic achievement of the schools to which a student may transfer, or a comparison to the student's current school.
- Three LEAs (Plainfield, Newark, and Camden) did not identify that transportation would be provided for students exercising school choice. Camden, however, did identify the transportation provision in their school choice letter to the elementary school identified in their cooperative agreement.
- One LEA (Plainfield) provided the notification after the first day of school. Plainfield's letters, dated January 10, 2005, were sent more than three months after the LEA was notified by NJDOE of its schools' status.

By not including this information in school choice notification letters, the three LEAs did not comply with ESEA § 1116 (b)(6) and 34 C.F.R. § 200.37, which list the required minimum information for school choice notification letters.⁵

Both Upper Deerfield and Vineland also did not comply with ESEA § 1116 (b)(6) and 34 C.F.R. § 200.37 requirements. Upper Deerfield's only elementary school was required to offer school choice. Because Upper Deerfield did not have another elementary school to which students could transfer, and could not enter into a cooperative agreement with another LEA to accept its students, Upper Deerfield only offered SES. Vineland did not notify parents for the 2004-2005 school year, but instead relied on its prior year choice notification letter, dated November 2003. Both Upper Deerfield and Vineland did not provide a school choice parental notification letter for the 2004-2005 school year to explain (1) what the identification of a school in improvement means and the reasons for it, (2) how the school compares in terms of academic achievement to

⁴ Plainfield listed this school as a school choice option for other students to transfer; however, only one student opted to transfer into this school.

⁵ For a detailed description of criteria related to school choice and SES parental notification letters, see the **BACKGROUND** section of this report.

other schools served by NJDOE, and (3) what the school identified for improvement is doing to address the problem of low achievement.

Because the five LEAs did not provide a school choice parental notification letter or include the required minimum information in letters, parents were not fully informed about the status of their children's schools. As a result, parents could not make a fully informed decision whether to transfer their children from a school identified for improvement. We reviewed the Sample Parent Letter published on the NJDOE website, and found deficiencies such as a lack of (1) how the school compares in terms of academic achievement to other schools served by the LEA and NJDOE, and (2) an explanation of what the school identified for improvement is doing to address the problem of low achievement.

Five LEAs Had SES Notification Letter Deficiencies

All five LEAs reviewed did not comply with SES provisions of ESEA.

- One LEA (Plainfield) did not provide parental notification of SES for all eligible students as required by ESEA § 1116 (e)(2)(A) and 34 C.F.R. § 200.37. Plainfield only provided SES parental notification letters to selected students at its two middle schools and did not provide parent notification letters for its six elementary schools that were required to offer SES.
- Two LEAs (Plainfield and Camden) did not provide SES information directly to parents through such means as regular mail as required by 34 C.F.R. § 200.36 (c). These LEAs delivered the notification letters to the principals of each school to be distributed to the students. The students were responsible for giving the notification to their parents.
- One LEA (Newark) mailed a preliminary "heads up" letter to parents stating their child's school "may be" eligible for SES. The "heads up" letter was sent to the parents of all students regardless of their Title I status. Newark did not follow up with any determination of actual school status.
- Four LEAs (Upper Deerfield, Vineland, Newark, and Camden) did not include the minimum required information in SES parental notification letters as required by ESEA § 1116 (e)(2)(A) and 34 C.F.R. § 200.37. All four LEAs reviewed for SES did not provide (1) a description of the services, and (2) qualifications and evidence of effectiveness for each provider from which a parent could select. Upper Deerfield, and Camden did not identify the approved service providers in its geographic location. Additionally, Camden only provided its information in English, thereby not considering the additional language needs of the parents.⁶

The LEAs did not (1) provide SES parental notification for all eligible students, (2) provide information directly to parents, and/or (3) include the minimum required information. Consequently, some parents did not have all the information needed to make a fully informed decision regarding SES. Two LEAs (Newark and Camden) believed it was sufficient to only provide information to parents through other methods such as meetings. The other three LEAs (Upper Deerfield, Vineland, and Plainfield) were not aware of their responsibility for providing this information to parents, because NJDOE did not provide adequate guidance to LEAs regarding parental notification of SES.

⁶ According to 34 C.F.R. § 200.36 (b), communication should be in an understandable format and in a language, to the extent practicable, the parents can understand.

One LEA Transferred Students to Schools Identified for Improvement

Based on the Vineland schools that we sampled, 47 of 52 students that exercised school choice transferred from schools identified for improvement to other schools identified for improvement. In addition, Vineland transferred 6 students from schools making AYP to schools identified for improvement.

ESEA § 1116 (b)(1)(E) requires that, in the case of a school identified for school improvement, the LEA shall provide all students enrolled in the school with the option to transfer to another public school served by the LEA and not identified for improvement, unless such an option is prohibited by state law.

By allowing students to transfer to other schools also identified for improvement and not notifying parents of each new school's improvement status, Vineland did not provide complete information to parents regarding school choice. Parents may have had the false impression that they were transferring their child to a school that met AYP standards.

Monitoring Policies and Procedures Needed Beyond the 2004-2005 School Year

NJDOE implemented the necessary ESEA review requirements for the 2004-2005 school year by designating the County Superintendent Offices as the monitoring oversight of ESEA at the LEA levels.⁷ However, representatives of the County Superintendent Offices were not given written policies or procedures on monitoring for compliance with Public School Choice and SES provisions.

Recommendations

We recommend that the Assistant Secretary for Elementary and Secondary Education, in conjunction with the Assistant Deputy Secretary for Innovation and Improvement:

- 1.1 Require NJDOE to revise the sample letters it provides to LEAs and instruct the LEAs to discontinue using any previously provided sample letters. The sample school choice letter should identify the schools to which a child may transfer and provide an explanation of how the school compares in terms of academic achievement to other schools served by NJDOE. The sample SES letter should describe the qualifications and evidence of effectiveness for each provider.
- 1.2 Require NJDOE to review the progress of each LEA to determine if each LEA is carrying out its responsibilities under provisions of ESEA and the regulations related to (1) school choice and SES parental notification letters, and (2) offering school choice options that include schools not identified for school improvement.

⁷ County Superintendents are responsible for ensuring compliance with State law and rendering supervisory services for schools under its jurisdiction.

Finding 2 – NJDOE Did Not Provide Sufficient Information for LEAs to Make the AYP Determinations before the Beginning of the 2004-2005 School Year

NJDOE administered the New Jersey statewide assessment program during March 2004. The initial results of the assessment were provided to the LEAs in June 2004. 34 C.F.R. § 200.49 (e)(1) requires that the results of academic assessments are available to LEAs in time to allow for them to make AYP determinations. 34 C.F.R. § 200.8 (a)(2)(ii) states that academic assessment results must be in an understandable and uniform format. Although the assessment results were provided timely, it was not in a format for the LEAs to easily determine the AYP status of its schools.

One of the LEAs reviewed was able to identify its schools in improvement using the initial data. This LEA had only three schools, which made it easier to determine AYP. The larger LEAs encountered problems using the initial results because of the LEAs' higher student enrollment population and the number of schools within the LEAs' district. These LEAs waited for NJDOE to issue written confirmation stating its AYP determinations. NJDOE issued its preliminary AYP determinations to the LEAs on September 24, 2004, after the start of the school year, which began September 7, 2004. As of May 17, 2005, NJDOE had not issued final AYP determinations to the LEAs. Since NJDOE did not have an adequate process in place to provide clear state assessment results to the LEAs prior to the 2004-2005 school year, school choice and SES options were not timely implemented.

Recommendation

We recommend that the Assistant Secretary for Elementary and Secondary Education:

- 2.1 Require NJDOE to implement an adequate process to make available state assessment results in an understandable and uniform format.

Finding 3 – NJDOE Did Not Have an Adequate Process to Timely Monitor Approved SES Providers

NJDOE did not perform any monitoring of the approved SES providers to determine the adequacy of services for the 2004-2005 school year. During our audit, NJDOE was in the process of evaluating the 2003-2004 SES providers. Although monitoring procedures were established, they were not timely implemented.

States are required under ESEA § 1116 (e)(4)(D) to monitor the quality and effectiveness of approved SES providers and withdraw approval from providers that fail to provide valuable services for two consecutive years.

Because NJDOE did not timely monitor SES providers, NJDOE cannot be assured of the quality and effectiveness of the services provided by approved SES providers during the 2003-2004 and 2004-2005 school years for the next (2005-2006) school year.

Recommendation

We recommend that the Assistant Secretary for Elementary and Secondary Education, in conjunction with the Assistant Deputy Secretary for Innovation and Improvement:

- 3.1 Require NJDOE to implement procedures to timely perform monitoring activities of approved SES providers.

BACKGROUND

Title I, Part A of the ESEA, as amended by the No Child Left Behind Act of 2001, significantly increased the choices available to the parents of students attending Title I schools that fail to meet state standards, including immediate relief, beginning with the 2002-2003 school year, for students in schools that were previously identified for improvement or corrective action under the 1994 reauthorization of ESEA. LEAs must offer all students attending schools identified for improvement, corrective action, or restructuring the choice to attend a public school not identified for improvement, corrective action, or restructuring, which may include a public charter school, within the LEA.⁸ The LEA must provide students transportation to the new school and append, at a minimum, an amount equal to five percent (up to as much as 20 percent) of its Title I funds for this purpose, if needed.

A school that fails to make AYP while being identified for improvement, corrective action, or restructuring must offer SES to low-income students. SES providers must be approved by the state and offer services tailored to help participating students meet challenging state academic standards. To help ensure that LEAs offer meaningful choices, ESEA requires an LEA to spend an amount equal to 20 percent of its Title I allocation to provide choice-related transportation and SES to eligible students, unless a lesser amount is needed to satisfy all demand.

ESEA § 1116 (c)(1)(A) requires states to review LEAs for compliance with the school choice and SES provisions of ESEA. ESEA § 1116 (b) and (e) and 34 C.F.R. § 200.37 outline requirements for school choice and SES parental notification letters. For school choice parental notification, ESEA § 1116 (b)(6) and 34 C.F.R. § 200.37 require that an LEA promptly provide parents of each student enrolled in a school identified for school improvement with notice that includes, among other things, (1) an explanation of how the school compares in terms of academic achievement to other schools served by the LEA and state educational agency; (2) an explanation of the parents' option to transfer their child to another public school, which may include charter schools, or obtain SES; (3) identification of the schools to which a child may transfer and information on the academic achievement of those schools; and (4) notice that the LEA will provide or pay for transportation for the student to another public school.

For SES parental notification, ESEA § 1116 (e)(2)(A) and 34 C.F.R. § 200.37 require the LEA to provide, at a minimum, annual notice to parents of (1) the availability of services and how parents can obtain the services for their child; (2) the identity of approved providers within or near the LEA; and (3) a brief description of the services, qualifications, and demonstrated

⁸ A school is identified for improvement after failing AYP two consecutive years.

effectiveness of each provider. According to 34 C.F.R. § 200.36 (c), the state, LEA, or school is required to provide information to parents directly, through such means as regular mail. ESEA § 1116 (e)(2)(C) requires the LEA to apply fair and equitable procedures for serving students if the number of spaces at approved providers is not sufficient to serve all eligible students. ESEA § 1116 (b)(10)(C) requires the LEA to give priority to the lowest achieving eligible students.

NJDOE allocated \$252,876,516 in Title I funds to the LEAs for the 2004-2005 school year. NJDOE allocated Title I funds during this period to 498 of its 668 LEAs. For the 2004-2005 school year, 515 schools in 186 LEAs were identified as needing improvement -- 348 schools were in the first year of improvement, 64 schools were in the second year of improvement, and 103 schools were in the third year of improvement. For the 5 LEAs we visited during our audit, we randomly selected 25 schools identified for improvement to review for school choice and SES. For the schools reviewed, 62 of 10,944 (0.6 percent) eligible students at schools exercised their right to school choice. In regards to SES, 4 of the LEAs we visited during our audit had 1,126 of 6,084 (18.5 percent) eligible students at schools enrolled in SES. One LEA (Plainfield) did not offer SES to all eligible students; instead it offered SES to selective lowest achieving Title I students at the middle schools.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our audit were to determine if, for the 2004-2005 school year, (1) NJDOE had an adequate process in place to review LEA and school compliance with the AYP, Public School Choice, and SES provisions of ESEA; (2) LEAs provided to students attending schools identified for improvement (failed AYP two consecutive years) the option of attending another public school; and (3) LEAs provided SES to students attending schools that failed to make AYP while identified for improvement, corrective action, or restructuring. Our examination of NJDOE's process for reviewing LEA and school compliance with the AYP provisions focused on the timeliness of providing state assessment results and AYP determinations to LEAs.

To achieve our objectives, we:

1. Reviewed documents provided by NJDOE, including the NJDOE Organization Chart; documents related to compliance with ESEA provisions related to AYP, school choice, and SES, the identification of persistently dangerous schools, identification of districts in need of improvement, the *State of New Jersey Consolidated State Application Accountability Workbook*; the *Consolidated Formula Subgrant FY 2005 Reference Manual*, and the NJDOE Toolkit for Schools, Districts, and Providers to Implement Supplemental Educational Services.
2. Reviewed, for compliance with Public School Choice and SES provisions of ESEA, 5 judgmentally selected LEAs with schools in improvement from a universe of the 186 New Jersey LEAs that had schools identified for improvement for the 2004-2005 school year. Based on total student enrollment and the amount of Title 1 funds allocated, we selected two large (Newark and Camden), two medium (Vineland and Plainfield), and one small (Upper Deerfield) LEA. We defined a large LEA as one with student enrollment of 10,000 or more,

a medium LEA with an enrollment of 1,000 through 9,999, and a small LEA with an enrollment of 999 or less.

3. Reviewed documents from the five selected LEAs. The documentation related to the LEAs' compliance with the Public School Choice and SES provisions of ESEA and included (a) school choice and SES parental notification letters (b) documentation related to the number of students eligible for and participating in school choice and SES; and (c) documentation related to Title 1 funding and budget for school choice and SES.
4. Reviewed the *New Jersey Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2003*, performed by the New Jersey State Office of Legislative Services.
5. Interviewed officials from NJDOE and the five LEAs reviewed.

Our review of the school choice and SES parental notification letters focused on selected provisions of ESEA. Specifically, for the school choice parental notification letter, we determined: (1) whether parents were notified in a timely manner; and (2) whether the notice, at a minimum, (a) informed parents that their child was eligible to attend another public school due to the identification of the current school as in need of improvement; (b) identified each public school, which may include charter schools, that the parent can select; (c) explained how the school compares in terms of academic achievement to other schools served by the LEA and NJDOE; (d) included information on the academic achievement of the schools that the parent may select; and (e) clearly stated that the LEA will provide, or pay for, transportation for the student.

For the SES parental notification letter, we determined: (1) whether parents were notified of SES and given comprehensive, easy-to-understand information about SES; and (2) whether the notice, at a minimum, (a) identified each approved service provider within the LEA, in its general geographic location, or accessible through technology such as distance learning; (b) described the services, qualifications and evidence of effectiveness for each provider; (c) described the procedures and timelines that parents must follow in selecting a provider to serve their child; and (d) was easily understandable, in a uniform format, and, to the extent practicable, in a language the parents can understand. If the LEA had insufficient funds to serve all students eligible to receive services, we also determined whether the SES parental notification letter included information on how the LEA will set priorities in order to determine which eligible students receive services.

As part of our audit, we also gained an understanding of NJDOE's internal control over LEAs' compliance with Public School Choice and SES provisions of ESEA. Though we did not assess the adequacy of NJDOE's internal control, our compliance testing at five LEAs disclosed instances of non-compliance that might have been caused, in part, by weaknesses in NJDOE's system of internal control. These weaknesses are related to monitoring LEAs to determine whether (1) LEAs offered school choice to all eligible students, (2) school choice and SES parental notification letters were timely and included all required information, (3) LEAs offered SES to all eligible students and only to eligible students, (4) LEAs allowed parents to select a SES provider from all state-approved providers serving their respective geographic areas. These

weaknesses and instances of non-compliance are discussed in the AUDIT RESULTS section of this report.

We conducted our fieldwork at NJDOE offices and the five LEAs' offices from December 2004 through April 2005. We discussed the results of our audit with NJDOE officials on May 17, 2005. Our audit was performed in accordance with generally accepted governmental auditing standards appropriate to the scope of our review described above.

ADMINISTRATIVE MATTERS

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. Determinations of corrective actions to be taken will be made by the appropriate Department officials.

If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Education Department officials who will consider them before taking final Department action on this audit.

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It is the policy of the U.S. Department of Education to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be appreciated.

In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

Sincerely,

/s/

Daniel P. Schultz
Regional Inspector General for Audit

Attachment 1



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

RICHARD J. COLEBY
Acting Governor

WILLIAM L. LIBRERA
Commissioner

August 18, 2005

Mr. Daniel P. Schultz, Regional Inspector General
United States Department of Education
Office of Inspector General
32 Old Slip, 26th Floor Financial Square
New York, NY 10005

Dear Mr. Schultz:

The New Jersey Department of Education (NJDOE) was pleased to host your Audit Team beginning December 2004 and ending April 2005 for the monitoring of the state's administration of the Title I school choice and supplemental educational services programs. We have carefully read the draft report (Control Number ED-OIG/A02-F0006) issued by the Inspector General that provided feedback to the NJDOE on the USDE's on-site review of selected *No Child Left Behind* (NCLB) provisions. The review included the NJDOE process and visits with five districts.

We have found this monitoring process to be a valuable learning experience and an opportunity to help guide us to improve the state's administration of the Title I program. Staff at the NJDOE have been working diligently to implement the complex requirements of Title I under NCLB. We also recognize that we have ongoing challenges and more work to do.

Your team cited three findings in its report. The NJDOE has already begun addressing some points mentioned in these findings and is in the process of correcting all deficiencies cited. The NJDOE concurs with all the specific findings and recommendations specified in the draft audit report. The enclosed Response to Findings provides detail on the NJDOE's corrective actions.

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Attachment 1

Mr. Daniel P. Schultz
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August 18, 2005

The NJDOE appreciates the work and the report generated by the Inspector General's Audit Team and welcomes its feedback on our response. We wish to affirm our commitment to educating all New Jersey children to high standards and ensuring compliance with the requirements of Title I. We look forward to continuing to assist the state's districts and schools as they implement school choice options and supplemental educational services programs.

Sincerely,



Richard Rosenberg
Acting Commissioner

RR/IB/SO: TAUSDE Inspector General Audit 2005\Inspector General Cover Letter.doc

Enclosure

c: William L. Librera
J. Michael Rush
Senior Staff
Anne Corwell
Annette Castiglione
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Diane Schonyers

Attachment 1

Office of Inspector General - Audit of NJDOE's Compliance with Public School
Choice and SES Provisions
Control Number ED-OIG/A02-F0006

NJDOE Response to the Findings

FINDING I:

NJDOE Did Not Have an Adequate Process to Review LEAs for Compliance with ESEA Public School Choice and SES Provisions

Recommendation:

1.1 *Require NJDOE to revise the sample letters it provides to LEAs and instruct the LEAs to discontinue using any previously provided sample letters. The sample school choice letter should identify the schools to which a child may transfer and provide an explanation of how the school compares in terms of academic achievement to other schools served by the NJDOE. The sample SES letter should describe the qualifications and evidence of effectiveness for each provider.*

NJDOE Response:

On July 29, 2005, districts were notified of their school's AYP results and single accountability status for the 2005-2006 school year. In this letter, LEAs were advised to comply with the parental notification requirements for school choice and SES. Following is an excerpt from the July 29, 2005, letter:

"Under NCLB, schools that missed AYP for one year, that is, for 2004 or 2005, are placed into "early warning" status. Schools that did not make AYP for two consecutive years in the same content area are identified as "schools in need of improvement." Title I schools must implement federal sanctions in the 2005-2006 school year. There are parental notification requirements for schools in need of improvement. Parents must be notified prior to the start of school. Sample letters are posted on the NJDOE Title I Web site. More information regarding the requirements for schools in need of improvement is also posted on the Title I Web site."

Attachment A shows the information posted on the NJDOE Web site relative to parental notification. These general instructions accompany five sample letters. The sample letters include specific language relative to school choice, the schools to which a child may transfer, and information on the academic achievement of the choice school(s). With regard to SES, the sample letters include information about the qualifications and evidence of effectiveness for each provider.

Trainings to LEAs and NJDOE field staff relative to the requirements for school choice and SES have been occurring. The annual SES forums for districts were held on July 12 and July 15, 2005. An additional session was held for Abbott staff on August 9, 2005.

Attachment 1

The annual SES provider forum was held on July 19, 2005. The NCLB Consolidated grant trainings were held for the NJDOE Field Staff (County and Abbott Offices) on August 4, 2005. The NJDOE field staff in turn provide training sessions to the LEAs. These sessions occurred during the months of June, July, and early August 2005. At these sessions, districts were informed to discontinue using any prior parental notification letters and to use the samples that are posted on the NJDOE Web site. Hard copies of these sample letters were distributed.

There are also opportunities for ongoing trainings for LEAs and schools. The NCLB School Improvement Training Module addresses school choice and SES. The module is posted on the NJDOE web site at: www.nj.gov/njded/title1/tech/module3/.

Recommendation:

- 1.2 *Require NJDOE to review the progress of each LEA to determine if each LEA is carrying out its responsibilities under provisions of ESEA and the regulations related to (1) school choice and SES parental notification letters and (2) offering school choice options that include schools not identified for school improvement.*

NJDOE Response:

The NJDOE has implemented several mechanisms for tracking districts' implementation of the school choice and SES options under NCLB.

Grant Application: Districts apply for their federal NCLB entitlement grants using an on-line, Web-enabled grant application called EWEG. This system requires each district to enter the number of transferring students to a prepopulated list of the district's schools. An edit check in the EWEG system prevents the district from assigning students to schools that are identified in need of improvement or persistently dangerous.

The NCLB Consolidated Application requires the submission of copies of the parental notification letters sent by the district/school. NJDOE field staff are responsible for reviewing these letters to ensure content and timely notification, using a standardized review guide. The review guide also includes all the required elements of the notification letters. The review occurs prior to the approval of the consolidated application. Included in the application is a school choice capacity checklist. Districts must indicate that they have considered all options to provide capacity for choice. The checklist reinforces USDE policy, which was reiterated to districts in a NJDOE policy letter and posted on the NJDOE Web site (see Attachment B).

Staff from the Title I office are responsible for a random review of LEA compliance with the parental notification letter contents and the timely notification. This review is ongoing. Technical assistance and guidance are provided as needed on an individual basis to district/schools by the NJDOE field staff and Title I program staff.

Monitoring: NJDOE field staff are responsible for conducting annual monitoring of high risk districts. Review of compliance with the requirements of school choice and SES are

Attachment 1

included. The monitoring tool is posted on the NJDOE Web site at www.nj.gov/njded/title1/accountability/monitoring_tool.pdf.

Performance Report: Districts are also responsible for completing the annual Title I Performance Report. School choice and SES data are submitted by the districts. Additionally, districts are required to complete the annual school choice and SES survey. This data is analyzed to determine the level of usage for both school choice and SES. Based upon this analysis, technical assistance and guidance is provided to districts that have low usage.

FINDING 2:

NJDOE Did Not Provide Sufficient Information for LEAs to Make the AYP Determinations before the Beginning of the 2004-2005 School Year.

Recommendation:

2.1 *Require NJDOE to implement an adequate process to make available state assessment results in an understandable and uniform format.*

NJDOE Response:

The NJDOE notified districts of their AYP results and yearly status of their schools for the 2005-2006 school year on July 29, 2005. On August 10, 2005, the NJDOE publicly announced this information. The press release was posted on the NJDOE Web site at www.state.nj.us/njded/news/2005/0810aypreport.htm.

All of the AYP data are available to the NJDOE field staff who provide guidance to the districts and schools. Additionally, the Title I office has established an e-mail help account to assist districts and schools with questions and clarifications.

See Attachment C for the NJDOE Web posting of the AYP results and other single accountability information, which is based upon the 2005 state assessment data and applied to the 2005-2006 school year.

FINDING 3:

NJDOE Did Not Have an Adequate Process to Timely Monitor Approved SES Providers

Recommendation:

3.1 *Require NJDOE to implement procedures to timely perform monitoring activities of approved SES providers.*

NJDOE Response:

The NJDOE has monitored SES provider performance via surveys submitted by districts. To establish a more timely, efficient process, and additional capability for the NJDOE to capture and analyze data, the district survey process for the 2004-2005 project period for school choice and SES is being revamped. The data will be collected as part of the Title I

Attachment 1

Consolidated State Performance Report process. The performance report will be submitted using the EWEG system. In addition, the SES providers will transition to an on-line self-evaluation for the 2004-2005 project period. This survey will be due in October 2005.

Attachment D provides New Jersey's monitoring process for approved SES providers for the 2003-2004 project period. As part of this monitoring process, on-site visits to "at-risk" SES providers are scheduled to begin in October 2005. Additional visits to other randomly selected SES providers will also be conducted. The NJDOE Web posting will be updated to reflect the 2004-2005 monitoring and reporting requirements.