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**House of Representatives**  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

**HOUSE DEMOCRATIC POLICY COMMITTEE HEARING**

**Topic: Quality Education**

**Hosanna House – Wilkinsburg, PA**

**January 18, 2018**

**AGENDA**

- 10:00 a.m. Welcome and Opening Remarks
- 10:10 a.m. Panel One:
- Dr. Anthony Hamlet  
Superintendent of Schools  
Pittsburgh Public Schools
  - Ed Donovan  
Past President  
Wilkinsburg Board of School Directors
- 10:30 a.m. *Questions from Committee Members*
- 10:50 a.m. Panel Two:
- Tiffini Simoneaux  
Early Childhood Manager in Bureau of Neighborhood Empowerment  
Office of Mayor William Peduto
  - Angel Gober  
Lead Organizer  
One Pennsylvania
- 11:10 a.m. *Questions from Committee Members 3*
- 11:30 a.m. Closing Remarks

Dr. Anthony Hamlet, Superintendent Pittsburgh Public Schools

Quality Education Public Hearing Testimony

January 18, 2018

Hello, my name is Dr. Anthony Hamlet, and I am Superintendent of the Pittsburgh Public Schools. I would like to thank House Democratic Caucus and especially the members of the House Democratic Policy Committee for this opportunity to discuss Plan for PA: Quality Education for all Regardless of Zip Code with you today. The School District of Pittsburgh is the largest of 43 school districts in Allegheny County and second largest in Pennsylvania. We serve approximately 25,000 students in Pre-Kindergarten through Grade 12.

This school year has been a time of new beginnings for our district, bringing changes that I hope will lay a durable foundation for a public education worthy of our children and signaling a new confidence in their future.

Following nine months of planning, unprecedented community engagement, an in-depth data review, and a third-party analysis, we launched the 2017-2022 Strategic Plan, aptly titled "Expect Great Things," last April.

Using this plan as a blueprint, we immediately began putting concept into action, creating measurable change that will ensure our children are prepared to succeed in college, careers, and life. Some of the highlights we rolled out for the start of this school year include:

Increased opportunities for job-embedded, content-specific training and collaboration for our teachers and school leaders through eight student half-days, teacher-led Professional Learning Communities and the addition of academic coaches in English Language Arts and Mathematics.

We've developed curriculum frameworks for all courses PreK-12, complete with aligned scope and sequence, formative assessments, syllabi, and course related materials.

And our youngest students now have access to a new PreK-5 English Language Arts curriculum and supporting technology, and soon our secondary school students will have access to new Algebra 1, 2 and Geometry curriculum and supplemental science resources. All this is part of our work to align all curriculum to the PA Core.

On March 7<sup>th</sup> all District 11<sup>th</sup> graders will take the SAT exam on us, as we work to ensure all students graduate college, career and life ready. The establishment of PSAT day for all 10<sup>th</sup> and 11<sup>th</sup> graders this past fall has better prepared our students for what to expect when they take this important exam.

The expansion of TEALS (Technology, Education & Literacy in Schools) increases access to AP Computer Science at eight schools. This unique partnership leans on the expertise of volunteers from high-tech companies who provide students real insight into the fast-paced world of technology.

The implementation of positive behavior supports and interventions at all schools, and the expansion of restorative practices to 10 additional schools, has prepared us for upcoming elimination of suspensions related to non-violent offenses for students in Grades 3 and under.

Five of our schools have been designated community schools, combining traditional approaches with community-based resources in a smarter way.

We are now in the second year of our educational partnership with Wilkinsburg School District to provide its students, in grades seven through twelve, the quality education they deserve. Our first year of transition went very well, but year two is shaping up to be even better. We are seeing improvement for both Wilkinsburg and Westinghouse students with increases in attendance and decreases in truancy and

suspensions for all students. I must thank our Pennsylvania Legislators for their support of this effort. It is truly making a difference for our students.

This year also brought its share of challenges: the heartbreaking loss of some of our students due to neighborhood violence, and multiple school lockdowns taken as precautionary measures in response to neighborhood issues impact the students we serve daily. Our PPS community feels and faces these challenges together; we are working with Pittsburgh and school police to ensure the safety of our students and staff at school, striving toward an educational environment that serves as an oasis from the very real – and steep – obstacles in our midst.

We continue to negotiate with the Pittsburgh Federation of Teachers to achieve consensus toward a final settlement, one that keeps students at top of mind while also ensuring that our dedicated professionals are treated fairly and acknowledged for this, their most critical work.

As we enter the second semester, we eagerly anticipate new milestones. We will focus on the development of our people. We are committed to continuous improvement and providing supports for all employees through increased professional development opportunities that clarify and elevate expectation.

We have contracted with Learning Forward to evaluate current professional development programs and develop a comprehensive district-wide plan aligned to redefined expectations outlined in the Every Student Succeeds Act, which call for deeper, more meaningful professional development that is sustained over time. We are launching our work with the National Institute of School Leadership (NISL) for coaching to further the growth and development of principals and other school leaders.



Later this month, we will begin working with NISL using research-based programs of inquiry, learning, and development to build the capacity of my leadership team to understand what makes top performing systems work. Furthermore, this development opportunity will increase the team's leadership skills and attributes – to think strategically, drive change, build teams and lead ethically towards an equitable education for all students. In addition, we will work with external stakeholders from Colleges/Universities, Foundations, Labor and other systemic partners as we create a comprehensive framework for overall District Improvement.

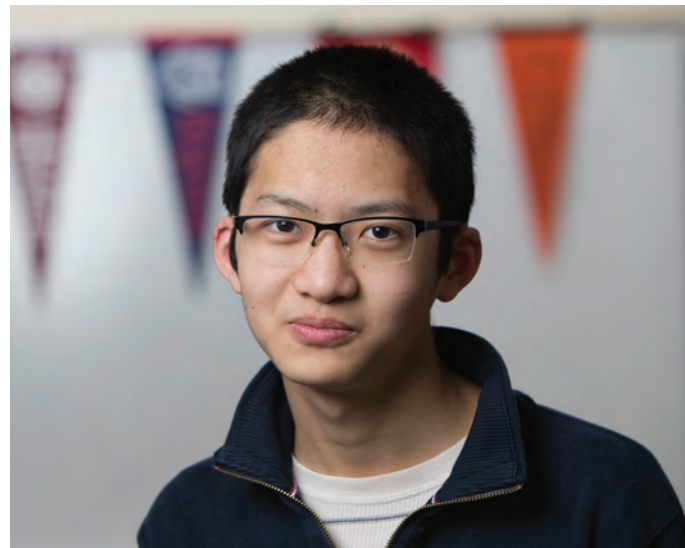
Also, I would not be a good Superintendent if I did not mention a few items that we would like to ask for from you:

- We would love to begin Career and Technical Education (CTE) before 10<sup>th</sup> grade.
- Head Start Supplement Assistance Program (HSSAP) is State Funding that is set at 100% Federal Poverty Level (FPL). PreK Counts is set at 300% and Free and Reduced Meals up to 185%.

I look forward to building on this foundation together with you, our stakeholders, as well as our teachers, staff, and students, to achieve a future of continued excellence.

Yours in education,

Dr. Anthony Hamlet



**Expect great things.**  
2017–2022 STRATEGIC PLAN



2017-2022 STRATEGIC PLAN

PITTSBURGH PUBLIC SCHOOLS

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**Expect great things.**

# Dear Students, Parents, PPS Staff, Business Leaders, & Community Members:

After decades as an educator with Pittsburgh Public Schools, I sought a seat on the school board to continue helping students get the best education possible to prepare them for college, the workplace, and productive, fulfilling lives. Just as learning is lifelong, so is my holistic approach to educating children.

Improving our schools and students' learning is a process—one that involves all of us in the community. I look for many positive things to happen over the next few years. My colleagues and I have charged Superintendent Anthony Hamlet with developing critical initiatives, such as community schools and restorative practices, to help children, their teachers, and families. I'm pleased that Dr. Hamlet has willingly met the challenges and included many people in finding solutions.

As you will see in this report, there is obvious need for change. Our student populations are diverse and the board has taken steps to ensure equity, such as with its policy to protect the rights of transgender students. Now we need to sharpen our focus to improve student learning outcomes, and provide teachers and staff with relevant instructional support to reach all students.

We have much work to do. In 2015–16, only 47.9% of students were proficient or advanced on the English Language Arts state assessment in the third grade. Dramatic gaps exist between the performance of white students and African-American students in every grade level. Our graduation rate has dropped, enrollment continues to decline, and disciplinary actions have disproportionately fallen on students of color, causing them lost instructional time.

Yet there is reason to expect good things because of the strategies outlined herein. We've set a solid course for moving forward, thanks to nine months of valuable feedback from the community, data examination, and objective evaluations from credible, independent organizations. We're grateful for the input and assistance.

Our goals are to increase proficiency in literacy and math for all students. We want to ensure that all students learn the skills they need to succeed in college, career and life, whether they choose higher education or the workplace following high school. And we must eliminate the longstanding racial disparity in student achievement levels.

I'm confident that by working together we can strengthen the culture, systems and leadership of Pittsburgh Public Schools and raise our children's expectations for their futures. On behalf of the entire PPS Board of Directors, thank you for your continued support.



Dr. Regina B. Holley  
District 2, Board President



# Dear Students, Parents, PPS Staff, Business Leaders, & Community Members:

This is an exciting time for Pittsburgh Public Schools (PPS). It is both a time of change and a time of great opportunity. We have the opportunity to align ourselves with the growing Pittsburgh marketplace and develop well-rounded, academically prepared graduates with the ability to compete locally, nationally, and globally. But it is also a time of challenges, as our nation struggles with many issues surrounding public education and how to improve our public schools.

Although I am a newcomer to this District and Pittsburgh, there is no doubt in my mind that we have the potential to step up as a leader. We have a history of innovation, a passion for educating all students, and a commitment to make things happen. The future of our children and the vitality of our city and region is at stake. Our priority must be to ensure that every child in this District has the supports and opportunities he or she deserves to be successful after graduation. It must be a collective effort. And we must have a solid, actionable plan.

That is why, from day one, I began a dialogue with students, parents, District staff, and community leaders. I wanted to understand, through the lens of the District's closest constituents, what they saw as PPS's greatest strengths, and where there was room for improvement. Over four months, approximately 3,500 individuals provided frank, and much-appreciated feedback. This level of engagement demonstrates that Pittsburgh residents and staff care about our youth and expect all Pittsburgh Public Schools to deliver a high-quality education to all students.

Input from these stakeholders helped me to formulate a plan for how to move Pittsburgh Public Schools forward and how to achieve our very important goals. I also incorporated findings from the Council of the Great City School's (CGCS) organizational assessment in the plan. I believe this was essential. As an independent third party, CGCS was able to provide us with an honest assessment of our organization, and how we compare to high-performing urban districts across the country. The process was both enlightening and encouraging. The results are presented here, in our *2017–2022 Strategic Plan: Expect great things*.

You'll see that our vision of graduating all students so they are ready to complete a two- or four-year college or workforce certification has not changed. But our roadmap to achieve this vision has. While no two students are ever the same, each one deserves a high-quality education from us. They deserve to be challenged and excited about learning. We must set the bar high and let them know that we expect great things from them. At the same time, we must hold high expectations for our staff and all our Pittsburgh families.

As you review our *Expect great things* five-year strategic plan, you'll see we have set four specific long-term outcomes. From these we have identified four strategic themes with objectives, and nineteen strategic initiatives that will be implemented over the next three years. The city of Pittsburgh has always been known for its grit, its hardworking spirit, and its ability to keep reinventing itself. Now is the time to reinvent Pittsburgh Public Schools and put the Pittsburgh perseverance to work.

We can do it if we expect great things from ourselves and our students, and if we hold each other accountable. I believe our *2017–2022 Strategic Plan: Expect great things* is the first step in that direction. Please join in partnership with PPS to ensure all of our students receive the high-quality education they deserve so they graduate from our schools prepared for college, career, and life. We expect great things will come from that.



Anthony Hamlet  
Superintendent



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## District Vision

All students will graduate high school college, career and life-ready prepared to complete a two-or four-year college degree or workforce certification.

## District Mission

The Pittsburgh Public Schools will be one of America's premier school districts, student-focused, well-managed, and innovative. We will hold ourselves accountable for preparing all children to achieve academic excellence and strength of character, so that they have the opportunity to succeed in all aspects of life.

## District Beliefs

- All children can learn at high levels.
- Teachers have a profound impact on student development, and should have ample training, support and resources.
- Education begins with a safe and healthy learning environment.
- Families are an essential part of the educational process.
- A commitment from the entire community is necessary to build a culture that encourages student achievement.
- Improvement in education is guided by consistent and effective leadership.
- Central office exists to serve students and schools.



SECTION ONE

# Strategic Plan Rationale: The Case for Change



# ENVIRONMENTAL SCAN: LAYING THE FOUNDATION OF THE FIVE-YEAR STRATEGIC PLAN

Superintendent Hamlet wanted to ensure that the development of the Pittsburgh Public Schools (PPS) five-year strategic plan was comprehensive, authentic and took into account all points of view. Dr. Hamlet and his team followed a structured process that included a strong community engagement effort, a review of District data and a third-party organizational assessment.

## Engagement: Look, Listen and Learn Tour

During his *Look, Listen and Learn* tour, which launched on August 25, 2016, Dr. Hamlet visited the District's 54 schools, two Center Schools, and met with staff and held nine public listening sessions across the city. Four additional listening opportunities were provided to the Pittsburgh Federation of Teachers (PFT) union membership, principals, the faith-based community and high school students. At each session, participants were organized in small working groups and were asked to answer three questions:

- What are assets of the District that must be sustained and preserved?
- What are areas in need of improvement as we look to the future?
- What programs or solutions do you think should be considered by the District in this process?



The same questions were provided in an online survey to gain additional feedback. Through this process, the District received input from more than 2,500 individuals. Each of the responses captured in a listening session or online were read and categorized, and those categories were combined into larger themes. The top themes were then used to create a strategic planning input survey. The survey was open for a little over 2 weeks. The survey was designed to provide an additional way for the District to prioritize the feedback from PPS stakeholders and identify District assets and the top priority areas for improving student achievement. Over 1,000 individuals responded to the strategic planning input survey. Collectively, the Superintendent's *Look, Listen and Learn* tour engaged more than 3,500 constituents.

As a result of the data, community feedback and third-party analysis, an initial strategic plan framework was shared with the Board of Directors in November 2016. The Superintendent then held an additional six Strategic Plan Community Feedback Sessions to gain input on the draft framework. Consistent feedback gathered at the sessions demonstrates there was consensus that the strategic plan framework was succinct, focused and logical and that the long-term outcomes and strategic themes are appropriate and represent the right priorities. Internal Theme Teams were then identified to develop objectives and strategic initiatives for each strategic theme.

# DISTRICT ASSETS

Pittsburgh Public Schools has several assets to build upon that emerged from stakeholder feedback, achievement data and third-party analysis.

## Quality and Dedication of PPS Staff

Consistently, throughout the Look, Listen and Learn tour, and on the strategic plan input survey, the quality and dedication of PPS staff was a strength recognized by all stakeholders. In our 2016 annual parent survey results showed:

- 77% of parents would recommend their school to another family
- 81% of parents agree that “adults at this school care about your child.”

Students also felt positively about their teachers on a student survey administered annually. Results from 2015–2016 show that 92% of students in grades K–2 and 87% of students in grades 3–5 agree or strongly agree with the statement “I like the way my teacher treats me when I need help.” Over 70% of middle and high school students agreed with the statement “My teacher in this class makes me feel that he/she really cares about me.”

## The Pittsburgh Promise

Parents and students alike appreciate and value the Pittsburgh Promise scholarship program. Since 2008, more than 6,000 Pittsburgh Public School students have benefited from the Promise. Ninety-two percent of parents who completed the annual parent survey have heard about the Pittsburgh Promise and almost half, 43% of parents report that this was a significant factor in their decision to send their child to Pittsburgh Public Schools.

Recent data shows that while Promise scholars have attended 129 different post-secondary institutions across Pennsylvania, 75% of scholars attend one of the 16 colleges listed below. In all but three of them, Promise scholars are persisting at the same or better rates than the rest of the student body.

Post-Secondary Institution <small>(Sorted in order of difference between school's retention rate and Promise cohort at that school.)</small>	Promise Scholars at this School	Promise Scholar Retention Rate (2012–2014)	*IPEDS Retention Rate (2012–2014)	Difference (2012–2014)
La Roche University	1.50%	81%	59%	22%
Penn State University (Main)	4.40%	86%	68%	18%
Point Park University	4.60%	79%	67%	12%
Carlow University	2.80%	73%	63%	10%
Indiana University of PA	3.60%	73%	63%	10%
Duquesne University	3.00%	81%	72%	9%
Chatham University	1.80%	82%	75%	7%
Edinboro University of PA	2.60%	60%	57%	3%
CCAC	25.10%	40%	37%	3%
Robert Morris University	3.90%	81%	79%	2%
Clarion University of PA	2.70%	66%	64%	2%
Slippery Rock University of PA	4.70%	82%	81%	1%
Temple University	2.30%	90%	90%	0%
University of Pittsburgh (Main)	6.30%	83%	86%	-3%
Carnegie Mellon University	1.20%	91%	96%	-5%
California University of PA	2.80%	72%	78%	-6%

Citation: Iriti, J. & Long, C. (2016). Pittsburgh Promise Analyses. Pittsburgh, PA: Learning Research and Development Center. \*The Integrated Postsecondary Education Data System (IPEDS) is the data collection program for the National Center for Education Statistics (NCES)

## Early Childhood Programs

The District's 85 early childhood classrooms serve an average of 1,700 students ages three and four annually. Investing in high-quality pre-kindergarten has always been a priority in Pittsburgh and will continue to be. There is strong evidence that students not only enter school more ready to learn than their peers when they attend high-quality pre-kindergarten programs, but the early investments in PreK can have long-term benefits of reduced crime, and education and social services savings.

In Pittsburgh, data from the 2015–16 Early Childhood Education Department annual report shows African-American<sup>1</sup> students entering the Early Childhood Program at three years old are, on average, scoring 4% below their white peers. By the time they leave the Early Childhood Program at four or five years old, there is no longer a racial achievement disparity<sup>2</sup>. In fact, for the 2015–16 year, African-American students finished the school year a full percentage point above their white peers. Data also reveals that children who attend our early childhood programs, grow their learning significantly in seven areas from the time they enter as three year olds to when they exit as four year olds.

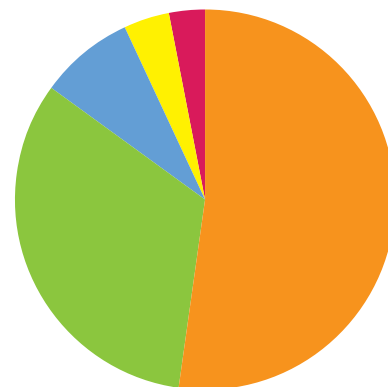
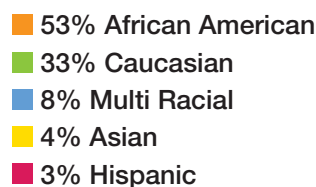
**Early Childhood Student Growth Over a Two Year Period (Entry to Exit)**

	Personal & Social Development	Language & Literacy	Mathematical Thinking	Scientific Thinking	Social Studies	The Arts	Physical Development & Health
<b>At Entry: 3 year olds in Fall 2014</b>	19%	11%	6%	5%	11%	25%	32%
<b>At Exit: 4 year olds in Spring 2016</b>	82%	78%	72%	70%	76%	87%	88%

## Diversity of PPS Students

An asset our parents, community and staff continue to point out is the District's student diversity.

The District currently serves 1,056 English as a Second Language (ESL) students. The largest languages spoken by the District's ESL students are Spanish (246) and Nepali (204). Additional languages include Swahili (150), Arabic (151), Russian/Uzbek (59), Chinese (54) and more (156)—Burmese, Karen, French, Somali, Farsi, Kinyarwanda, Kirundi, Japanese, Portuguese, Haitian Creole, and more.



1. On average 70% of students attending the District's early childhood program are African American.

2. On average only 29% of students that attend Kindergarten in Pittsburgh Public Schools attended the District's early childhood program.

*I applaud Dr. Hamlet for his direction in ensuring that instead of pointing fingers, the District finds the answers to the hard questions about what organizational barriers are hindering the District's ability to produce better results. By utilizing our report, the District will better understand how to move forward productively in order to improve for all students.*

**Mike Casserly, Executive Director, Council of the Great City Schools**

# OPPORTUNITIES

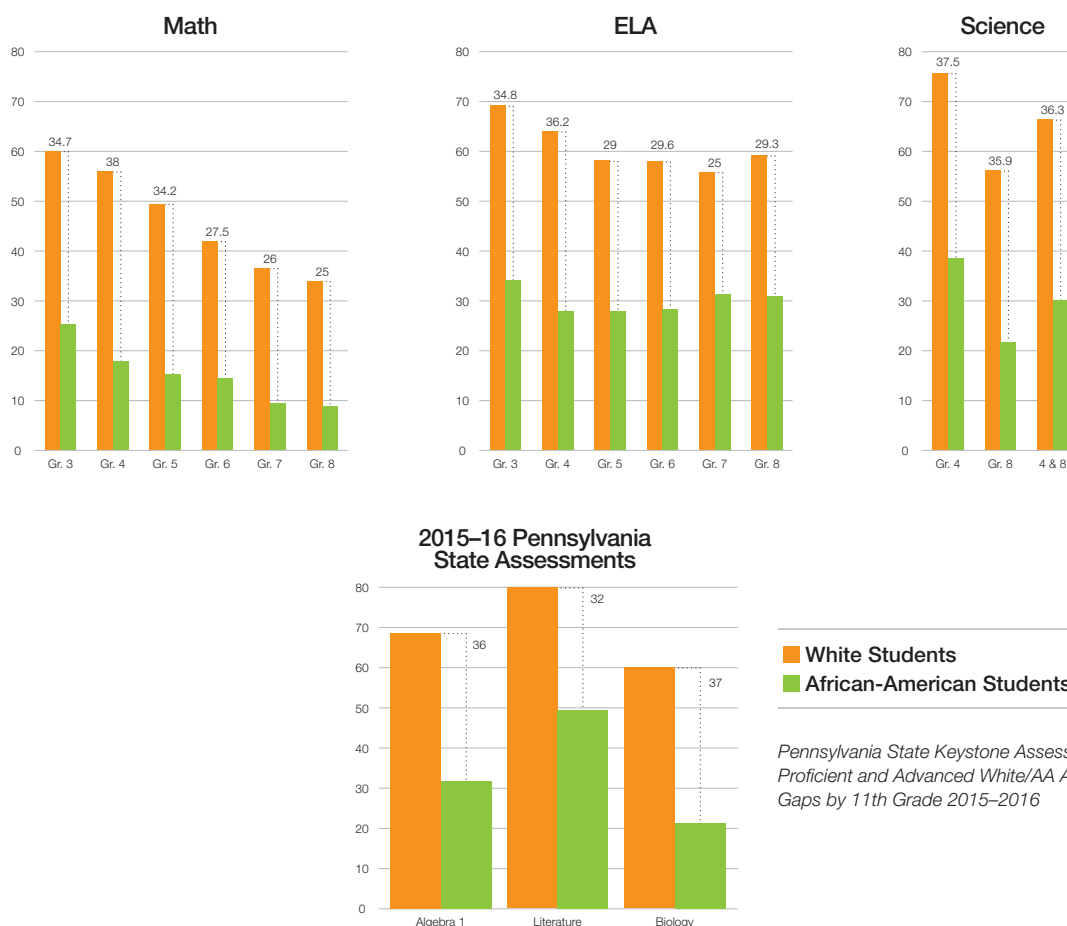
There are several areas that were identified as priority areas for improvement through stakeholder feedback, achievement data review and a third-party analysis completed by the Council of the Great City Schools (CGCS). The full report of the CGCS findings can be found at [www.pps.k12.pa.us/CGCSreport](http://www.pps.k12.pa.us/CGCSreport). A crosswalk of how each of the CGCS's recommendations map to the Strategic Plan is included on pages 28–32.

## Students are not Reading on Grade Level by Third Grade

In 2015–16, only 47.9% of students were proficient or advanced on the English Language Arts state assessment in the third grade. The study, “Double Jeopardy: How Third-Grade Reading Skills and Poverty Influence High School Graduation,” ([www.aecf.org/m/resourcedoc/AECF-DoubleJeopardy](http://www.aecf.org/m/resourcedoc/AECF-DoubleJeopardy)) found that one in six children who are not reading proficiently in third grade do not graduate from high school on time, a rate four times greater than that for proficient readers.

## The Achievement Disparity Continues

When we look at the performance of the white students versus the African-American students, there is a dramatic disparity in every grade level and every subject. One finding, which is not commonly seen, is that our achievement disparity begins in the third grade. A typical pattern is that the disparity is smaller in the lower grades, and becomes more exacerbated as students grow into middle school and high school. The disparity is only smaller in math at eighth grade because white student performance also dropped.



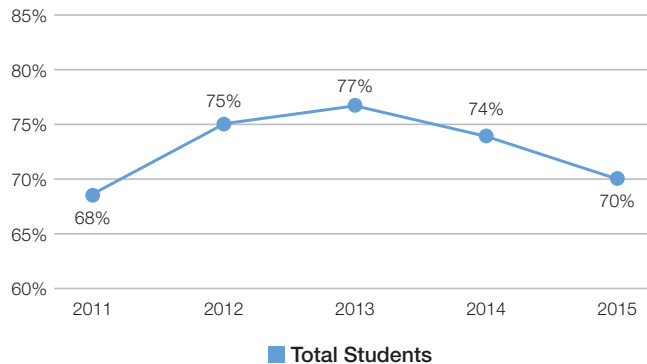
As we work to further understand and address our achievement disparity, we are also working to ensure our lowest performing schools are receiving the supports they need to advance student learning and growth. Of our 54 schools, the Pennsylvania Department of Education has designated five schools as Focus and eleven schools as Priority<sup>1</sup>. An additional eleven schools placed in the bottom 15% of schools in the state on the combined mathematics and reading scores on the statewide annual assessments administered in 2016.

1. Focus and Priority school designations were made during the 2013–2014 school year based on 2013 assessment data. A Focus designation is a school in the lowest 10% of Title I schools statewide (not already identified as priority). A Priority designation is a school in the lowest 5% of Title I schools statewide. The designation is kept for three years regardless of improved student performance. Four Annual Measurable Objectives (AMOs) are used to determine a school's designation. The four AMOs include: 1) measuring test participation rate; 2) graduation rate for high schools or attendance rate for K–5, K–8, and 6–8; 3) closing the achievement gap for all students; and 4) closing the achievement gap for the historically underperforming students.

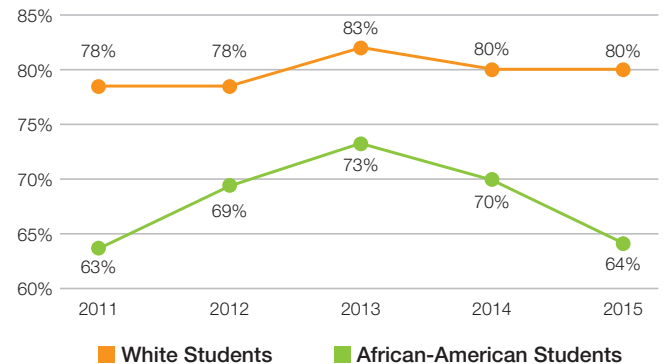
## Our High School Graduation Rate has Dropped

The graduation rate has dropped by 7% since 2013. Among white students, it has dropped by 3% and by African-American students, it has dropped by 9%. When we look at our graduation rates by subgroups, overall our graduation rate is about 70%. Our white students are graduating at a rate of 80%, and African-American students are graduating at a rate of 64%. Our economically disadvantaged students are graduating at a rate of 71%.

PPS High School Graduation Rates

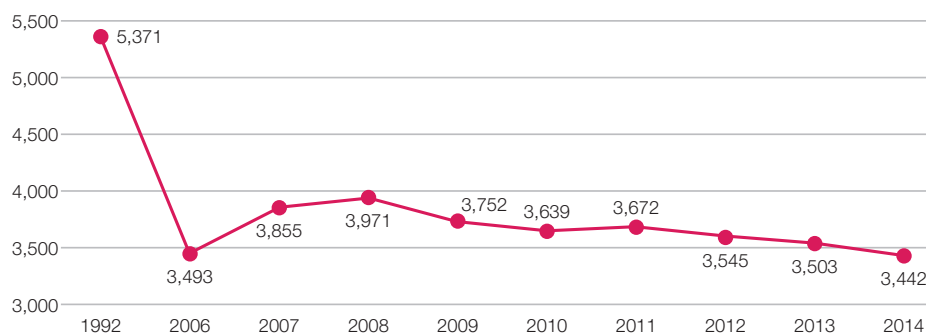


PPS High School Graduation Rates by Ethnicity



## Pittsburgh's Birth Rate is on the Decline

According to the Pennsylvania Department of Health, the birth rate in the City of Pittsburgh is dropping and is now lower than it was in 2006. In 1992, there were 5,371 births. The most recent data available in 2014 shows a drop to 3,442. This drop impacts District enrollment numbers, which have also been steadily declining each year.



## Our Instructional Systems are Weak and Disjointed

To build the District's capacity to improve student achievement, the curriculum, assessment system, professional development, and teacher evaluation system (RISE) must be aligned with Pennsylvania Core Standards. (*Council of the Great City Schools Report, pg. 35*)

## No System-wide Strategy to Address School Climate and Student Discipline

By not having a system-wide strategy to address student discipline and school climate, disciplinary actions are disproportionately falling on students of color which causes a significant loss of instructional time for these students. (*Council of the Great City Schools Report, pg. 67*)





SECTION TWO  
**Expect great things.**

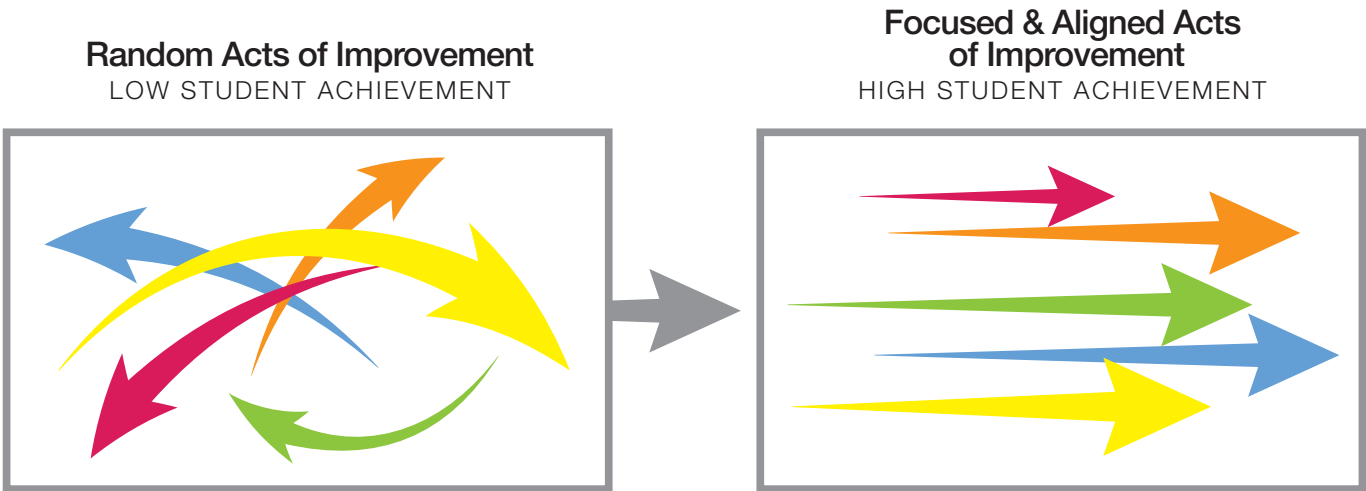


# Expect great things.

In order to achieve our vision for all students, a detailed roadmap was needed to ensure a clear path forward. As a result of nine months of intensive work—gathering feedback, understanding our data, and conducting an honest evaluation of organizational barriers—we are now well-informed on how to successfully implement changes and shape a student-centered culture that is high-performing and built on continuous improvement.

This work begins by making sure there is alignment system-wide and everyone is focused on the same work. Because school districts are complex systems that operate within multiple contexts and often face external challenges, it is critical that the system and all of its pieces are moving in the same direction and operating effectively.

When a system has too many competing priorities, there is a lack of clarity and focus. As shown below, random acts of improvement lead to low student achievement and focused and aligned acts of improvement lead to high student achievement.





We are making new investments across the District that include: a new coaching model to support teacher growth, a robust professional development plan for all staff, and aligning departmental workflows based on the recommendations from the Council of the Great City Schools.

To immediately address the needs of our lowest performing schools, we plan to invest in the creation of an Office of School Transformation. The Office of School Transformation will be staffed by a leader with a proven track record in school turnaround and transformational success. The office will include a team that will concentrate on school culture, systems, instruction and data analysis. In addition, there will be more support for English Language Learners and an enhanced instructional strategy for Students with Exceptionalities. STEAM education and our Early College High School model will be expanded and other innovative and specialized programming will be added to the curriculum.

Our *2017–2022 Strategic Plan: Expect great things* will not only align our work, it will help to create a strong system. Building a strong educational system and public school experience for all students requires strong leadership at every level of the organization. Effective leaders place student learning at the center and hold high expectations for all students and increase the ability of all students to meet college and career-readiness standards. In the research report “Characteristics of Improved School Districts: Themes from Research” (<http://www.k12.wa.us/research/>), effective leaders ensure there is high-quality instruction occurring at every school in every classroom, for every student. The tenets of high-quality instruction in Pittsburgh include culturally relevant pedagogy, rigor, student engagement and demonstration of student understanding. It is important that all instructional staff utilize research-based strategies, evidence-based instructional practices, and 21st Century tools to ensure standards-based instruction for ALL students.

Effective leaders work to put systems and structures in place that support governance, curriculum and instruction, data collection and analysis, professional development and student and parent outreach.

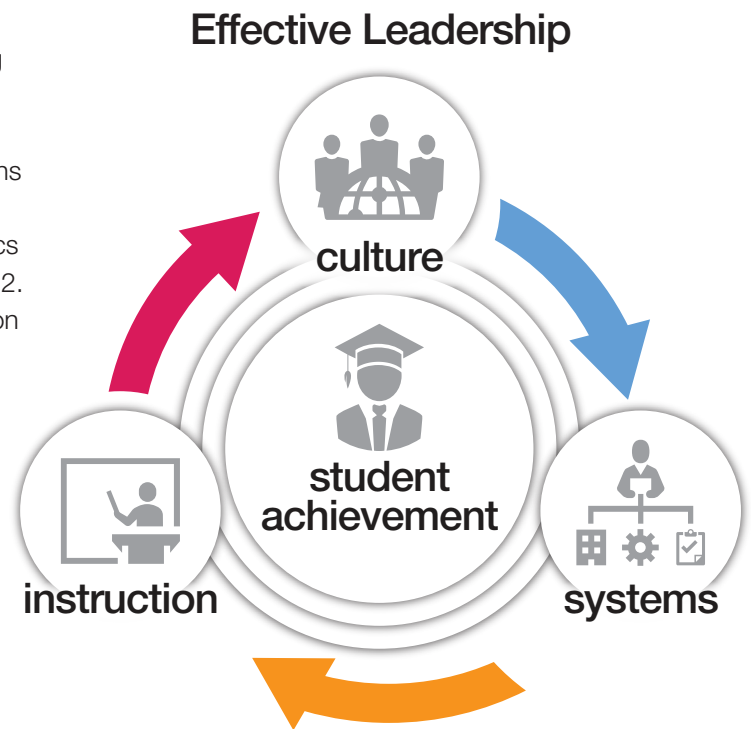
They also develop a process where a school's system of beliefs progressively shifts the behaviors to where adults have high expectations and believe that all students can learn, thus increasing ALL students' ability to meet college and career readiness requirements. At Pittsburgh Public Schools, we will build a strong education system so all of our children, regardless of where they started have a successful school experience that prepares them to graduate college, career and life-ready prepared to complete a two- or four-year college degree or workforce certification.

We are confident that our *2017–2022 Strategic Plan: Expect great things*, outlines the steps we need to achieve our vision and reach our four long-term outcomes.

## Long-term Outcomes

- Increase proficiency in literacy for all students
- Increase proficiency in math for all students
- Ensure all students are equipped with skills to succeed in college, career and life
- Eliminate racial disparity in achievement levels of African-American students

Our Strategic Plan Framework outlines four strategic themes each with separate objectives and strategic initiatives. Each strategic initiative in the plan will be phased in over a three year period to ensure sufficient staff capacity, strong implementation planning and continuous monitoring. Phase One strategic initiatives on pages 16 through 22 will launch this school year.





# Strategic Plan Framework

## Long-Term Outcomes

Increase proficiency  
in literacy for all students

### Strategic Theme #1

Create a positive and supportive school culture.

#### Objectives

1. Meet the holistic needs of all students.
2. Establish a shared commitment and responsibility for positive relationships with every student, family, and staff member.
3. Create effective family and community partnerships in every school.

#### Strategic Initiatives

##### PHASE 1

- 1a. Establish a system-wide Multi-Tiered System of Support (MTSS) process, that includes Positive Behavior Interventions and Supports (PBIS) and restorative practices, implemented through high-functioning Student Assistance Program (SAP) teams in every school that are equipped to follow the process with fidelity.
- 2b. Develop and communicate explicit and consistent expectations for staff interactions with students and families.
- 3b. Implement a tiered and phased community schools approach.

##### PHASE 2

- 1b. Embed elements of social-emotional learning into academic instruction.

##### PHASE 3

- 1c. Develop individual student success plans for all students.
- 3a. Develop effective partnerships among schools, students, families, and community organizations, utilizing a research-based framework that fosters collaboration for student success.

### Strategic Theme #2

Develop and implement a rigorous, aligned instructional system.

#### Objectives

1. Establish a rigorous District-wide curriculum and assessment framework that is culturally inclusive.

#### Strategic Initiatives

##### PHASE 1

- 1a. Develop and design a common curriculum framework.
- 1b. Develop a comprehensive assessment system aligned to grade-level expectations.
- 1c. Implement an instructional system with aligned and equitably distributed resources.

## District Vision

All students will graduate high school college, career and life-ready prepared to complete a two- or four-year college degree or workforce certification.

## District Mission

The Pittsburgh Public Schools will be one of America's premier school districts, student-focused, well-managed, and innovative. We will hold ourselves accountable for preparing all children to achieve academic excellence and strength of character, so that they have the opportunity to succeed in all aspects of life.

Ensure all students are equipped with skills to succeed in college, career and life

Increase proficiency in math for all students

Eliminate racial disparity in achievement levels of African-American students

### Strategic Theme #3

Provide appropriate instructional support for teachers and staff.

#### Objectives

1. Impact student outcomes by increasing teacher knowledge through a cohesive system of instructional support.

#### Strategic Initiatives

##### PHASE 1

- 1b. Align instructional support efforts to ensure collaboration between school administrators and staff around the school's professional development focus.

##### PHASE 2

- 1a. Ensure that all professional development for teachers and staff follows research-based and culturally relevant practices.
- 1c. Provide differentiated instructional support that is based on data and deployed through school-based, district-wide, and online learning opportunities.
- 1d. Ensure that supervisory and support staff who engage in instructional conversations with teachers receive differentiated learning opportunities to be effective in their roles.

### Strategic Theme #4

Foster a culture of high performance for all employees.

#### Objectives

1. Attract and retain high-performing staff who hold high expectations for all students.
2. Enhance District-wide systems that promote shared accountability, high expectations, and continuous growth for all employees.

#### Strategic Initiatives

##### PHASE 1

- 1a. Develop and broaden teacher pipeline and recruitment efforts to yield a diverse, culturally competent and effective workforce.
- 1b. Develop a rigorous selection and hiring process that ensures the most effective workforce.

##### PHASE 2

- 2b. Review and modify performance management systems to maximize impact on professional growth and student outcomes.

##### PHASE 3

- 1c. Promote retention and reduce negative effect of turnover.
- 2a. Create comprehensive professional learning environments to both facilitate role-specific learning and to enable employees to grow and develop.

*Phase 1: Launching now through June 2017*

*Phase 2: Launching in the 2017–2018 School Year*

*Phase 3: Launching in the 2018–2019 School Year*

# Strategic Theme #1

## CREATE A POSITIVE AND SUPPORTIVE SCHOOL CULTURE

The National School Climate Center<sup>1</sup> defines school climate as the quality and character of school life that can directly impact indicators of success such as teacher retention, dropout rates, incidences of violence, and student achievement. There is significant evidence that the quality of the relationships students have in and out of school influence student behavior. Some experts<sup>2</sup> have observed that increasing youth-adult connection is at the heart of anti-violence and anti-bullying efforts. Small changes to a school culture such as visible and supportive caring adults in hallways and classrooms can provide increased student engagement, which is associated with positive academic outcomes.

The District seeks to establish a system-wide culture where students, families and employees feel engaged, welcomed and respected. Having staff trained and knowledgeable about the types of basic physical, mental and emotional needs that may be barriers to a student meeting their fullest potential can go a long way in establishing school climates that are supportive to all student's needs. To create positive and supportive school cultures District-wide, the District will meet the objectives below by implementing seven strategic initiatives over the next three years. Prior to the end of this school year (2016–2017), the following three strategic initiatives will launch and implementation will begin.

### Objectives

1. Ensure that the holistic needs of all students are met.
2. Establish a shared commitment and collective responsibility for positive relationships with every student, family, and staff member.
3. Establish effective family and community partnerships in every school.

### Phase 1 Strategic Initiatives

**1a. Establish a system-wide Multi-Tiered System of Support (MTSS) process, that includes Positive Behavior Interventions and Supports (PBIS) and restorative practices, implemented through high-functioning Student Assistance Program (SAP) teams in every school that are equipped to follow the process with fidelity.** At the completion of strategic initiative 1a, the following outcomes will be achieved:

- Tiered methods to build community, strengthen relationships, and provide academic and behavioral support in every school.
- High-functioning, collaborative support teams will exist in every school.

**2b. Develop and communicate clear, consistent, and explicit expectations for staff interactions with students and families.** Once strategic initiative 2b is successfully implemented the following outcomes will be achieved:

- Schools and facilities provide positive, supportive and welcoming environments.
- Families have access to a comprehensive set of resources in multiple languages.
- All staff feel a sense of ownership and are committed to the District's mission and vision.
- High-quality customer service interactions amongst staff, students, families and partners.

**3b. Implement a tiered and phased community schools approach.** At the completion of strategic initiative 3b, the following outcomes will be achieved:

- A phased approach with increased District and community support in all schools, including expanded nursing services and support for social workers and guidance counselors.
- Designated Community Schools through a standard application process managed by a central District Community School Steering Committee.
- Ongoing needs assessments and evaluation at designated Community Schools.

1. <http://www.schoolclimate.org/climate/>

2. <http://www.schoolclimate.org/climate/documents/policy/sc-brief-v5.pdf>



“It’s important  
to have discussions.”

## Etana Laing

Student, Pittsburgh Obama

“I became co-founder of the Black Student Union and a member of the African American Centers for Advanced Studies (AACAS) Council because it’s important to have discussions about black issues and black culture in our schools.”



**Expect great things.**



# Strategic Theme #2

## DEVELOP AND IMPLEMENT A RIGOROUS, ALIGNED INSTRUCTIONAL SYSTEM

Research conducted by the National Center On Education and The Economy<sup>3</sup> found six components that the world's highest performing education systems have. They include:

- System-wide goals
- High standards for ALL students
- Curriculum Framework
- Syllabi and Related Instructional Materials
- Assessments (formative and summative)
- Teacher Development Systems

These components are interrelated and form a high-quality aligned instructional system that when functioning optimally, complement one another. While educational reform efforts in the US and globally often focus on these components, too often they function in isolation. The District seeks to implement this type of system so that there are clear standards outlining what a student should know and be able to do at each level of their learning. Assessments, both formative and summative, exist and are aligned to measure student mastery of the standards. And, teachers have instructional methods and resources, along with high-quality professional development that advances their learning and student outcomes. To achieve the objective below, the District will launch the following three strategic initiatives this school year.

### Objective

1. Establish a district-wide curriculum and assessment framework that is culturally inclusive and rigorous.

### Phase 1 Strategic Initiatives

**1a. Develop and design a common curriculum framework.** At the completion of strategic initiative 1a, the following outcomes will be achieved:

- Instructional materials that are standards-based and fully aligned to the Pennsylvania Core standards.
- Grade level expectations and learning experiences that are aligned with our goals for students.
- Flexibility in instructional delivery based on formative and summative data.
- Improved student assessment data outcomes.
- Improved teaching and learning.

**1b. Develop a comprehensive assessment system aligned to grade-level expectations.** At the completion of strategic initiative 1b, the following outcomes will be achieved:

- Consistent access to timely and relevant data to assist in decision making.
- Formative and summative assessments that are standards-based and fully aligned to the Pennsylvania Core standards.
- Data to inform and design instruction.
- School-level assessment data to understand what students know and are able to do at each grade level and inform a student's learning needs.
- District assessment data to inform the needs of specific schools.

**1c. Implement an instructional system with aligned and equitably-distributed resources.** At the completion of strategic initiative 1c, the following outcomes will be achieved:

- The District's instructional system will have aligned resources that include: system-wide goals; high standards for all students; curriculum frameworks; syllabi and related instructional materials; formative and summative assessments; and a teacher development system linked to the standards and curriculum.
- Research-based model for funding allocation.



## Rajae Childs

Student Envoy, Pittsburgh Milliones

“Being a Student Envoy has impacted my life in that it made me realize my potential as a leader. When you become a leader, you definitely have more opportunities than a follower.”



# Expect great things.

# Strategic Theme #3

## PROVIDE RELEVANT AND TIMELY INSTRUCTIONAL SUPPORT FOR TEACHERS AND SCHOOL-BASED STAFF

This theme area ensures teachers and school-based staff receive the instructional support they need, when they need it, so that all students are receiving high-quality instruction and yielding positive results in the classroom. Information gathered from District surveys of teachers reveals that teachers are unhappy with both the content and delivery of the instructional support they currently receive. District-wide professional development days are poorly attended and school leaders have a lack of knowledge regarding what their teachers are learning during professional development and how it connects back to the work teachers are expected to do within their classrooms.

A common theme heard during the Superintendent's *Look, Listen and Learn* tour was that teachers wanted more job-embedded and differentiated professional development that met their learning needs.

To achieve the objective below, the District will launch four strategic initiatives over the next three years. Prior to the end of this school year (2016–2017), one strategic initiative will launch and implementation will begin.

### Objective

1. Increase teacher knowledge around content, pedagogy, and cultural relevance to impact student outcomes through a cohesive and coherent system of instructional support.

### Phase I Strategic Initiatives

#### 1b. Align instructional support efforts to ensure a collaboration between school administrators and district staff

**around the school's professional development focus.** At the completion of strategic initiative 1b, the following outcomes will be achieved:

- Collaborative instructional support resulting in positive changes in teacher practice.
- Consistent teacher practice and pedagogy will take place across schools.
- Clear and constant communication on teacher learning between school administration and Central Office Staff.







## Theo Sowers

Student, Pittsburgh Brashear  
Gay Straight Alliance (GSA)

"I believe we all need to progress in society. Coming to Pittsburgh Public and having a policy where I can identify and be accepted, and not be bullied was a really big thing."



# Expect great things.



# Strategic Theme #4

## FOSTER A HIGH-PERFORMANCE CULTURE FOR ALL EMPLOYEES

While it is widely known that teachers are the number one school-based factor in student outcomes, the District believes all staff contribute to student success. To create a high-performance culture for all employees, it is important to have a strong recruitment and retention strategy.

Nationally, teacher shortages are increasing the pressure Districts already feel to effectively plan and implement strong recruitment and retention efforts. Based on District data, some roles are consistently hard to staff and could benefit from a deliberate pipeline program.

Traditionally, the District has hired the majority of its teachers from a relatively small pool of teacher preparation programs around the Pittsburgh area. While these programs have provided the District with some great teachers, the candidate pool often lacks diversity and certifications in high-demand areas such as biology, world languages and mathematics.

In order to meet the two objectives under this strategic theme, the District will implement five strategic initiatives over the next three years. Prior to the end of this school year (2016–2017), two strategic initiatives will launch and implementation will begin.

### Objectives

1. Ensure the district's staffing strategy results in attracting and retaining high performing staff across the district who hold high expectations for all students.
2. Enhance systems that promote shared accountability, high expectations, and continuous growth for all employees.

### Phase 1 Strategic Initiatives

**1a. Develop and broaden teacher pipeline and recruitment efforts to yield a diverse, culturally competent and effective workforce.** At the completion of strategic initiative 1a, the following outcomes will be achieved:

- Larger hiring pool of diverse, highly-qualified candidates leading to filled vacancies.
- More engaging experience for candidates.
- Targeted expansion of recruitment borders to Historically Black Colleges and Universities (HBCUs) and other non-local schools of education.
- Meaningful collaboration with the School District University Collaborative.

**1b. Develop a rigorous selection and hiring process that ensures the most effective workforce.** At the completion of strategic initiative 1b, the following outcomes will be achieved:

- A system for selecting and hiring a more diverse, highly qualified candidate pool.
- Establish diversity goals for school-based and central office positions.
- Ensure District hiring policies and practices are aligned with best practices.
- Create staffing criteria for specific schools based on need.

*Additional information on all phase 1 strategic initiatives are provided as one-page handouts in the back of the plan.*



Mentors build  
**positive  
relationships.**

## Jason Rivers

Project Manager, Office of Equity and Co-Director, We Promise program

“We use mentors and positive relationships to interrupt some of the things that pose challenges to our young black males. The We Promise program helps them maximize their potential, both in and out of the classroom.”



**Expect great things.**





SECTION THREE  
**The Next Steps**

## ACTION PLANNING

As outlined in the Strategic Plan Framework on pages 14–15, in year one (May 2017 through June 2018), nine strategic initiatives will begin to be implemented. Each initiative is led by an action team of 5–8 staff with support from an advisory committee. The work of each action team will be monitored regularly to ensure fidelity of implementation. System-wide communications plans will support the implementation to ensure transparency, buy-in and accountability. The Superintendent will provide regular process updates to keep staff and the public informed.

## MEASURING OUR RESULTS

A well-known priority of Superintendent Hamlet from day one has been to create a student-focused culture built on continuous improvement. This includes establishing a set of performance measures for each of the long-term outcomes outlined in this plan. These performance measures will routinely be monitored by the Superintendent and the Board of Directors to ensure the District is staying on track to improve student outcomes. Annually, the Superintendent will provide a report to the community to ensure transparency regarding the performance measures and to share updates on the implementation of each of the strategic initiatives.

## LONG-TERM OUTCOME PERFORMANCE MEASURES

### **Increase Proficiency in Literacy for all Students**

- Percent of students proficient and advanced on English Language Arts Pennsylvania System School Assessment (PSSA).

### **Increase Proficiency in Math for all Students**

- Percent of students proficient and advanced on Math PSSA/Pennsylvania Alternate State Assessment (PASA)/Keystone Algebra 1 by subgroups.





## Ensure all Students are Equipped with Skills to Succeed in College, Career and Life

- Percent of high school students meeting annual on-track to graduation criteria (TBD)
- Percent of high school students successfully completing at least one Advanced Placement/ International Baccalaureate/Dual Enrollment course
- Percent of high school students successfully completing at least one Career and Technical Education (CTE) course
- High School Graduation Rate, 4 year cohort
- High School Graduation Rates, 5 year cohort
- Percent of students earning professionally recognized certification prior to high school graduation
- Percent of high school graduates enrolling in college the fall after graduation (seamless enrollment)
- Percent of seamless college enrollees persisting to a 2nd year persistence in college, at any institution

## Eliminate Racial Disparity in Achievement Levels of African-American students

- Gap in percent Proficient and Advanced Grades 3, 5, & 8 English Language Arts (ELA) PSSA and Keystone Literature
- Gap in percent Proficient and Advanced PSSA/PASA/Keystone Math/Algebra
- Gap in High School Graduation Rates
- Gap in percent of students earning professionally recognized certification prior to high school graduation
- Gap in percent of seamless college enrollees persisting to a 2nd year persistence in college, at any institution

## Additional Leading Measures that will be Monitored Include:

- Proficiency at grades 1,2,4,6 & 7
- Student attendance
- Out-of-school time
- Non-instructional time for disciplinary reasons
- Enrollment in Gifted and Advanced Placement courses





SECTION FOUR

# Appendices and Recommendations



# CROSSWALK OF ALL PLANS

Strategic Plan	Item Description	Corresponding Council of Great City Schools Recommendations	Connected to 90-Day Plan
	<b>Overall</b> <i>The overarching implementation or monitoring of the Strategic Plan</i>	16, 17, 18, 23, 24	
	<b>Theme 1, Initiative 1a</b> <i>Establish high-functioning Student Assistance Program teams in every school that follow the Multi-Tiered System of Support Process</i>	29, 71, 74, 75	
	<b>Theme 1, Initiative 1b</b> <i>Embed elements of social emotional learning into academic instruction</i>		
	<b>Theme 1, Initiative 1c</b> <i>Develop individual student success plans for all students</i>	23, 60	
	<b>Theme 1, Initiative 2a</b> <i>Implement PBIS with fidelity district-wide, ensuring it is explicitly linked to restorative practices and promotes relationship building</i>	81, 84, 85	Yes
	<b>Theme 1, Initiative 2b</b> <i>Develop and communicate clear, consistent and explicit expectations for staff interactions with students and families</i>		Yes
	<b>Theme 1, Initiative 3a</b> <i>Develop effective partnerships among schools, students, families and community partners, utilizing a research-based framework, to intentionally structure collaboration for student success</i>	63, 64	Yes
	<b>Theme 1, Initiative 3b</b> <i>Implement a tiered and phased community schools approach</i>		Yes
	<b>Theme 2, Initiative 1a</b> <i>Develop and design a common curriculum framework</i>	15, 17, 22, 23, 26, 27, 28, 34, 40, 73, 74	Yes
	<b>Theme 2, Initiative 1b</b> <i>Develop a comprehensive assessment system aligned to grade-level expectations</i>	15, 17, 22, 26, 27, 103, 104, 105, 109, 112	Yes
	<b>Theme 2, Initiative 1c</b> <i>Implement an instructional system with aligned and equitably-distributed resources</i>	15, 26, 27, 30, 31, 72, 74	Yes
	<b>Theme 3, Initiative 1a</b> <i>Ensure that all professional development models follow research-based and culturally-relevant practices</i>	43, 50	
	<b>Theme 3, Initiative 1b</b> <i>Align instructional support efforts to ensure a collaboration between school administrators and district staff around the school's professional development focus</i>		
	<b>Theme 3, Initiative 1c</b> <i>Provide differentiated instructional support that is based on data and deployed via school-based, district-wide and online learning opportunities</i>	39, 40, 45, 46, 51, 62, 73	Yes
	<b>Theme 3, Initiative 1d</b> <i>Ensure that all supervisory and support staff who engage in instructional conversation with teachers receive differentiated learning opportunities to be effective in their roles</i>	54	
	<b>Theme 4, Initiative 1a</b> <i>Develop and broaden teacher pipeline and recruitment efforts to yield a diverse, culturally competent and effective workforce</i>		
	<b>Theme 4, Initiative 1b</b> <i>Develop a rigorous selection and hiring process that ensures the most effective workforce</i>		
	<b>Theme 4, Initiative 1c</b> <i>Promote retention and reduce negative effect of turnover</i>		
	<b>Theme 4, Initiative 2a</b> <i>Create comprehensive professional learning environments to both facilitate role-specific learning and to enable employees to grow and develop</i>	25, 43, 45	Yes
	<b>Theme 4, Initiative 2b</b> <i>Review and modify performance management systems to maximize impact on professional growth and student outcomes</i>	55, 56, 57, 58	Yes

Organizational Structure and Operations	Item Description	Corresponding Council of Great City Schools Recommendations	Connected to 90-Day Plan
	<b>Overall</b> <i>Overarching structure of Pittsburgh Public Schools</i>	1, 3, 41, 102	Yes
	<b>Office of Data, Research, Evaluation and Assessment</b> <i>Creation of a new office of DREA and its work</i>	4, 9, 35, 87, 88, 89, 90, 91, 92, 93, 94, 95, 106, 107, 113, 122	Yes
	<b>Curriculum and Instruction</b> <i>Structure, academic programming, instruction, support and staff development</i>	5, 8, 12, 25, 26, 28, 36, 38, 39, 51, 53, 54, 80, 89, 101, 111	Yes
	<b>Finance and Operations</b> <i>The work of budget, finance and operations and its structure</i>	114, 115, 117, 118, 119, 120, 121, 123, 124, 125, 131, 132, 136	Yes

Content Specific	Group, Department or Office	Corresponding Council of Great City Schools Recommendations	Connected to 90-Day Plan
	Board	19, 20, 21	Yes
	English Language Learners (ELL)	34, 59, 60, 61, 62, 63, 64, 66, 67, 68	Yes
	Information Technology	96, 97, 98, 99, 100, 108, 111, 120, 126, 127, 128, 137	Yes
	Professional Development (PD)	43, 50, 53, 54	Yes
	Program for Students with Exceptionalities (PSE)	33, 71, 72, 75, 76, 78, 80, 81, 82	Yes
	Safety	135, 136	Yes
	School Performance	6, 52, 72, 98, 111, 135	Yes
	Student Services	72, 86, 87, 89	Yes
	Transportation	130, 131	Yes

No Action Needed	Item	Corresponding Council of Great City Schools Recommendations	Connected to 90-Day Plan
	Completed before March 2017	2, 14, 32, 47, 48, 69	Yes
	Not Implementing / Different Strategy	7, 10, 13, 49, 65, 77, 79, 83, 110, 129, 133, 134	

Color Indicates Project Launch: **Pink:** Now–June 2017 **Orange:** 2017–2018 School Year **Blue:** 2018–2019 School Year





# CGCS RECOMMENDATIONS

CGCS Rec #	Brief Description	Crosswalk Section
1	Reorganize direct reports to Superintendent	Organizational Structure - Overall
2	CAO and CSP position report to Deputy Superintendent	No Action Needed - Completed
3	Define roles and responsibilities	Organizational Structure - Overall
4	Create new office of DREA	Organizational Structure - DREA
5	Revamp organizational structure of C&I dept	Organizational Structure - C&I
6	Revamp principal supervisory system	Content-Specific - School Performance
7	Assistant supt and student services reporting	No Action Needed - Not Implementing / Different Strategy
8	Additional assistant supt for secondary	Organizational Structure - C&I
9	Responsibilities from other offices to new DREA dept	Organizational Structure - DREA
10	Equity Office report to Chief Academic Officer (CAO)	No Action Needed - Not Implementing
11	PSE and ELL direct reports to CAO	No Action Needed - Not Implementing
12	Collaboration between PSE and Assistant Supts	Organizational Structure - C&I
13	Federal instruction programs under CAO	No Action Needed - Not Implementing
14	Regular meetings of department heads	No Action Needed - Completed
15	Instruction direction and support for teachers	Strategic Plan - 2.1.a, 2.1.b, 2.1.c
16	Utilize feedback from <i>Look, Listen and Learn</i> Tour	Strategic Plan - Overall
17	Articulate expectations for student learning	Strategic Plan - Overall, 2.1.a, 2.1.b
18	Clear academic goals	Strategic Plan - Overall
19	Board meeting structure	Content-Specific - Board
20	No late Board tabs	Content-Specific - Board
21	Superintendent's evaluation	Content-Specific - Board
22	Instructional flexibility for schools	Strategic Plan - 2.1.a, 2.1.b
23	College and career readiness standards	Strategic Plan - Overall, 1.1.c and 2.1.a
24	Commit to core set of initiatives	Strategic Plan - Overall
25	Curriculum & Instruction staff development	Strategic Plan - 4.2.a and Content Specific - C&I
26	Align C&I to PA common core	Strategic Plan - 2.1.a, 2.1.b, 2.1.c and Content Specific - C&I
27	Overhaul Literacy and Math handbooks	Strategic Plan - 2.1.a, 2.1.b, 2.1.c
28	Clear and consistent Math course sequencing	Strategic Plan - 2.1.a and Content Specific - C&I
29	Define district-wide MTSS system	Strategic Plan - 1.1.a
30	Conduct instructional materials inventory	Strategic Plan - 2.1.c
31	Adopt Literacy and Math materials system-wide	Strategic Plan - 2.1.c
32	Provide PSE Math and Reading supplements	No Action Needed - Completed
33	PSE modifications for full access to LRE students	Content Specific - PSE
34	Address language development needs for ELL students	Strategic Plan - 2.1.a and Content Specific - ELL
35	No pilots without evaluation plan	Content-Specific - DREA
36	Guidelines for intervention period	Content Specific - C&I
37	Expand teacher planning and PLCs	Content Specific - C&I
38	Normalize intervention period	Content Specific - C&I
39	Guide how to assess student learning	Strategic Plan - 3.1.c and Content-Specific - C&I
40	Define CRP	Strategic Plan - 2.1.a, 3.1.c
41	Clarify Central Office roles	Organizational Structure - Overall
42	Outline turnaround school strategy	Organizational Structure - Overall
43	Develop a comprehensive PD plan	Strategic Plan - 3.1.a, 4.2.a and Content-Specific - PD
44	Consistent PD on rigor, literacy and Math	Strategic Plan - 3.1.c and Content-Specific - PD
45	Differentiate PD for district and school staff	Strategic Plan - 3.1.c, 4.2.a
46	PLCs in every school	Strategic Plan - 3.1.c
47	Support PLCs	No Action Needed - Completed
48	Redefine Instructional Teacher Leader 2 (ITL2)	No Action Needed - Completed
49	Retain and use Early literacy specialists to inform C&I	No Action Needed - Different Strategy
50	Evaluate all PD	Strategic Plan - 3.1.a and Content-Specific - PD
51	Review student work regularly to support PD	Strategic Plan - 3.1.c and Content-Specific - C&I
52	Establish school leader pipeline	Strategic Plan - 4.2.a and Content-Specific - School Performance
53	Develop feedback loop to Central Office	Org. Structure - C&I and Content-Specific - School Performance
54	Assistant superintendent role in and need for PD	Strategic Plan - 3.1.d and Content-Specific - PD and Org. Structure - C&I

Color Indicates Project Launch: **Pink:** Now–June 2017 **Orange:** 2017–2018 School Year **Blue:** 2018–2019 School Year

CGCS Rec #	Brief Description	Crosswalk Section
55	Develop central office accountability system	Strategic Plan - 4.2.b
56	Realign bonus system on student achievement	Strategic Plan - 4.2.b
57	Amend PULSE system	Strategic Plan - 4.2.b
58	Leave RISE system alone	Strategic Plan - 4.2.b
59	District-wide ELL instructional strategy	Content-Specific - ELL
60	ELL needs analysis	Content-Specific - ELL and Strategic Plan 1.1.c
61	Use of Title III funds for ELL rigor	Content-Specific - ELL
62	ELL PLCs for schools with highest ELL students	Strategic Plan - 3.1.c and Content-Specific - ELL
63	Support ELL families	Strategic Plan - 1.3.a and Content-Specific - ELL
64	Create ELL council	Content-Specific - ELL and Strategic Plan 1.3.a
65	Create ESL certification course	No Action Needed - Not Implementing
66	Incorporate ELL data into data system	Content-Specific - ELL
67	Audit interpretation needs	Content-Specific - ELL
68	Develop ELL pathway to graduation	Content-Specific - ELL
69	Standardize PSE identification	No Action Needed - Completed
70	Review PSE communication	Content-Specific - PSE
71	Collaborate in PSE identification	Strategic Plan - 1.1.a and Content-Specific - PSE
72	Analyze support staff ratios	Strategic Plan - 2.1.c and Content-Specific - PSE, School Performance, Student Services
73	Differentiate instruction	Strategic Plan - 2.1.a, 3.1.c
74	More inclusive Tier I instruction	Strategic Plan - 1.1.a, 2.1.a, 2.1.c
75	Plan for returns to least restrictive environment	Strategic Plan - 1.1.a and Content-Specific - PSE
76	Review self-contained program standards	Content-Specific - PSE
77	Expand PSE transition services through partnerships	No Action Needed - Not Implementing
78	PSE staffing considerations	Content-Specific - PSE
79	PSE staff visit schools as PD	No Action Needed - Not Implementing
80	PSE staff connection to Office of School Performance	Content-Specific - PSE and C&I
81	Identification of AA students as PSE	Strategic Plan - 1.2.a and Content-Specific - PSE
82	Rigorous PSE instruction	Content-Specific - PSE
83	Review center schools for PSE	No Action Needed - Not Implementing
84	Implement PBIS District-wide	Strategic Plan - 1.2.a
85	Expand Restorative Practices	Strategic Plan - 1.2.a
86	Eliminate PreK–2 suspensions	Content-Specific - Student Services
87	Strengthen suspension data	Org. Structure - DREA and Content-Specific - Student Services
88	Measure days spent in alternative education setting	Organizational Structure - DREA
89	Strengthen alternative education instruction	Org. Structure - DREA and Content-Specific - Student Services
90	DREA Office responsibilities	Organizational Structure - DREA
91	DREA Office organization	Organizational Structure - DREA
92	DREA Office responsibilities	Organizational Structure - DREA
93	DREA Office evaluation responsibilities	Organizational Structure - DREA
94	Establish data governance committee	Organizational Structure - DREA
95	Student Data Systems Specialist role and PD	Organizational Structure - DREA
96	Develop scorecard assessment	Content-Specific - IT
97	Expand data warehouse	Content-Specific - IT
98	Correct data quality issues	Content-Specific - IT and OSP
99	Consult users to establish data reports	Content-Specific - IT
100	Standardize reporting	Content-Specific - IT
101	Use multiple data sources when drawing conclusions	Organizational Structure - C&I
102	Cultivate a data-driven culture	Organizational Structure - Overall
103	Develop a clear assessment framework	Strategic Plan - 2.1.b
104	Curtail individual school assessments	Strategic Plan - 2.1.b
105	Maintain optional CBAs	Strategic Plan - 2.1.b
106	Develop plan to support state assessment testing	Organizational Structure - DREA
107	Consolidate test administration	Organizational Structure - DREA
108	Address technological infrastructure for assessments	Content-Specific - IT
109	Review assessments used for evaluation	Strategic Plan - 2.1.b
110	Conduct cross-functional PD planning	No Action Needed - Not Implementing

Color Indicates Project Launch: **Pink:** Now–June 2017 **Orange:** 2017–2018 School Year **Blue:** 2018–2019 School Year

CGCS Rec #	Brief Description	Crosswalk Section
111	Provide support to teachers to review data	Org. Structure - C&I and Content-Specific - School Performance, IT
112	Provide PD on test writing	Strategic Plan - 2.1.b
113	Create calendar of regular program evaluations	Organizational Structure - DREA
114	Reorganize finance, operations and business services	Organizational Structure - Finance
115	Hire a Chief Financial Officer	Organizational Structure - Finance
116	Hire Budget Director	Organizational Structure - Finance
117	Consolidate core function roles	Organizational Structure - Finance
118	Right size core functions	Organizational Structure - Finance
119	Communicate organizational charts	Organizational Structure - Finance
120	Establish master plan for governance and development	Organizational Structure - Finance and Content-Specific - IT
121	Create annual business plans for each department	Organizational Structure - Finance
122	Use analytical business tools	Organizational Structure - DREA
123	Conduct internal controls audit	Organizational Structure - Finance
124	Improve budget development and reporting	Organizational Structure - Finance
125	Improve communication and customer relations	Organizational Structure - Finance
126	Enhance IT capabilities	Content-Specific - IT
127	Re-evaluate the Student Information System (SIS)	Content-Specific - IT
128	Shift IT focus from teacher evaluation	Content-Specific - IT
129	Consider in-house transportation services	No Action Needed - Not Implementing
130	Centralize creation of school bell schedules	Organizational Structure - Finance
131	Expand bus monitoring	Content-Specific - Transportation and Finance
132	Automate purchase orders	Organizational Structure - Finance
133	Expand custodial substitutes	No Action Needed - Not Implementing
134	Conduct custodial compensation study	No Action Needed - Not Implementing
135	Mandate active shooter training	Content-Specific - OSP and Safety
136	Assign school security based on incident analysis	Org. Structure - Finance and Content-Specific - Safety
137	Create uniform system for documenting visitors	Content-Specific - IT

Color Indicates Project Launch: Pink: Now–June 2017 Orange: 2017–2018 School Year Blue: 2018–2019 School Year







SECTION FIVE  
**PPS Points of Pride**

## **National Council on Teacher Quality Names Pittsburgh Public Schools Great District for Great Teachers**

The National Council on Teacher Quality (NCTQ) named Pittsburgh Public Schools a winner in its first-ever Great Districts for Great Teachers initiative. NCTQ chose PPS after a rigorous 18-month evaluation of data, policies and teacher input, that included surveys and focus groups with over 300 PPS teachers, proving the District is a national leader in developing and caring for great teachers, so that they, in turn, can deliver great instruction to their students.

## **The Pittsburgh Promise celebrates 10 years!**

In 2007, the District announced a \$100 million commitment by the University of Pittsburgh Medical Center (UPMC) to fund The Pittsburgh Promise. The Promise is a community gift to help families plan, prepare and pay for education after high school. Graduates of the Pittsburgh Public Schools may be eligible to earn up to \$30,000 over four years for post-secondary education.

## **Our CTE programs have expanded.**

A \$300,000 grant from the American Federation of Teachers to the Pittsburgh Federation of Teachers is supporting a teachers union-school-district-city partnership to train students for careers as police officers, fire fighters and emergency medical technicians. The City of Pittsburgh donated a “retired” fire truck and ambulance to support the new Emergency Response Technology CTE program. The new program launched at Pittsburgh Westinghouse for the start of the 2016–17 school year.

## **The Summer Dreamers Academy receives national recognition.**

The District’s Summer Dreamers Academy has been recognized with a New York Life Excellence in Summer Learning Award! The National Summer Learning Association (NSLA) and the New York Life Foundation honored four high-quality programs and Pittsburgh Public Schools Summer Dreamers Academy was one of them.

## **Five of our schools receive STAR status.**

Entire schools are being celebrated for making extraordinary gains in student achievement through the Students and Teachers Achieving Results (STAR) program. PPS schools earn STAR status by being within the top 15% (or in some cases 25%) of Pennsylvania schools for student growth.

## **All students receive healthy meals free of charge.**

All Pittsburgh Public Schools students, regardless of family income, receive a healthy and well-balanced breakfast and lunch free of charge, ensuring all students are properly nourished and ready for class.

## **Pittsburgh Schiller 6–8 was named a National Title I Distinguished School**

Pittsburgh Schiller 6–8 was named a National Title I Distinguished School by the Pennsylvania Department of Education. Pittsburgh Schiller 6–8 is one of up to 100 schools throughout the country, and one of two in Pennsylvania, that is being recognized for exceptional student achievement in 2015.

## **Teachers receive National Board Certification.**

More than 100 PPS teachers have received National Board Certification. National Board certification is the highest earned credential in the teaching profession.



### **Attendance at the District's Annual Take a Father to School Day continues to grow.**

Each year approximately 6,000 fathers, uncles, big brothers, and significant male role models pack District schools and early childhood centers to spend a day with a special child in their life. Take a Father to School Day has been recognized with a Magna Award from the American School Board Journal, the National School Boards Association and Sodexo.

### **We launched the NMSI comprehensive Advanced Placement Program.**

A grant of \$930,367 from The Heinz Endowments launched the National Math and Science Initiative's (NMSI) comprehensive Advanced Placement (AP) Program at Pittsburgh Brashear High School and Pittsburgh Science and Technology Academy. Out of 289 Pennsylvania high schools, Pittsburgh Science and Technology Academy had the largest percentage increase in passing scores for AP courses in math and science out of 289 Pennsylvania high schools. Pittsburgh Brashear had the second greatest. The NMSI program was expanded to include Pittsburgh Allderdice, Pittsburgh CAPA 6–12 and Pittsburgh Carrick High School.

### **The Arts are alive and well in PPS.**

For three years in a row, District schools have taken the Best Musical Budget Level I prize at the Kelly Awards. In 2016, Pittsburgh CAPA's production of "West Side Story" brought home 10 Kelly Awards, including Best Musical in Budget Level 1. In 2015, Pittsburgh Obama 6–12 won Best Musical Budget Level 1 for its production of "SHOUT! The Mod Musical" In 2014, Pittsburgh Obama won Best Musical Budget Level I for its production of The Wiz. In 2013, Pittsburgh CAPA took home 7 awards for its production of "In the Heights," including Best Musical Budget Level I and Best Actor.

### **Our STEAM programs continue to grow.**

Grants, totaling nearly \$900,000 from The Grable Foundation and the Fund for Excellence, are supporting the District's Science, Technology, Engineering, Arts and Mathematics (STEAM) K–12 pathway. Three STEAM programs at Pittsburgh Lincoln PreK–5, Pittsburgh Schiller 6–8 and Pittsburgh Woolslair PreK–5 launched with the start of the 2015–16 school year. In 2016–2017, STEAM programs launched at Pittsburgh Perry and Pittsburgh Brashear high schools.







I want them to  
**come out of  
their shell.**

## Paola Megats

ESL Teacher, Pittsburgh Beechwood

“When children struggle with English, they may feel ashamed or shy and not participate. I want them to come out of their shell and learn. At first they were closed and quiet and now I can’t get them to stop talking English.”



**Expect great things.**



The Pittsburgh Public Schools (PPS) does not discriminate on the basis of race, color, national origin, sex, disability or age in its programs, activities or employment and provides equal access to the Boy Scouts and other designated youth groups. Inquiries may be directed to the Title IX Coordinator or the Section 504/ADA Title II Coordinator at 341 S. Bellefield Avenue, Pittsburgh, PA 15213 or 412.529.HELP (4357).

# PITTSBURGH PUBLIC SCHOOLS

## 2017–2022 Strategic Plan Framework

### Strategic Plan Framework Long-Term Outcomes

Increase proficiency  
in literacy for all students

Ensure all students are  
equipped with skills to succeed  
in college, career and life

Increase proficiency  
in math for all students

Eliminate racial disparity in  
achievement levels of African-  
American students

#### Strategic Theme #1

Create a positive and supportive  
school culture.

##### Objectives

1. Meet the holistic needs of all students.
2. Establish a shared commitment and responsibility for positive relationships with every student, family, and staff member.
3. Create effective family and community partnerships in every school.

##### Strategic Initiatives

###### PHASE 1

- 1a. Establish a system-wide Multi-Tiered System of Support (MTSS) process, that includes Positive Behavior Interventions and Supports (PBIS) and restorative practices, implemented through high-functioning Student Assistance Program (SAP) teams in every school that are equipped to follow the process with fidelity.
- 2b. Develop and communicate explicit and consistent expectations for staff interactions with students and families.

- 3b. Implement a tiered and phased community schools approach.

###### PHASE 2

- 1b. Embed elements of social-emotional learning into academic instruction.

###### PHASE 3

- 1c. Develop individual student success plans for all students.
- 3a. Develop effective partnerships among schools, students, families, and community organizations, utilizing a research-based framework that fosters collaboration for student success.

#### Strategic Theme #2

Develop and implement a rigorous,  
aligned instructional system.

##### Objectives

1. Establish a rigorous District-wide curriculum and assessment framework that is culturally inclusive.

##### Strategic Initiatives

###### PHASE 1

- 1a. Develop and design a common curriculum framework.

- 1b. Develop a comprehensive assessment system aligned to grade-level expectations.

- 1c. Implement an instructional system with aligned and equitably distributed resources.

#### District Vision

All students will graduate high school college, career and life-ready prepared to complete a two- or four-year college degree or workforce certification.

#### District Mission

The Pittsburgh Public Schools will be one of America's premier school districts, student-focused, well-managed, and innovative. We will hold ourselves accountable for preparing all children to achieve academic excellence and strength of character, so that they have the opportunity to succeed in all aspects of life.

#### Strategic Theme #3

Provide appropriate instructional  
support for teachers and staff.

##### Objectives

1. Impact student outcomes by increasing teacher knowledge through a cohesive system of instructional support.

##### Strategic Initiatives

###### PHASE 1

- 1b. Align instructional support efforts to ensure collaboration between school administrators and staff around the school's professional development focus.

###### PHASE 2

- 1a. Ensure that all professional development for teachers and staff follows research-based and culturally relevant practices.
- 1c. Provide differentiated instructional support that is based on data and deployed through school-based, district-wide, and online learning opportunities.

- 1d. Ensure that supervisory and support staff who engage in instructional conversations with teachers receive differentiated learning opportunities to be effective in their roles.

#### Strategic Theme #4

Foster a culture of high performance  
for all employees.

##### Objectives

1. Attract and retain high-performing staff who hold high expectations for all students.
2. Enhance District-wide systems that promote shared accountability, high expectations, and continuous growth for all employees.

##### Strategic Initiatives

###### PHASE 1

- 1a. Develop and broaden teacher pipeline and recruitment efforts to yield a diverse, culturally competent and effective workforce.

- 1b. Develop a rigorous selection and hiring process that ensures the most effective workforce.

###### PHASE 2

- 2b. Review and modify performance management systems to maximize impact on professional growth and student outcomes.

###### PHASE 3

- 1c. Promote retention and reduce negative effect of turnover.
- 2a. Create comprehensive professional learning environments to both facilitate role-specific learning and to enable employees to grow and develop.

Expect great things.

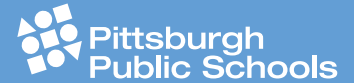


Phase 1: Launching now through June 2017  
Phase 2: Launching in the 2017–2018 School Year  
Phase 3: Launching in the 2018–2019 School Year



# Strategic Theme #1

## Create a Positive and Supportive School Culture



### Strategic Initiative 1a

Establish a system-wide Multi-Tiered System of Support (MTSS) process, that includes Positive Behavior Interventions and Supports (PBIS) and restorative practices, implemented through high-functioning Student Assistance Program (SAP) teams in every school that are equipped to follow the process with fidelity.

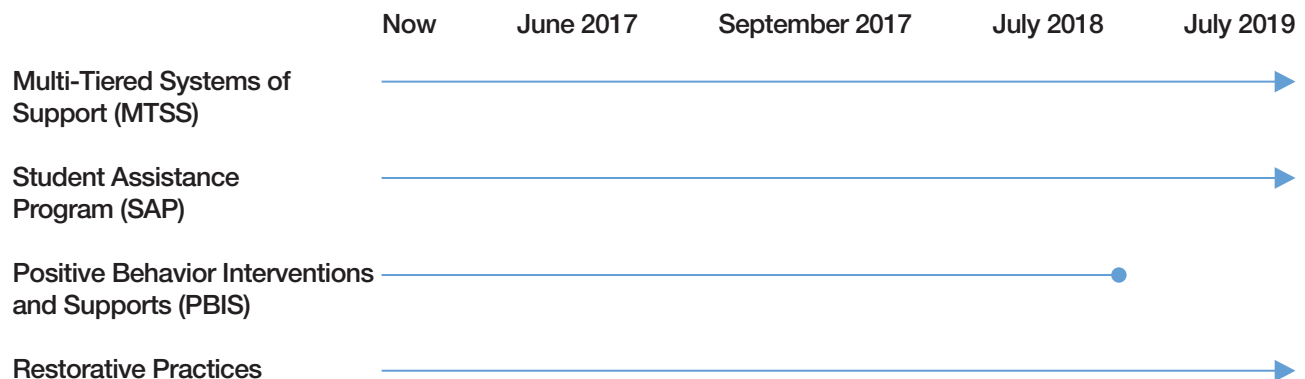
### Guiding Vision

Pittsburgh Public Schools will create positive and supportive school climates by implementing systems in every school that build community, promote positive relationship building, and provide differentiated academic and behavioral support.

### Outcomes

- Tiered methods to build community, strengthen relationships, and provide academic and behavioral support in every school.
- High-functioning, collaborative support teams will exist in every school.

### Initial Workstreams and Implementation Timeline



### Definitions

**Multi-Tiered System of Supports (MTSS)** is a model of schooling which integrates evidence-based problem solving for academic and behavioral instruction. The integrated instruction is delivered to students based on needs in varied intensity levels (multiple tiers). The goal of need driven decision-making is that ALL students achieve and/or exceed proficiency.

**Student Assistance Programs (SAP)** are designed to assist school personnel in identifying issues including alcohol, tobacco, other drugs, and mental health issues which pose a barrier to a student's success. The primary goal of the Student Assistance Program is to help students overcome these barriers in order that they may achieve, remain in school, and advance.

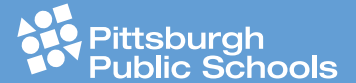
**Positive Behavior Interventions and Supports (PBIS)** are a proactive approach to establishing the behavioral supports and social culture and needed for all students in a school to achieve social, emotional and academic success.



Expect great things.

# Strategic Theme #1

## Create a Positive and Supportive School Culture



### Strategic Initiative 2b

Develop and communicate clear, consistent, and explicit expectations for staff interactions with students and families and each other.

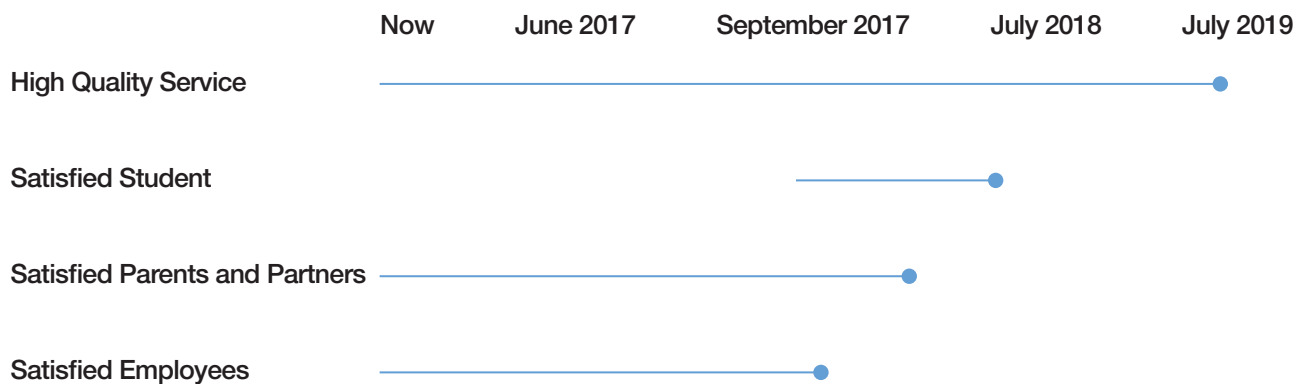
### Guiding Vision

Pittsburgh Public Schools will create a climate where all members of the school community are understood, valued, and respected. Each stakeholder's experience from start to finish will be positive and supportive and every school building and district office will be welcoming to new and returning families.

### Outcomes

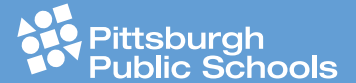
- Schools and facilities provide positive, supportive and welcoming environments.
- Families have access to a comprehensive set of resources in multiple languages.
- All staff feel a sense of ownership and are committed to the District's mission and vision.
- High-quality customer service interactions amongst staff, students, families and partners.

### Initial Workstreams and Implementation Timeline



# Strategic Theme #1

## Create a Positive and Supportive School Culture



### Strategic Initiative 3b

Implement a tiered and phased community schools approach.

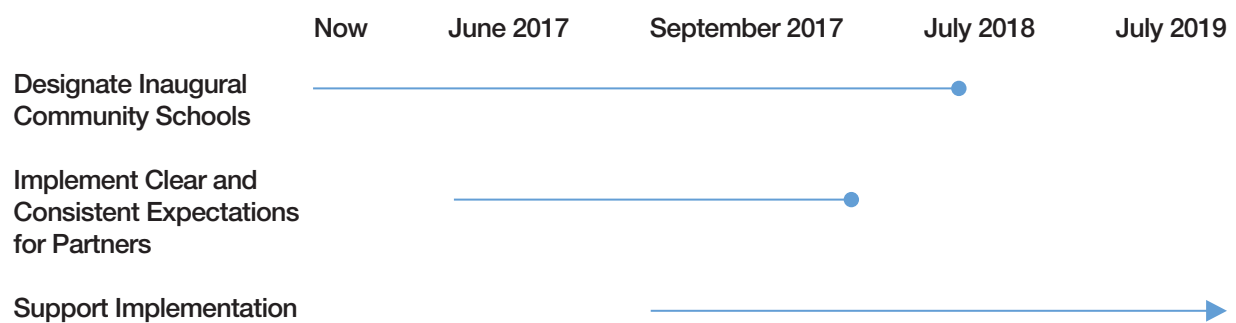
### Guiding Vision

Pittsburgh Public Schools will ensure the holistic needs of students are met through quality access to a wide variety of services and supports to improve student outcomes.

### Outcomes

- A phased approach with increased District and community support in all schools, including expanded nursing services and support for social workers and guidance counselors.
- Designated Community Schools through a standard application process managed by a central District Community School Steering Committee.
- Ongoing needs assessments and evaluation at designated Community Schools.

### Initial Workstreams and Implementation Timeline





# Strategic Theme #2

Develop and Implement a Rigorous, Aligned Instructional System



## Strategic Initiative 1a

Develop and design a common curriculum framework.

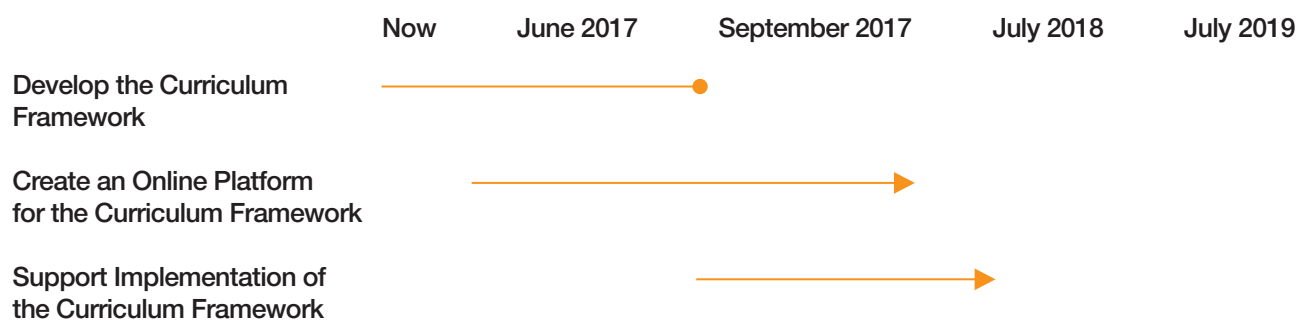
### Guiding Vision

Pittsburgh Public Schools will have a common curriculum framework that is aligned to state standards for grade level expectations and includes learning progressions across grade levels, scope and sequence, research-based best practices, suggested support beyond the classroom (home, school, community connections), a framework for how to deliver the content, and room for teacher discretion in how to implement.

### Outcomes

- Instructional materials that are standards-based and fully aligned to the Pennsylvania Core standards.
- Grade level expectations and learning experiences that are aligned with our goals for students.
- Flexibility in instructional delivery based on formative and summative data.
- Improved student assessment data outcomes.
- Improved teaching and learning.

### Initial Workstreams and Implementation Timeline



# Strategic Theme #2

Develop and Implement a Rigorous, Aligned Instructional System



## Strategic Initiative 1b

Develop a comprehensive assessment system aligned to grade-level expectations.

### Guiding Vision

Pittsburgh Public Schools will develop a comprehensive assessment system aligned to grade level expectations that promotes assessment for learning.

### Outcomes

- Consistent access to timely and relevant data to assist in decision making.
- Formative and summative assessments that are standards-based and fully aligned to the Pennsylvania Core standards.
- Data to inform and design instruction.
- School-level assessment data to understand what students know and are able to do at each grade level and inform a student's learning needs.
- District assessment data to inform the needs of specific schools.

### Initial Workstreams and Implementation Timeline



ELA = English Language Arts

# Strategic Theme #2

Develop and Implement a Rigorous, Aligned Instructional System



## Strategic Initiative 1c

Implement an instructional system with aligned and equitably-distributed resources.

## Guiding Vision

Pittsburgh Public Schools will adopt a research-based model for resource allocation at both the central and school levels that considers how to meet the needs of all students.

## Outcomes

- The District's instructional system will have aligned resources that include: system-wide goals; high standards for all students; curriculum frameworks; syllabi and related instructional materials; formative and summative assessments; and a teacher development system linked to the standards and curriculum.
- A research-based model for funding allocation will be established.

## Initial Workstreams and Implementation Timeline





# Strategic Theme #3

Provide Relevant and Timely Instructional Support for Teachers and School-Based Staff



## Strategic Initiative 1b

Align instructional support efforts to ensure a collaboration between school administrators and district staff around the school's professional development focus.

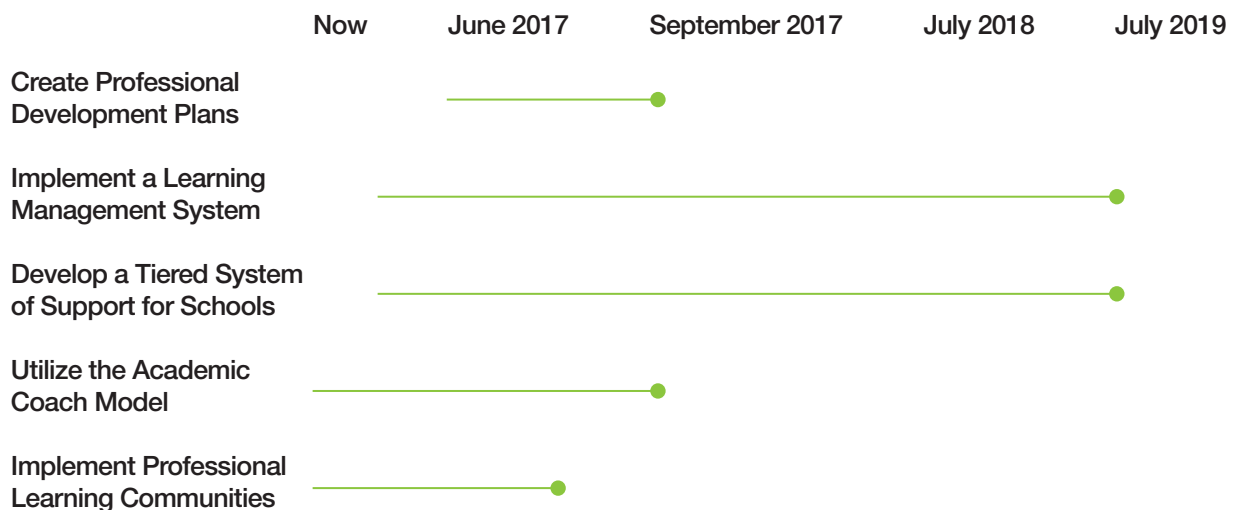
## Guiding Vision

Pittsburgh Public Schools will ensure that there is clarity, coherence and collaboration between school-based and District-based instructional support to teachers.

## Outcomes

- Collaborative instructional support resulting in positive changes in teacher practice.
- Consistent teacher practice and pedagogy across schools.
- Clear and constant communication on teacher learning between school administration and Central Office Staff.

## Initial Workstreams and Implementation Timeline



# Strategic Theme #4

## Foster a High-Performance Culture for All Employees



### Strategic Initiative 1a

Develop and broaden teacher pipeline and recruitment efforts to yield a diverse, culturally competent and effective workforce.

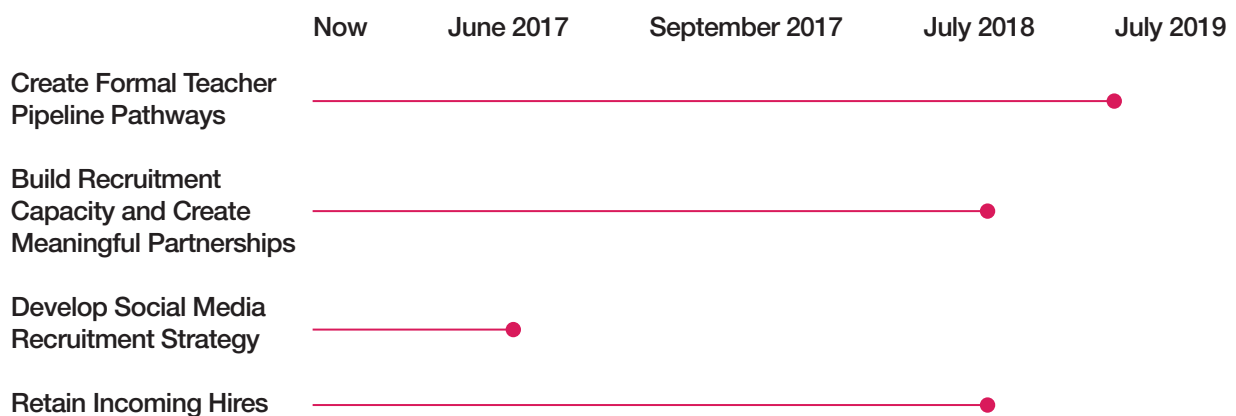
### Guiding Vision

Pittsburgh Public Schools will have deep, on-demand candidate pools to fill all positions, particularly teaching positions, and will increase the diversity of candidates selected to work in our District.

### Outcomes

- A larger hiring pool of diverse, highly-qualified candidates leading to filled vacancies.
- More engaging experience for candidates.
- Targeted expansion of recruitment borders to Historically Black Colleges and Universities (HBCUs) and other non-local schools of education.
- Meaningful collaboration with the School District University Collaborative.

### Initial Workstreams and Implementation Timeline



# Strategic Theme #4

## Foster a High-Performance Culture for All Employees



### Strategic Initiative 1b

Develop a rigorous selection and hiring process that ensures the most effective workforce.

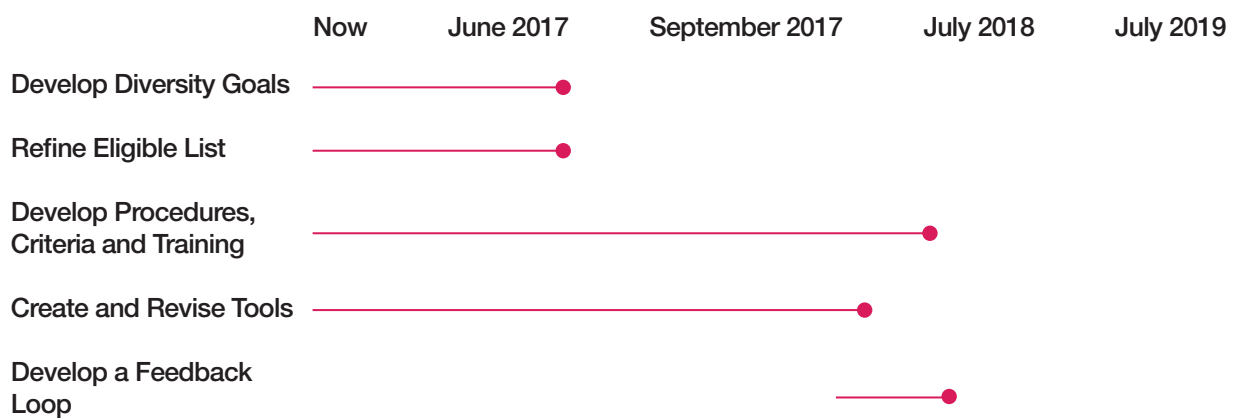
### Guiding Vision

Pittsburgh Public Schools will improve the caliber of the selection and hiring process through a more rigorous application, screening, and interview system resulting in the attainment of more diverse and skilled candidates who can further our District goals for students.

### Outcomes

- A system for selecting and hiring a more diverse, highly qualified candidate pool.
- Establish diversity goals for school-based and central office positions.
- Ensure District hiring policies and practices are aligned with best practices.
- Create staffing criteria for specific schools based on need.

### Initial Workstreams and Implementation Timeline



**PA House Democratic Policy Committee Hearing – Quality Education**  
**January 18<sup>th</sup>, 2018**  
**Hosanna House, Wilkinsburg, PA**

**Remarks by Tiffini Simoneaux, Early Childhood Manager, Office of Mayor William Peduto**

Good morning and thank you for inviting me to speak today. I want thank Rep. Gainey for hosting this hearing and also to thank all of the members of the House Democratic Policy Committee in attendance to discuss the need for all children in the Commonwealth of Pennsylvania to have access to quality education.

My name is Tiffini Simoneaux and I serve as the Early Childhood Manager in of the Office of Mayor William Peduto. In my role I work to ensure that all children in the City of Pittsburgh have access to high quality early learning experiences. Prior to working with the City I worked in Early Childhood for over 10 years as a teacher, a program coordinator as well as a center director. I have seen first-hand the transformative effect that a high quality program can have on a child.

Children that attend a high quality program have caregivers who have degrees in education and child development. They have learning environments that have a rich variety of developmentally appropriate materials. Their classrooms follow lesson plans that are linked to the Pennsylvania Learning Standards for Early Childhood. Children are assessed on their social, emotional and developmental progress throughout the year and if there is a need for intervention services they are identified in a timely manner.

*The research is clear- high quality early childhood education has great benefits:*

- From birth to age 5, a child's brain develops more, and more rapidly, than any other time in life. 90% of the brain is developed by the age of 5.
- Children who do not receive high quality early childhood education are 25% more likely to drop out of school.
- Children who do not receive high quality early childhood education are 50% more likely to be placed in special education programs.
- Children who do not receive high quality early childhood education are 60% less likely to attend college.
- Children who do not receive high quality early childhood education are 70% more likely to be arrested for a violent crime.

Unfortunately in Pennsylvania far too many children lack the opportunity to attend a high quality program. In the City of Pittsburgh only 20% of child care providers are considered high quality using the quality rating system Keystone STARS. Providing high quality care is costly for providers and budgeting is a constant battle. Findings from Research for Action's *Child Care Funding & Finance in Pennsylvania* clearly demonstrates the barriers that operators face in



running a child care facility. A selection of child care providers from around the state participated via in-depth interviews as well as by sharing data such as internal budgets and financial statements. Several common challenges arose for providers in this report. One major challenge was covering the full cost of care especially for infants and toddlers who require a smaller group sizes and higher staff to child ratios. Recruiting and retaining qualified staff also proved difficult for the group - teachers in high quality programs are required to have Associates or Bachelor's degrees but in most cases are compensated below the poverty line. With very slim operating margins providers also face challenges in ensuring that their facility, classrooms and outdoor spaces are kept at STARS standards.

I reached out to 2 high quality centers in Pittsburgh this week to get an idea of what the demand is for slots in their classrooms. A center in the South Hills informed me that they will not have slots open for infants until August, and no open slots for toddlers or pre-kindergartners until September. A center in North Side that I spoke with had an even lengthier wait list. For their infant classroom they have 26 children on the waitlist, for their toddler classroom they have a waitlist of 30 children and for their pre-kindergarten classroom they have a waitlist of 29 children. I can speak from personal experience as a former director the challenge that families face in finding a child care provider that meets their needs. Many times families would leave the center that I worked at in tears because they desperately wanted their child in our program but there were no available slots at that time. On more than one occasion a parent would tell me they would have to make a tough decision, to put their child in a facility that they didn't feel would meet their developmental needs or to quit their job and stay home with their child. This is a decision that no parent in Pennsylvania should have to face.

Our Commonwealth cannot reach its full potential without starting with quality services for our youngest citizens. I urge our legislators to support increased investments in early childhood education. High quality early childhood programs work. They provide children with the learning experiences that they need to be ready for school and to become successful adults.

Thank you so much for your time and attention, it's been my privilege to speak to the group today.

# EDUCATION RIGHTS NETWORK



## **Quality Education Hearing**

**Angel Gober**

**Organizer- One Pennsylvania / Education Rights Network**

**412.867.9332**

**angel@onepa.org**

Good Morning, my name is Angel Gober. I'm the parent of a junior at Pittsburgh Obama. I just wanted to start by thanking State Representative Ed Gainey for asking me to be here today. I was told that I have 5 to 7 mins to talk about what the state should be doing to ensure quality education for all kids. The first thing I thought is I need more than 5 to 7 minutes. My day job is a Lead Organizer with One Pennsylvania. Much of my work is spent organizing with the Education Rights Network, where we work statewide to shift the balance of power into the hands of the people who are most impacted by racial, economic, and social disparities. We keep families and parents' voices at the center of the education justice movement. When I go home to my teenager after work, and I am reminded why this work is so critical.

The parents we work with -- many of whom are impacted by generational poverty or have children with disabilities -- directly experience the difficulty of succeeding and flourishing in an unjust public education system. Yet, our parents have been systematically left out of the education "reform" conversation.

Our parents put their heart and soul into ensuring authentic participation of parents, teachers, students and the community about how to improve education. And, they have been successful, by significantly impacting the direction and vision

of the Pittsburgh Public School District and Districts across the state towards equity, inclusion, and education justice.

### **Community Schools**

I'm sure by now folks are aware of the Community Schools strategy for public education that levels the playing field and provides access to programs, services, and resources that help **all** students succeed in school and in life.

Education Rights Network/One PA parents collaborated with partners to win a District-wide Community Schools Policy in Pittsburgh Public Schools, which has led to the creation of 5 designated community schools and created the demand among 16 additional schools for the next phase of implementation. I have the privilege of serving on the Pittsburgh Community Schools Steering Committee tasked to develop, implement, and monitor the formal designation process, partnership development, and evaluation. I'm also running a team of parent and student canvassers going door-to-door, talking to every parent of child who attends Pittsburgh Westinghouse, Faison, Lincoln, Arsenal, and Langley, the five designated Pittsburgh Community Schools. The input and continued participation of these parents is critical to making sure the school in their community has the necessary resources and supports for its families.

But, funding for Phase 2 is critical to continue our success!

We ask for your commitment to a community schools strategy, so we are able to promise all Pennsylvania students what they deserve: a rich, diverse, culturally relevant curriculum; schools in which they are safe, respected and valued; highly qualified teachers who are given the resources and support they need; full arts and athletic programs; smaller class sizes; a reduction in high-stakes testing; dedication to equity, inclusion and racial justice; and so much more.

### **Charter Schools**

#### **Accountability & Transparency**

I want to be very clear in what I'm going to say about Charter Schools. We **DON'T NEED ANY MORE!!!** What we need is accountability and transparency of the ones

we already have. The following accountability measures for publicly funded charters need to be instated:

- Mandate audits that are specifically designed to detect and prevent fraud, and increase the transparency and accountability of charter school operators and managers.
- Design clear planning-based public investments to ensure that any expansions of charter school investments ensure equity, transparency, and accountability.
- Require that special education funding is spent ONLY on services for children with special needs. It must also eliminate the incentive for charter schools to under-serve the most vulnerable children in the commonwealth.

### **Charter Appeal Board (CAB)**

Here in Pittsburgh, there are two new charter school applications that are not bringing anything new to the table. We cannot afford to take money out of the already tiny pot to give to schools that duplicate services. The Charter Appeal Board in Harrisburg is a pro-charter body that approves every appeal that comes across their desk. The current CAB is made up by appointees from Gov. Corbett's Office. Each, but one, of those appointee terms have expired and no new appointments have been made. We elect our school board to make decisions for our schools and our communities--not political appointees from Harrisburg. It's time for Gov. Wolf to appoint a new CAB board and for legislators to reform the charter appeal process.

### **School to Prison Pipeline- Ending School Push out**

Our Pittsburgh parents were exhausted from watching our babies be pushed away from their education. Through an analysis of Pittsburgh Public School District out-of-school suspension data, we were able to raise community awareness of the issue and created a space for public discourse and direct action. In June 2017 we released a report, "Suspended Education in Pittsburgh Public Schools 2015-16: A Report to the Community." We discovered alarming information about suspensions of our youngest learners (measured by days of missed school), and the intersection of race, gender and disability in out-of-school



suspensions. **Our report revealed that African American students in grades K-5 were suspended at four times the rate of white students, and students with disabilities were suspended at disproportionately higher rates than students without disabilities.**

Our recommendations for local and state changes to address this injustice included proposing a ban on the use of out-of-school suspensions in PreK-5th grade for minor nonviolent misconduct. We were successful in pushing the Pittsburgh Board of Education to pass a ban on suspension from PreK-2nd grade starting in the 2018-19 school year, and to invest in resources like Positive Behavior Interventions and Supports (PBIS) and District-wide restorative practices. We are also working with Rep. Jake Wheatley's office to move a similar policy across the commonwealth. H.B. 715

### **Funding- State Budget**

Last but not least! Everything I said up until this point cannot happen until we have a better funding system for public education. We are still digging ourselves out of the Corbett funding hole. Every single year we bang on legislators' doors in Harrisburg to restore that money.

Our local Pittsburgh Public School Strategic Plan relies on more funding. We need to focus on new dollars going first to those school districts that are historically underfunded and overburdened by the structural and generational poverty in that district. When we talk to the parents in Reading, PA, we know that that they have fewer dollars to spend on students than the average PA school districts.

The over reliance in Pennsylvania on local tax dollars to fund public schools - Pennsylvania ranks 46th in the nation in state share of funding provided to school districts - inherently leads to inequality and inadequacy of funding.

We don't need to defend the status quo, instead we demand a real investment in making real changes that build up public education system, the system which currently educates 90% of our kids.

We also don't need Education Savings Account (ESA) vouchers, also known as coupons for rich kids! These vouchers will take hundreds of millions of dollars in taxpayer money from public schools and send that money to private schools, private companies, religious schools, and even personal tutors. The reality of any voucher proposal is that they aren't for low income families or families whose students aren't welcome in private schools. They don't provide enough dollars to actually cover the cost of tuition.

In conclusion: traditional public schools are the cornerstone of our democracy. They are the only real option for most families. Public school districts accept and educate all children who come through their doors. We should focus all of our energy and resources on ensuring that our public schools are the best that they can be, and that every student in them has the opportunity to learn and succeed.



EDUCATION VOTERS  
of Pennsylvania

# CHARTERS SHOULD NOT PROFIT OFF STUDENTS WITH DISABILITIES

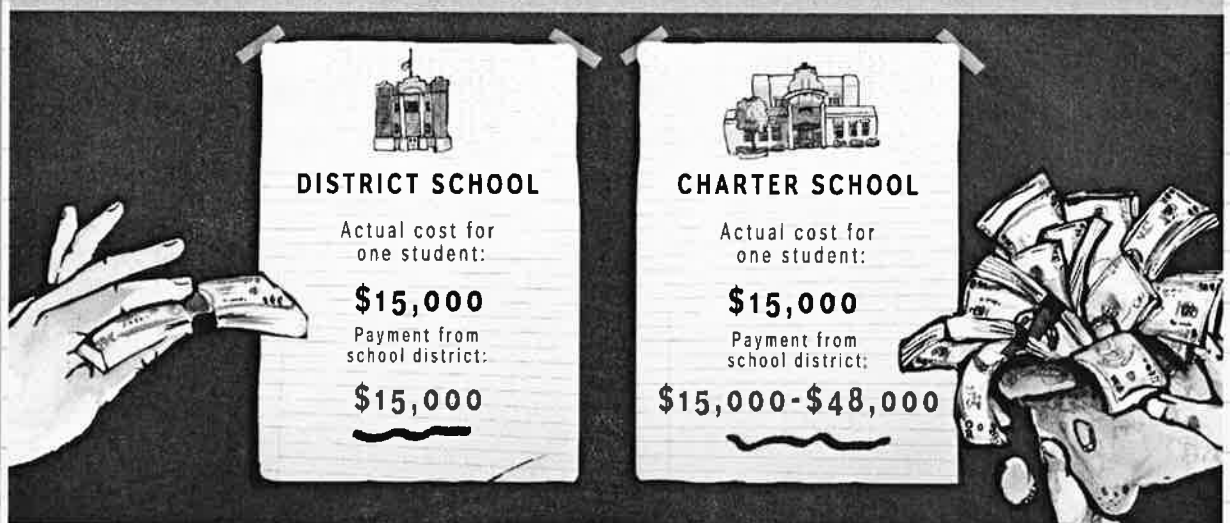
Pennsylvania's flawed charter school law must be fixed to ensure that all children are treated fairly and all schools are adequately funded. Current law bases charter school special education tuition rates on the average amount school districts spend providing services for students with disabilities in district schools, not the actual cost for charters to provide services. Lawmakers must apply the special education funding formula to charter schools to match the funding charters receive from school districts with the actual cost of providing services.

#FixSpecialEdFunding

LAWMAKERS MUST END THE MORE THAN \$100 MILLION  
IN SPECIAL EDUCATION FUNDING OVERPAYMENTS  
TO CHARTER SCHOOLS.



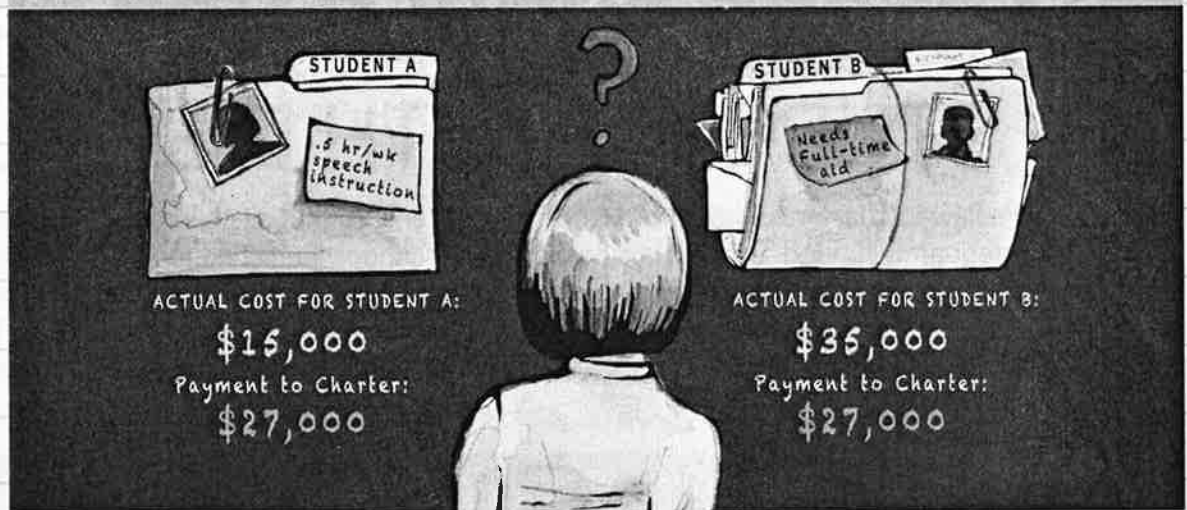
Under current state law, special education funding for  
charter schools has **NO RELATIONSHIP** to actual cost of  
educating and providing services to students with disabilities.



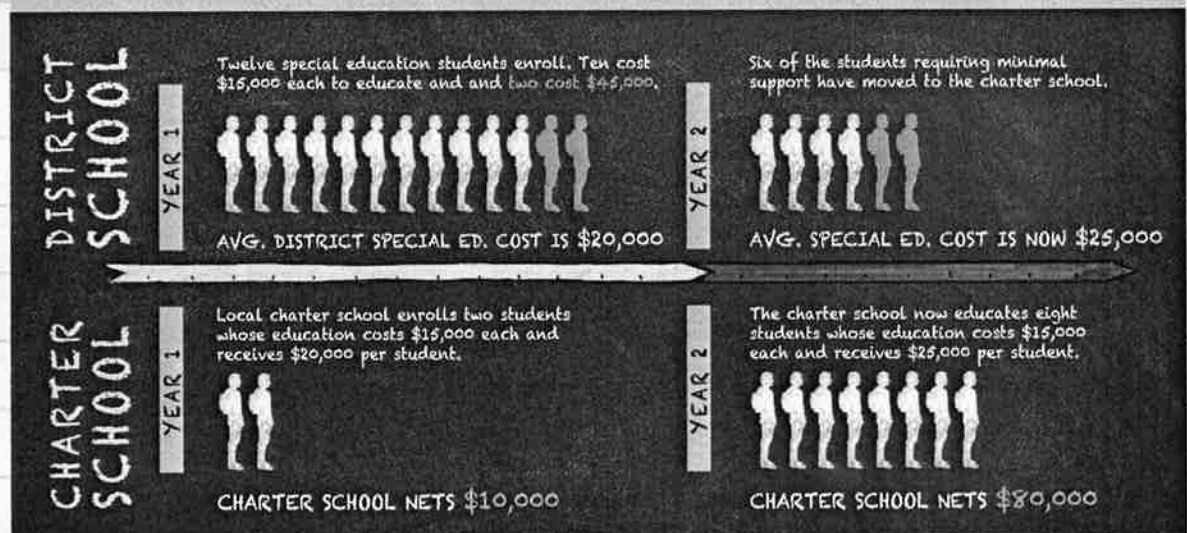
[www.educationvoterspa.org](http://www.educationvoterspa.org)

over>

Charters are **overpaid** for the cost of educating students who require fewer services and **underpaid** for the cost of students who need more services.



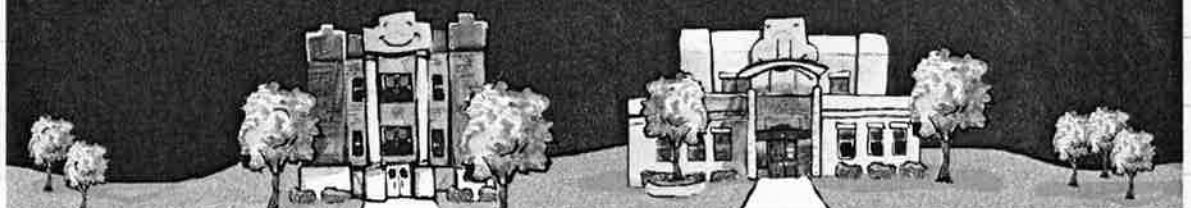
How PA law creates a financial incentive for charters to enroll only students who need minimal support.



## LAWMAKERS MUST APPLY THE SPECIAL EDUCATION FUNDING FORMULA TO CHARTER SCHOOLS.

The special education funding formula, which currently only applies to district schools, matches funding for students with disabilities to the **actual cost** of providing services to these students.

Lawmakers must fix special education funding in PA's broken charter school law. They must end the overpayment of more than \$100 million in special education funding to charter schools.







# Important new report confirms:

Pennsylvania's school funding system unfairly disadvantages students from poorer communities and communities of color

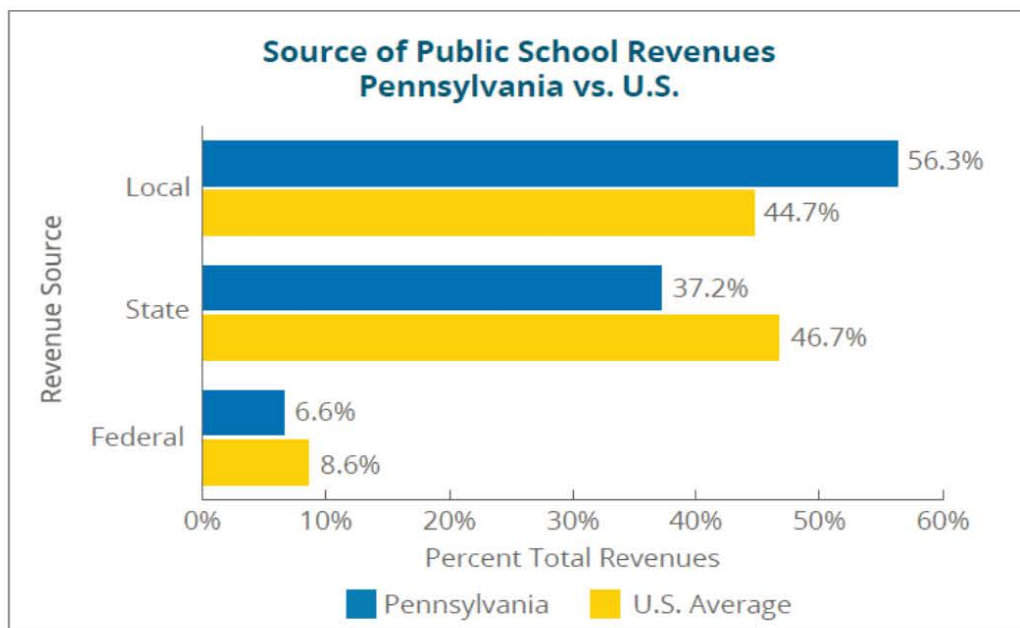
## More state funding through the new fair funding formula needed

A recent Education Law Center report<sup>1</sup> updated research findings on the link between education funding levels and student outcomes and demonstrated how the lack of fair and adequate state funding for Pennsylvania schools directly impacts students' education and life outcomes, particularly among disadvantaged students and students of color.

Among the report's findings:



The overreliance in Pennsylvania on local tax dollars to fund public schools - Pennsylvania ranks 46th in the nation in state share of funding provided to school districts - inherently leads to inequality and inadequacy of funding.



The state's current school funding system continues to unfairly disadvantage students in poorer communities, and more severely disadvantages communities of color. Pennsylvania is one of only 14 "regressively" funded public school systems in the country, meaning our poorest and most needy schools generally receive the fewest resources to serve their students.

<sup>1</sup> Money Matters in Education Justice: Addressing Race and Class Inequities in Pennsylvania's Public School System, Education Law Center, March 2017, <http://www.elc-pa.org/wp-content/uploads/2017/03/Education-Justice-Report-1.pdf>



Certain low-wealth communities in Pennsylvania — particularly communities of color — tax themselves at higher rates, but remain unable to generate sufficient local revenues to support their schools. For example, Reading School District, serving one of the poorest communities in the state and with a very high concentration of students of color, taxes its citizens at a higher rate than most other municipalities. However, because of the community's low wealth and property values, Reading still ends up with significantly fewer local dollars to spend on students than the average Pennsylvania school district

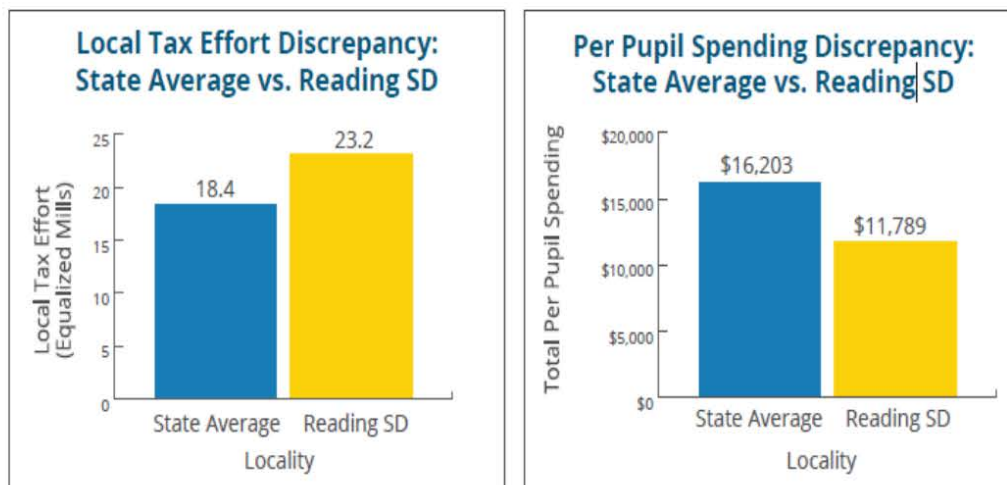


Figure 2, Pennsylvania Department of Education 2014-2015 Revenue Data for School Districts, Career and Technology Centers, and Charter Schools; Figure 3, Pennsylvania Department of Education 2014-2015 Expenditure Data for School Districts, Career and Technology Centers, and Charter Schools

The Commonwealth must spend more than \$3 billion a year more to allow schools to provide adequate levels of services, staff, course curricula, facilities and other needed supports.

### **ELC Executive Director Deborah Gordon Klehr concludes:**

“Pennsylvania children have been suffering under an unfair funding system for far too long. It is going to take years of sustained investment and targeted support to change course and provide our students — particularly children in poverty and children of color — with the tools they need to succeed.”



**THE CAMPAIGN FOR FAIR  
EDUCATION FUNDING**  
Because every child deserves a chance to succeed.



**Campaign for Fair  
Education Funding**



**@FairFundingPA**

## Inequities in Pennsylvania's Charter Sector: Segregation by Disability

February 2017

The legislative intent of Pennsylvania's Charter School Law ("CSL") is to create and improve public school options for *all pupils*, including students with disabilities and other vulnerable student populations.<sup>1</sup> Notwithstanding a few notable exceptions, that has *not* been the story of Pennsylvania's experiment with charter schools.

Instead, the charter sector, on the whole, has and continues to serve *disproportionately fewer* of Pennsylvania's vulnerable students than traditional public schools. Economic disadvantage is one proxy for vulnerable students, but there are other proxies as well, including: students with disabilities, English Language Learners, students experiencing homelessness, and students in the dependency and delinquency systems. For instance, data from the PolicyLab at the Children's Hospital of Philadelphia suggests that the traditional public schools in the School District of Philadelphia serve much greater concentrations of students in "deep" poverty as compared to Philadelphia's charter sector.<sup>2</sup> Vulnerable students require different kinds of services—and resources—to meet their unique challenges. Notably, based on a comprehensive review of the most recent School Performance Profiles ("SPPs") and PennData, it is *not at all* apparent that Pennsylvania's charter sector is performing any better than traditional public schools even while serving fewer of our most vulnerable student groups.<sup>3</sup>

However, federal and state laws are clear that charter schools must provide quality public options for *all pupils*. With respect to students eligible for special education under Pennsylvania law and the federal Individuals with Disabilities Education Act, the data demonstrates that, even where charter schools are serving proportionate numbers of students with disabilities in line with their share of the overall student population, the charter sector by and large does *not* educate students with disabilities who require *higher* cost aids and services—e.g. students with intellectual disabilities, serious emotional disturbance, and multiple disabilities. Instead, the charter sector serves students with disabilities who require *lower* cost aids and services, such as speech and language impairment and specific learning disabilities. The result is that, with some notable exceptions, students requiring higher cost services are more heavily concentrated in traditional public schools, a phenomenon that not only cuts against the principles of inclusion that are at the core of state and federal laws respecting students with disabilities, but also strains the pockets of traditional public schools, as students with intellectual disabilities or emotional disturbance often cost more

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<sup>1</sup> 24 P.S. § 17-1702-A.

<sup>2</sup> Sophia Hwang, et al., *Supporting the Needs of Students Involved with the Child Welfare and Juvenile Justice System in the School District of Philadelphia*, POLICYLAB, CHILDREN'S HOSPITAL OF PHILADELPHIA, at 15 (June 2014), available at [http://www.projectturn.net/docs/supporting\\_needs.pdf](http://www.projectturn.net/docs/supporting_needs.pdf).

<sup>3</sup> For example, in the 2014-15 school year, the statewide average score for district public schools on the SPP issued by the Pennsylvania Department of Education ("PDE") was 77.1 while the average SPP for charter schools was 65.7. See Pennsylvania School Performance Profile, available at <http://paschoolperformance.org/>.

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*This analysis was prepared by Alex M. Dutton, Esq., Maura McInerney, Esq., and Michaela Ward at the Education Law Center - PA. It is adapted in part from testimony previously delivered by David Lapp, Esq., when he was a Staff Attorney at the Education Law Center - PA. All numbers have been updated based on the most recently published PennData and School Performance Profile data sets.*



## Inequities in Pennsylvania's Charter Sector: Segregation by Disability | 2017

to serve.<sup>4</sup> A 2016 report issued by PASA/PASBO reports that 88% of Pennsylvania's school districts projected an increase in special education services during the 2016-17 school year.<sup>5</sup>

Furthermore, civil rights advocates and others have criticized charter schools and their supporters for contributing to and maintaining *racial* segregation in public schools.<sup>6</sup> One way the charter sector creates racial segregation in Pennsylvania is through segregating students by the severity of disability. This occurs because Black students are overrepresented in the populations of students with disabilities requiring higher cost aids and services. (It is worth noting that Black students are simply overrepresented in these disability categories and the reasons for this trend require further exploration as a related, but separate problem.<sup>7</sup>) For instance, of students identified as eligible for special education in Pennsylvania:

- Black students are **1.48** times more likely than White students to be identified with an **intellectual disability**;
- White students are **1.8** times more likely than Black students to be identified with a **speech and language impairment**;
- Black students are **1.61** times more likely than White students to be identified with **emotional disturbance**;
- White students are **1.5** times more likely than Black students to be identified with **autism**.<sup>8</sup>

With the exception of autism, Black students are significantly more likely to be labeled with intellectual disability and emotional disturbance, which require higher cost aids and services, while White students are much more likely than Black students to be labeled with a disability that requires lower cost aids and services, like speech and language impairment. The analysis above demonstrates that the students requiring high cost services are more likely to attend traditional public schools and less likely to be educated in charter schools. Thus, the segregation-by-disability-type phenomenon also results in racial segregation.

Commentators have noted that this situation is rooted in the Charter School Law itself, which provides charter schools with the same amount of funding for *any* student receiving special education, regardless of the nature of the student's disability or the cost of the services the student requires.<sup>9</sup> This

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<sup>4</sup> See James G. Chambers, et al., *Special Education Expenditures Report: Total Expenditures for Students with Disabilities: Variation by Disability*, CENTER FOR SPECIAL EDUCATION FINANCE (June 2003), available at [http://csef.air.org/publications/seep/national/Final\\_SEEP\\_Report\\_5.PDF](http://csef.air.org/publications/seep/national/Final_SEEP_Report_5.PDF).

<sup>5</sup> PENNSYLVANIA ASSOCIATION OF SCHOOL ADMINISTRATORS, *Continued Cuts: Losing Confidence, Losing Learning*, at 6 (June 2016) available at <http://www.pasa-net.org//Files/SurveysAndReports/2016/PASA-PASBOReportSpring2016.pdf>.

<sup>6</sup> See, e.g., Erica Frankenburg, et al., *Choice Without Equity: Charter School Segregation and the Need for Civil Rights Standards*, THE CIVIL RIGHTS PROJECT (January 2010), available at <http://escholarship.org/uc/item/4r07q8kg#page=1>; Iris C. Rotberg, *Charter Schools and the Risk of Increased Segregation*, PHI DELTA KAPPAN (Feb. 2014), available at <http://journals.sagepub.com/doi/pdf/10.1177/003172171409500507>.

<sup>7</sup> See, e.g., NATIONAL EDUCATION ASSOCIATION, *Truth in Labeling: Disproportionality in Special Education* (2007), available at <http://www.nea.org/assets/docs/HE/EW-TruthInLabeling.pdf>; J. Weston Phippen, *The Racial Imbalances of Special Education*, THE ATLANTIC (July 16, 2015), <https://www.theatlantic.com/education/archive/2015/07/the-racial-imbalances-of-special-education/397775/>.

<sup>8</sup> See Special Education Statistical Summary, 2014-2015, Pennsylvania Department of Education Bureau of Special Education, Table 3 (November 2015), available at [https://penndata.hbg.psu.edu/Portals/66/documents/PennDataBooks/Statistical\\_Summary\\_2014-2015.pdf](https://penndata.hbg.psu.edu/Portals/66/documents/PennDataBooks/Statistical_Summary_2014-2015.pdf).

<sup>9</sup> 24 P.S. § 17-1725-A(3). See, e.g., Kathy Boccella, *Battle Brews Over Charter School Compensation*, THE MORNING CALL (Aug. 23, 2015), <http://www.mcall.com/news/local/mc-charter-school-education-funding-20150823-story.html>; Patrick Varine & Daveen Rae Kurutz, *Special-Education Charter Funding Skews the Numbers in Pennsylvania*, TRIB LIVE (June 4, 2014), <http://triblive.com/news/education/6196278-74/education-charter-special>; Rich Lord, *Special-Needs Education is Battleground for Charter Schools, Other Districts in Pa.*, THE POST-GAZETTE (May 29, 2012), <http://www.post-gazette.com/news/education/2012/05/27/Special-needs-education-is-battleground-for-charter-schools-other-districts-in-Pa/stories/201205270267>; THE PUBLIC INTEREST LAW CENTER, *How the Charter Formula Games Special Education*, <http://www.pilcop.org/how-the-charter-formula-games-special-education/> (last visited, Feb. 1, 2017).



creates a perverse incentive for charter schools to underserve students with disabilities who require higher cost aids and services. In contrast, since the enactment of a new special education funding formula in the 2014-2015 school year—which was based on recommendations made by a *bipartisan* Special Education Funding Commission<sup>10</sup>—school districts have received new state special education funding based on the number of students with a disability in each of three cost categories, with funding allocated based on the level of resources needed to serve those students. Unlike the current charter school funding scheme which creates a disincentive to serve our most vulnerable students, this approach ensures that schools drive dollars to our students with disabilities who require high-cost aids and services.

We must address the segregation that is happening across Pennsylvania's "system" of public education as a result of these disparate funding mechanisms. Until funding with respect to students with disabilities in the charter sector is equitable, Pennsylvania's schools will remain and continue to become more segregated by disability and race. There is simply no fiscal motivation for charter schools to reform these policies, as maintaining such practices create a funding "windfall" for charter schools who receive "surplus" special education funding—and benefit from better performance on the SPP. To be clear, even the windfall in this context does not change the fact that both school districts *and charter schools* continue to be severely underfunded by the state.

The intent of the CSL was never to segregate students by type of disability nor deny students with significant disabilities access to charter schools. Obviously, this result directly contravenes federal student disability and anti-discrimination laws.<sup>11</sup> Yet, this is exactly what is happening in districts across Pennsylvania. The exclusion of students with certain disabilities from charter schools often goes unchallenged or even unreported as parents are "counseled away" from applying to charter schools, or dissuaded from enrolling their child once selected by a lottery.<sup>12</sup>

To illustrate the current trend described above, we compare the disability types of students attending the charter sectors in three of the largest school districts in the Commonwealth—Philadelphia, Erie City, and Pittsburgh Public—as compared to students with disabilities attending traditional public schools in those jurisdictions.<sup>13</sup>

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<sup>10</sup> SPECIAL EDUCATION FUNDING COMMISSION, *Final Report and Recommendations* (Jan. 27, 2014), available at <http://www.senatorbrowne.com/files/2015/05/Special-Education-Funding-Commission-Briefing-FINAL.pdf>

<sup>11</sup> 20 U.S.C. § 1412(5)(B); 34 C.F.R. §§ 300.550-300.556; and Section 504 of the Rehabilitation Act of 1973, Pub. L. No. 93-112, 87 Stat. 394, codified at 29 U.S.C. § 701, *et seq.*

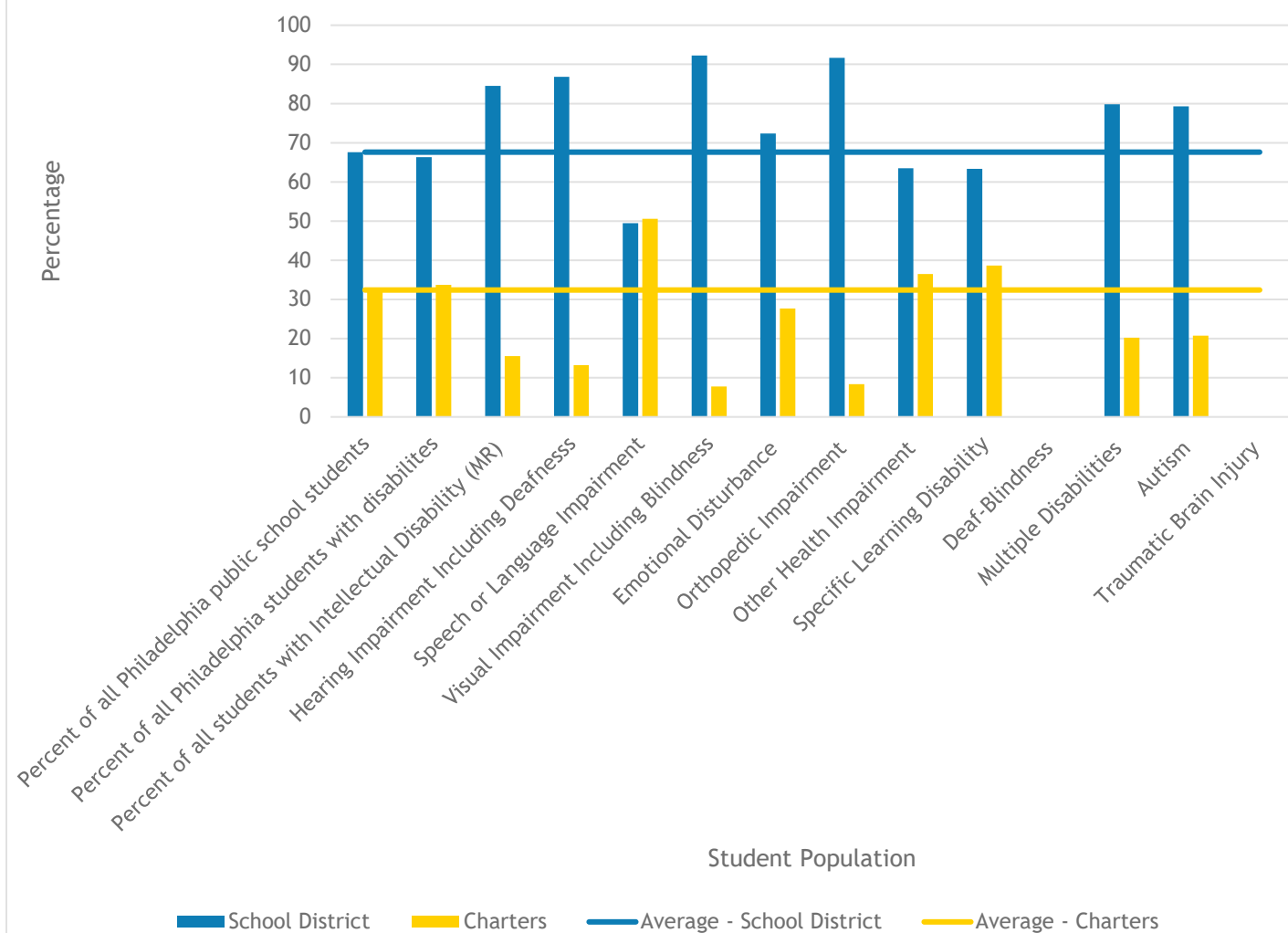
<sup>12</sup> Notably, families in these situations often question their ability to assert a legal claim where they will have the burden of proof.

<sup>13</sup> A note on sources and methodology. The data for the special education calculations comes from the Pennsylvania Department of Education ("PDE") Special Education Statistical Summary, 2014-2015, which is the most recent available report available publicly as of February 2, 2017, and available here:

[https://penndata.hbg.psu.edu/Portals/66/documents/PennDataBooks/Statistical\\_Summary\\_2014-2015.pdf](https://penndata.hbg.psu.edu/Portals/66/documents/PennDataBooks/Statistical_Summary_2014-2015.pdf). Enrollment data comes from PDE's Public School Enrollment 2014-2015 report, available here: <http://www.education.pa.gov/Data-and-Statistics/Pages/Enrollment%20Reports%20and%20Projections.aspx#tab-1>.

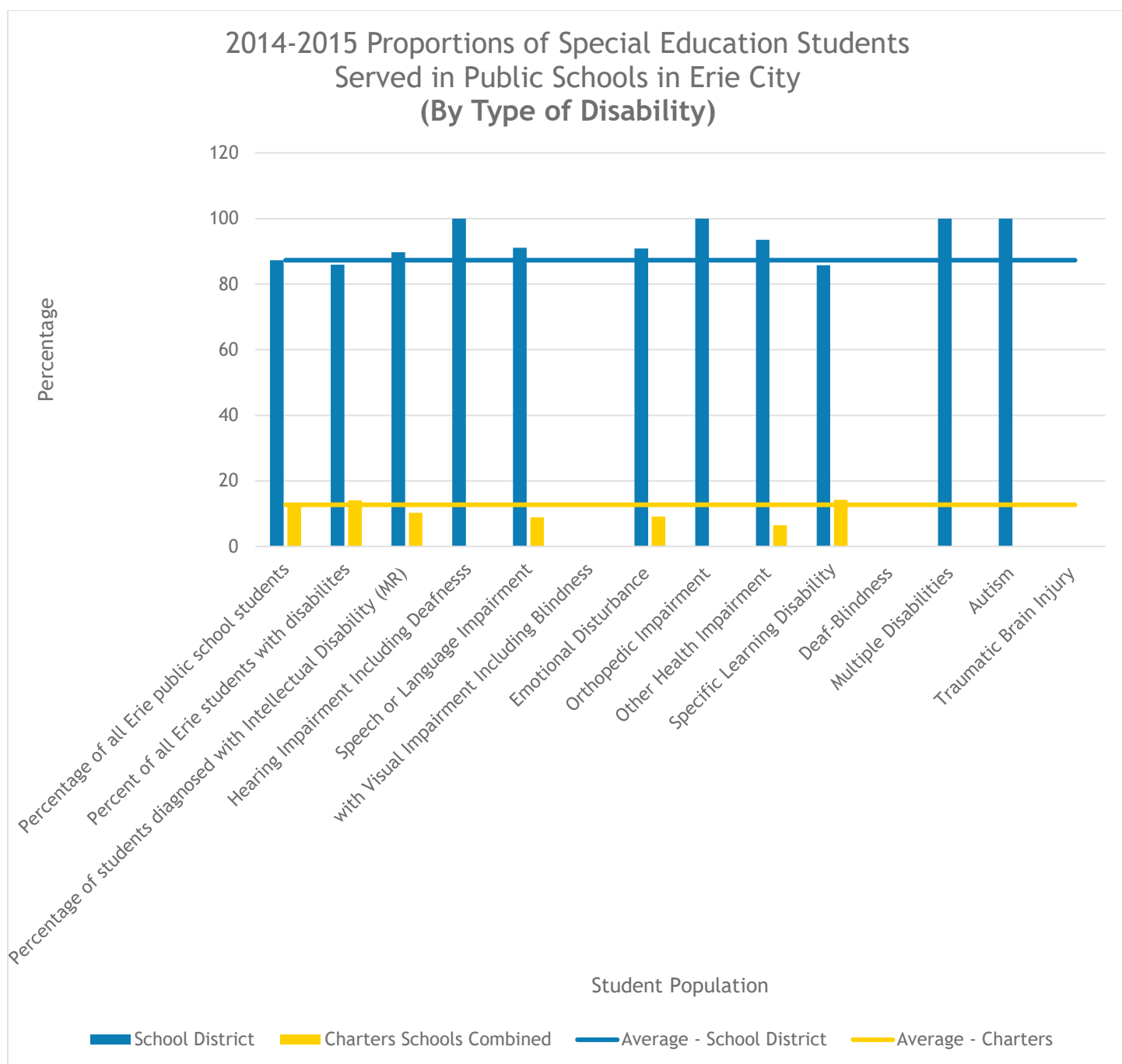
## Philadelphia

### 2014-2015 Proportions of Special Education Students Served in Public Schools in Philadelphia (By Type of Disability)



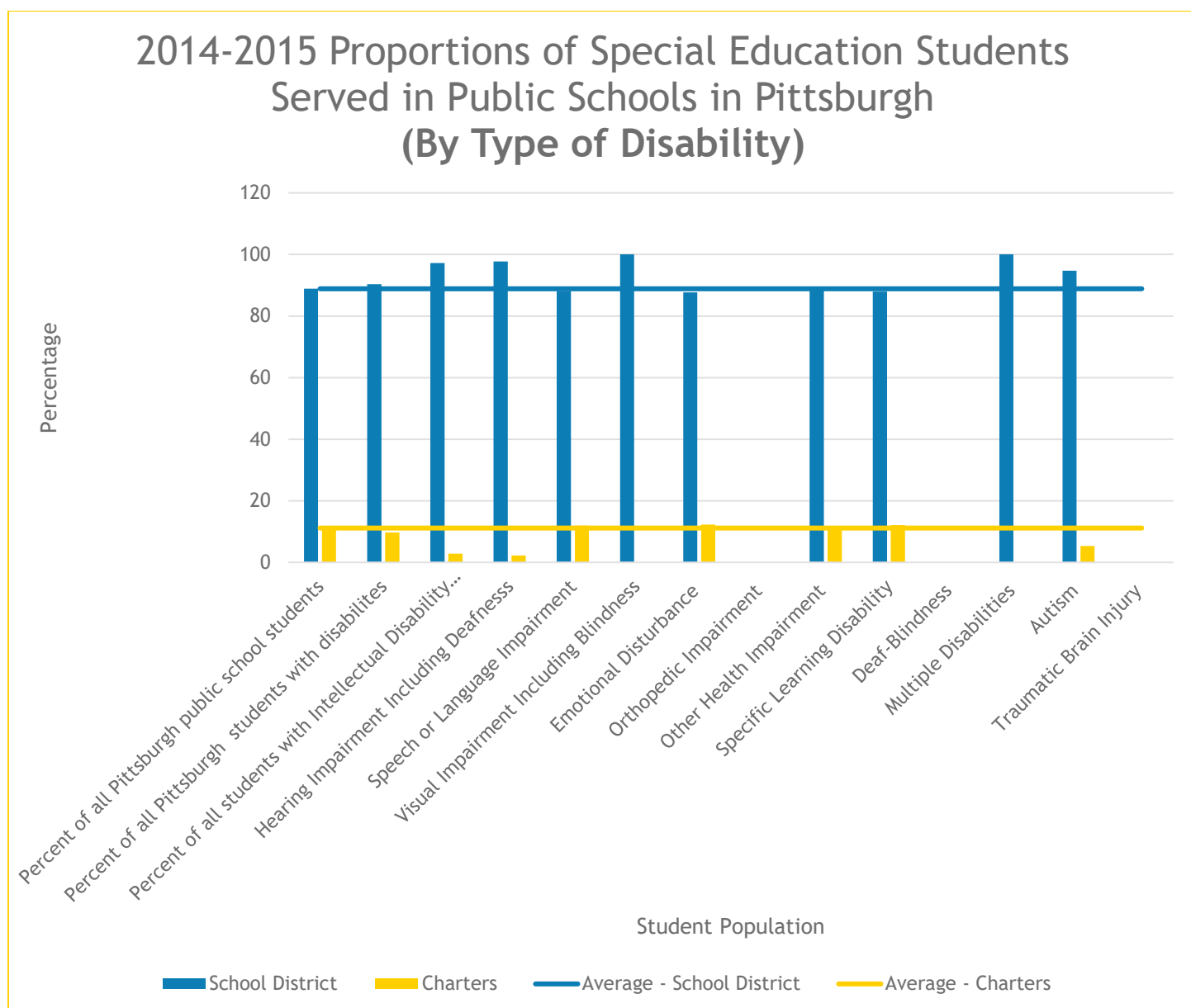
In Philadelphia, charters serve 32.4% of all students attending public schools, and 33.7% of all students with disabilities enrolled in public schools. On the surface, this seems equitable. But the devil is in the details: an overwhelming and disproportionate number—50.6%—Philadelphia's students with speech or language impairment attend charters, while only 15.5% of students with intellectual disabilities, 27.7% with emotional disturbance, 20.2% with multiple disabilities, and 20.7% with autism do. This disparity is clear: charter schools in Philadelphia are serving far fewer students with the most severe disabilities, in favor of students with disabilities requiring low-cost services. This often creates a windfall for those charter schools.

## Erie



In Erie City, charters serve 12.7% of the students attending public schools, and 14% of students with disabilities. Again, this appears equitable on its face. But only 9.1% of students in Erie City who are identified with emotional disturbance, 6.5% with other health impairment (which covers chronic conditions), and 10.3% with intellectual disability attend charters, while 14.2% of students in Erie with specific learning disabilities do. This disparity is clear: charter schools in Erie are serving far fewer students with the most severe disabilities, in favor of students with disabilities who need less costly services.

## Pittsburgh



Finally, in Pittsburgh, charters enroll 11.2% of the city's students attending public schools, and 9.7% of students with disabilities enrolled in public schools. Strikingly, however, Pittsburgh's charters serve only 2.8% of Pittsburgh's students with intellectual disabilities and only 5.3% of its autistic students. Conversely, charters enroll 11.9% of students in Pittsburgh with speech or language impairment and 12.1% of its students with specific learning disabilities. This disparity is clear: charter schools in Pittsburgh are serving far fewer students with disabilities who require high-cost services, in favor of students with disabilities who need low-cost services.

Unless we fundamentally change how charter schools are funded with respect to special education and create *incentives*—rather than disincentives—for serving our most vulnerable students with disabilities, these striking disparities and the entrenched segregation of our students based on disability and race will continue.



May 2016

# CHARTER SCHOOL VULNERABILITIES TO WASTE, FRAUD, AND ABUSE

Federal Charter School Spending, Insufficient Authorizer Oversight, and Poor State & Local Oversight Leads to Growing Fraud Problem in Charter Schools

#### ABOUT THE AUTHOR

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**The Center for Popular Democracy** is a nonprofit organization that promotes equity, opportunity, and a dynamic democracy in partnership with innovative base-building organizations, organizing networks and alliances, and progressive unions across the country.

This report is available at [www.populardemocracy.org](http://www.populardemocracy.org).



# Charter School Vulnerabilities To Waste, Fraud, And Abuse

## Federal Charter School Spending, Insufficient Authorizer Oversight, and Poor State & Local Oversight Leads to Growing Fraud Problem in Charter Schools

Center for Popular Democracy

May 2016

### Executive Summary

Two years ago, the Center for Popular Democracy (CPD) issued a report demonstrating that charter schools in 15 states—about one-third of the states with charter schools—had experienced over \$100 million in reported fraud, waste, abuse, and mismanagement since 1994. Last year, we released a new report that found millions of dollars of new alleged and confirmed financial fraud, waste, abuse, and mismanagement in charter schools had come to light, bringing the new total to \$203 million.<sup>1</sup> This report offers further evidence that the money we *know* has been misused is just the tip of the iceberg. With the new alleged and confirmed financial fraud reported here, **the total fraud, waste, abuse, and mismanagement in charter schools has reached over \$216 million.**

Public funding for charter schools (including local, state, and federal expenditures) has reached over \$30 billion annually.<sup>2</sup> Yet, despite this tremendous ongoing investment of public dollars to charter schools, government at all levels has failed to implement systems that proactively monitor charter schools for fraud, waste, abuse, and mismanagement. While charter schools are subject to significant reporting requirements by various public agencies (including federal monitors, chartering entities, county superintendents, and state controllers and auditors), very few of these agencies regularly monitor for fraud.

The rapid expansion of the charter sector in recent years is of particular concern. Local and state entities charged with oversight of charters are quickly becoming overwhelmed. Yet the federal government continues to pour taxpayer dollars into this expansion project. Over the past 20 years, the federal Department of Education has spent over \$3.3 billion into states to scale up the number of charter schools without requiring strong oversight systems.<sup>3</sup> As a result, millions in federal dollars have been lost to fraud, waste, or mismanagement. With the recent passage of the Every Student Succeeds Act (ESSA), the federal Department of Education is set to increase the pace of spending significantly over the next 10 years,<sup>4</sup> doubling the total federal investment in charter schools in half the time. With the continuation of inadequate oversight mechanisms and the new influx of federal dollars likely under ESSA, the amount of federal, state, and local dollars at risk of being lost to fraud, waste, and abuse in the charter sector is only going to grow.

The number of instances of serious fraud uncovered by whistleblowers, reporters, and investigations suggests that the fraud problem extends well beyond the cases we know about. Based on the widely accepted estimate of the percentage of revenue the typical organization loses to fraud, the deficiencies in charter oversight throughout the country suggest that **federal, state, and local governments stand to lose more than \$1.8 billion in 2016, up from \$1.4 billion in 2015.**<sup>5</sup> The vast majority of the fraud perpetrated by charter officials will go undetected because the federal government, the states, and local charter authorizers lack the oversight necessary to detect the fraud.

Setting up systems that detect and deter charter school fraud is critical. Investments in strong oversight systems will almost certainly offset the necessary costs. We recommend the following reforms:

- Mandate audits that are specifically designed to detect and prevent fraud, and increase the transparency and accountability of charter school operators and managers.
- Design clear planning-based public investments to ensure that any expansions of charter school investments ensure equity, transparency, and accountability.
- Increase transparency and accountability to ensure that charter schools provide the information necessary for state agencies to detect and prevent fraud.

State and federal lawmakers should act now to put systems in place to prevent fraud, waste, abuse and mismanagement. The Every Student Succeeds Act (ESSA), which was signed into law this year, unfortunately, does very little reduce the vulnerabilities in the Charter Schools Program. Without state and local lawmakers passing policies that will increase oversight, taxpayers stand to lose millions more dollars to charter school fraud, waste, abuse, and mismanagement.



## Introduction

Over \$30 billion in local, state, and federal taxpayer dollars are spent on charter schools each year. The federal government alone has contributed over \$3.3 billion through several grant programs specifically designed to increase the number of charter schools in the United States.<sup>6</sup> With the recent passage of the Every Student Succeeds Act (ESSA), the federal government has signaled its plans to spend another \$3.3 billion over the next 10 years,<sup>7</sup> which would double the federal investment in charter schools.<sup>8</sup> This projected increase in the number of charter schools leverages a corresponding increase in local and state taxpayer dollars as well. Despite the sizeable public investment in these institutions, the federal, state, and local government bodies that oversee charter schools have failed to implement adequate protections to ensure that taxpayer money is used appropriately to advance the education of the nation's young people.

State oversight systems are currently reactive by design. While states do require that charter schools submit budgets, financial reports, and independent financial audits, most do not proactively monitor for fraud, waste, mismanagement, or other financial abuses. States maintain these passive standards despite the federal government's identification of serious deficiencies in charter school oversight across the country. In 2010, the US Department of Education's Office of Inspector General issued a memorandum to the Department of Education's Office of Innovation and Improvement. The OIG stated that the purpose of the memorandum was to "alert you of our concern about vulnerabilities in the oversight of charter schools."<sup>9</sup> The report went on to state that the OIG had experienced "a steady increase in the number of charter school complaints" and that state level agencies were failing "to provide adequate oversight needed to ensure that Federal funds [were] properly used and accounted for."<sup>5</sup> In September of 2012, the OIG audited the Department of Education's Office of Innovation and Improvement's (OII) Charter Schools Program and found that OII did not adequately monitor the federal funds.<sup>10</sup> Specifically, the audit report states that:

"We determined that OII did not effectively oversee and monitor the SEA [State Educational Agencies] and non-SEA grants and did not have an adequate process to ensure SEAs effectively oversaw and monitored their subgrantees. Specifically, OII did not have an adequate corrective action plan process in place to ensure grantees corrected deficiencies noted in annual monitoring reports, did not have a risk-based approach for selecting non-SEA grantees for monitoring, and did not adequately review SEA and non-SEA grantees' fiscal activities.

In addition, we found that OII did not provide the SEAs with adequate guidance on the monitoring activities they were to conduct in order to comply with applicable Federal laws and regulations. We identified internal control deficiencies in the monitoring and oversight of charter schools that received the SEA grant at all three of the SEAs we reviewed. Specifically, we found that none of the three SEAs:

- adequately monitored charter schools receiving the SEA grants;
- had adequate methodologies to select charter schools for onsite monitoring; or
- monitored authorizing agencies."<sup>11</sup>

Given the amount of fraud that continues to be uncovered by whistleblowers and the media, and the consistent pace of state and federal prosecutions of fraud cases, there is ample evidence that many of the concerns raised in 2012 by the OIG have not been remedied.<sup>12</sup> The federal Department of Education, through the Charter Schools Program, has the power to not only strengthen their own tracking and monitoring of how federal funds are deployed through the program, but to condition their grants to states based on criteria that would better protect against misconduct.

## The Tip of the Iceberg

Two years ago, the Center for Popular Democracy (CPD) issued a report demonstrating that charter schools in 15 states—about one-third of the states with charter schools—had experienced over \$100 million in reported fraud, waste, abuse, and mismanagement. Last year, we released an update that documented millions of dollars of new alleged and confirmed financial fraud, waste, abuse, and mismanagement in charter schools had come to light. This year’s report further demonstrates that the fraud we know about is just the tip of the iceberg. **Over the past 12 months, millions of dollars in new cases of alleged financial fraud, waste and abuse in charter schools have emerged, bringing the new total to \$216 million.**<sup>13</sup>

### Georgia

Atlanta’s Latin Academy Charter School, Latin Grammar Charter School, and Latin College Prep Charter School discovered that the founder of the schools, Christopher Clemons, had allegedly misappropriated approximately **\$600,000** from school accounts through ATM withdrawals. The FBI arrested Clemons. “The *Atlanta Journal-Constitution* reports Clemons allegedly used that money on travel, meals and clubs. A records check by the *Atlanta Journal-Constitution* revealed cash withdrawn from an ATM at the same address as a strip club...Clemons also allegedly borrowed hundreds of thousands of dollars in the schools’ names but without their authorization. The financial hit put the viability of Latin Academy at risk despite fundraising efforts by parents and an anonymous pledge of \$1 million. The boards cut salaries and expenses in an attempt to remain in operation.”<sup>14</sup>

### Louisiana

**ReNEW Charter School** officials, Tim Hearin and Alex Perez, changed student diagnoses and services to draw in **\$320,000 in state (and/or) federal funds designated for students with disabilities**, for ReNEW SciTech Academy in Uptown New Orleans. School leaders knew about special education fraud at one of their New Orleans schools for at least three months before reporting it last year to the Louisiana Department of Education. A whistleblower emailed CEO Colleen Mackay about special education irregularities in January 2015. The whistleblower re-alerted the CEO of the school two months later because the problems had continued.<sup>15</sup>

### Missouri

Missouri Attorney General accused **Hope Academy Charter School** of defrauding the state by reporting inflated attendance figures. The Attorney General sued the Kansas City charter school for approximately **\$3.7 million paid** to the school based on attendance records that Missouri says were inflated and falsified.<sup>16</sup>

### Pennsylvania

Under a settlement reached with the School District of Philadelphia, **Imhotep Institute Charter High School** was ordered in January of 2016 to pay back **\$16,000** in funds earmarked for special education instruction. As part of a memorandum of understanding with the School Reform Commission and the city’s Office of Inspector General, Imhotep Institute will reimburse the school district, will outline steps for accurately reporting billing information to the school district, and will train employees on proper procedures.<sup>17</sup>

### Illinois, Indiana, Ohio

The FBI accused the charter network **Concept Schools**, a charter network with schools across 6 states, and its vendors of engaging in a scheme to defraud a federal program by violating “fair

and open competitive bidding rules.”<sup>18</sup> Under the auspices of the federal E-Rate program, schools in Illinois, Indiana and Ohio allegedly contracted with “related entities” without soliciting written bids as required by law. The related entities were companies owned by school executives as well as members of a Turkish religious sect in which the executives were also members.

In June 2014, the FBI raided Concept’s Des Plaines, Ill headquarters and 18 other sites in Illinois, Indiana and Ohio, seizing records regarding top Concept officials and the company’s participation in the E-Rate program.<sup>19</sup>

## Ohio

**General Chappie James Leadership Academy Charter School** in Dayton, Ohio owes taxpayers close to **\$1.2 million** after it was found to have falsified its attendance records and received state funding for students who never attended the school. An investigation by state Auditor Dave Yost found that, “almost half of the reported 459 students enrolled at General Chappie James Leadership Academy had either never attended the school or had already left the school. Of the alleged students found by investigators, some had been incarcerated, moved out of state, or had been working and not attending school.”<sup>20\*</sup>

**Summit Academy Youngstown Charter School** in Mahoning County billed for services for students who were absent or not even enrolled on the dates of service, according to a Medicaid audit released by Auditor of State Dave Yost. “How do you provide services to students who aren’t even enrolled at the school?” Auditor Yost said. “You don’t. This is an old-school rip-off.” The audit determined that Summit Academy Youngstown Charter School was overpaid by Ohio Medicaid for services rendered in the amount of \$14,663.59. With interest in the amount of \$1,011.89, Summit Academy Youngstown owes the Ohio Department of Medicaid **\$15,675.48**. The audit also identified nine billed services with no supporting documentation and three services in which the provider billed the wrong procedure code, resulting in an overpayment.”<sup>21</sup>

## South Carolina

The founder of **Mary L. Dinkins Higher Learning Academy Charter School**, “Benita Dinkins-Robinson, was sentenced in federal court in Columbia, South Carolina, for embezzling government funds. United States Chief District Judge Terry Wooten sentenced Dinkins-Robinson to 42 months imprisonment and ordered her to pay over **\$1.5 million** in restitution. From 2007 to 2013, Dinkins-Robinson embezzled more than a million dollars in federal funds that were intended to be used for the Mary L. Dinkins Higher Learning Academy. The case was investigated by the Federal Bureau of Investigation and the United States Department of Education Office of Inspector General. Assistant United States Attorneys Winston Holliday and Ben Garner of the Columbia office handled the case.”<sup>22</sup>

## Quotes from Oversight Officials and Agencies in 2016

### Ohio State Auditor David Yost on General Chappie James Leadership Academy

“If you have 3 percent or 5 percent of your student population doesn’t have documentation, that may be bad record keeping. When nearly half of your kids don’t have a file, don’t have documentation, that’s not a mistake, that’s not bad record keeping, that’s fraud.”<sup>23</sup>

### Eugene A. DePasquale, Pennsylvania State Auditor General, April 2016

**Philadelphia:** “The Philadelphia School District’s charter school office is too small to oversee the 83 charter schools in the city. By failing to have sufficient staffing and resources to adequately perform and document routine oversight measures, the district is unable to verify the validity of hundreds of millions of dollars it is paying to charter schools in tuition payments... Most of the problems the district faces in managing charter schools stem from weaknesses in the state’s 1997 charter law, which he said provides insufficient oversight requirements and allows poorly performing schools to operate for years... If there’s one thing that needs to come out of this audit report it is that Pennsylvania must reform its charter school law... it [is] “simply the worst charter school law in the United States.”<sup>24</sup>

### L.A. Unified School Board

*L.A. Unified School Board members considered passing a resolution opposing state legislation, AB 2806, that would limit the school board’s ability to use the district’s internal investigator to oversee charter schools. The school board resolution reads: “Approval of this legislation would establish a separate standard for charter schools that would increase the risk of waste, fraud and abuse and impede a chartering agency’s ability to respond to allegations to clearly determine the facts and make sound conclusions.”*<sup>25</sup>

## About 90 Percent of an Iceberg Is Underwater: Fraud Detection and Prevention

Like icebergs, most fraud remains submerged. In its *2016 Report to Nations on Occupational Fraud and Abuse*, the Association for Certified Fraud Examiners assumes 5% of total revenues will be lost to fraud.<sup>26</sup> In order to detect and prevent that fraud, auditors need to be armed with the tools to root it out.

Currently, the vast majority of charter schools only undergo audits that they commission and pay for themselves. Many of the techniques used and areas covered by the charters' independent auditors overlap with the methodologies that specialized auditors employ to uncover fraud, but the key difference is the purpose. "Traditional audits," writes an expert on fraud audits, "can uncover fraud, but they don't seek it out. Instead, they look at records to check if prices charged on contracts are reasonable or if contractors have compliant accounting systems in place."<sup>27</sup> By contrast, fraud audits are specifically designed to look for and uncover instances of fraud, mismanagement, or abuse—and to assess whether schools have strong internal systems in place that can effectively detect and deter misconduct.

Buttressing the current system of audits by firms hired by charter schools themselves with regularly scheduled traditional audits performed by authorizers or state agencies would be an important step. But, incorporating a system of regular internal control audits would better protect the sizeable public investments in charter schools.

Given the public's investment in charters as a component of our public school system, policymakers should ensure that public funding be channeled only to schools in states that have a robust system of fraud detection and prevention, including internal controls. States should require the active participation of charter schools in identifying possible vulnerabilities.

Hallmarks of an effective, comprehensive fraud prevention system include:

- Taking proactive steps to educate all staff and board members about fraud;
- Ensuring that one executive-level manager coordinates and oversees the fraud risk assessment and reports to the board of directors, oversight bodies, and school community;
- Implementing reporting procedures that include conflict disclosure, whistleblower protections, and a clear investigation process;
- Undergoing and posting a fraud risk assessment conducted by a consultant expert in applicable standards, key risk indicators, anti-fraud methodology, control activities, and detection procedures; and
- Developing and implementing quality assurance, continuous monitoring, and, where necessary, correction action plans, with clear benchmarks and reporting.<sup>28</sup> These internal measures would help contribute to a culture of vigilance that aligns with the public's interest in ensuring that all resources intended for children's education are appropriately deployed. It would also help identify areas in which each charter school is vulnerable to fraud and target areas for the oversight agencies to pay particular attention. As mentioned above, part of establishing an effective internal control system is conducting a fraud risk assessment. An effective fraud risk assessment:
  - Identifies inherent fraud risk through the explicit consideration of all types of fraud schemes and scenarios; incentives, pressures, and opportunities to commit fraud; and information technology fraud risks specific to the organization;



- Assesses the likelihood and significance of inherent fraud risk based on historical information, known fraud schemes, and interviews with staff;
- Creates effective and appropriate responses to possible, existing, or residual fraud risks; and
- Performs a cost-benefit analysis of fraud risks to help the organization decide which controls or specific fraud detection procedures to implement.<sup>29</sup>

It is important that all charter schools adopt strong internal control mechanisms that assess the risk of fraud within their schools. However, oversight agencies can and should broaden the parameters of their oversight by conducting risk based targeted fraud audits that are designed specifically to detect misappropriation, financial reporting fraud, and corruption.<sup>30</sup> These fraud audits should begin with a review of the internal control system itself. While fraud can occur in companies with strong or weak internal control mechanisms, studies show that the companies with the best track record of preventing and detecting fraud are those with the strongest internal control fraud risk management programs.<sup>31</sup> For schools with stronger internal control systems, oversight agencies would use a fraud risk assessment to identify areas of particular vulnerability and target areas for the fraud audit. Where internal control systems are weaker, the authorizer would conduct broader fraud audits. In order to facilitate fraud audits across oversight agencies, the agencies should coordinate to identify possible fraud schemes, how they occur, and what symptoms they exhibit.

## Recommendations

Taxpayers invest billions of education dollars in charter schools, yet states offer too few protections to ensure that those taxpayer dollars are benefitting students. Therefore, we recommend that federal funding for charter school education should flow only to states that have the following student, parent, community, and taxpayer protection provisions in place for their charter schools.

### Increase Transparency & Accountability

- The federal Department of Education, through the Charter Schools Program, should strengthen its tracking and monitoring of how federal funds are employed through the program.
- State law and regulations should create comprehensive financial conflict-of-interest policies and guidelines, including reporting requirements, fraud audits, and clear designated state agency to monitor and enforce compliance. Those agencies should have the full authority to obtain copies of any school, governing board, or management organization documents.
- Charter schools in the state should be subject to whatever state school accountability provisions are in effect for the state's traditional public school sector. This includes state open meeting and open records laws, but does not preclude additional types of accountability, such as meeting the terms of a performance agreement.
  - Oversight agencies should create a system to categorize and rank charter audits by level of fraud risk they pose to facilitate public engagement.
  - Oversight agencies should post the findings of their annual internal assessments of fraud risk on their websites.
  - Oversight agencies should determine what steps charter school nonprofit governing boards and executives have taken to guard against fraud over the past 10 years and issue a report to the public detailing their findings and recommendations.

- Charter school authorizers should take fraud risk assessments into account when evaluating whether to renew a school's charter.
- Until states implement the oversight mechanisms described above, authorizers should only approve new charters that commit to the fraud controls recommended above. Further, the federal government should not fund schools that do not commit to these fraud controls.
- Charter governing Boards should have full access on request to all financial documents, records and information from any Education Management Organization with which it has contracted to manage the school.
- No further funding should be allocated to states from the Department of Education's Charter Schools Program until states meet the recommendations within this report.

## **Mandate Audits Designed to Detect and Prevent Fraud**

- Charter schools should be required to institute an internal fraud risk management program, including an annual fraud risk assessment.
- Charter schools should be required to commission an annual audit of internal controls over financial reporting that is integrated with the audit of financial statements charter schools currently commission. These integrated audits should require auditors to provide an opinion on the quality of internal controls and financial statements.
- Oversight agencies, such as state comptrollers' offices, should conduct audits on charter schools once every three years.
- Auditing teams should include members certified in Financial Forensics trained to detect fraud.
- Independent financial audit requirement should include public disclosure, also with a designated state agency to monitor compliance and enforce.

Given the rapid and continuing expansion of the charter school industry and the tremendous investment of public dollars, federal and state governments must act now to reform its oversight system. Without reform, taxpayers stand to lose billions of dollars as a result of charter school fraud, waste, and mismanagement.

# Appendix A:

## Categories of Fraud & Mismanagement

The instances of fraud and mismanagement fall into six basic categories:

- Charter operators using public funds illegally for personal gain;
- School revenue used to illegally support other charter operator businesses;
- Mismanagement that puts children in actual or potential danger;
- Charters illegally requesting public dollars for services not provided;
- Charter operators illegally inflating enrollment to boost revenues; and,
- Charter operators mismanaging public funds and schools.

### Charter Operators Using Public Funds Illegally For Personal Gain

The most pervasive type of charter fraud and mismanagement that we found in our survey is the illegal practice of charter operators using public funds for personal gain. Examples include:

- Masai Skieffs, former CEO of the Harambee Institute of Science Technology Charter School in Pennsylvania, who pled guilty to stealing \$88,000 for various purposes, including a down payment on a house;<sup>24</sup>
- William and Shirley Pierce, former operators of Right Step Academy Charter School in Minnesota, who were sentenced to 37 and 30 months in federal prison, respectively, for using public dollars for a Caribbean cruise vacation, \$17,561.87 to pay off personal credit card debt, and \$11,125.00 to purchase season tickets to the Minnesota Timberwolves,<sup>25</sup> among other things;
- Joel Pourier, former CEO of Oh Day Aki Heart Charter School in Minnesota, who embezzled \$1.38 million from 2003 to 2008. He used the money on houses, cars, and trips to strip clubs. Meanwhile, according to an article in the Minneapolis Star Tribune, the school “lacked funds for field trips, supplies, computers and textbooks.”<sup>26</sup> A judge sentenced Mr. Pourier to 10 years in prison.<sup>27</sup> Given the number of years, and the severity of the fraud, over a million dollars might have been saved had there been adequate charter oversight.

To prevent this type of fraud from occurring, there are a number of steps lawmakers can take. For example, charter school governing boards should be required to

include representation from the school’s educators and parents, and relatives of school administrators or anyone associated with a charter management company should be barred from serving on a school’s governing board. Schools should also be required to have internal financial controls that are considered best practices in non-profit management, to insure internal oversight of expenditures. Local or state charter school authorizers should be funded and required to ensure that these controls are in place.

Appendix B of this report includes excerpts from source documents which detail the various ways charter operators have used charter funds for personal gain.

### School Revenue Used To Illegally Support Other Charter Operator Businesses

We found a number of cases where charter operators were caught using public funds to illegally support their own personal businesses. For example, in 2012, the former CEO and founder of the New Media Technology Charter School in Philadelphia was sentenced to prison for stealing \$522,000 in taxpayer money to prop up a

restaurant, a health food store, and a private school.<sup>28</sup> In Florida, the former director of Life Skills Center Charter School, John Wyche, was sentenced in 2011 to serve more than six years in prison for misusing more than \$750,000 in state education monies to sustain a failing apartment complex that he owned.<sup>29</sup>

With increased transparency and tighter regulations governing self-dealing, much of this type of operator fraud can be prevented. Appendix C of this report includes excerpts from source documents which detail the various ways charter operators have used charter school revenue to illegally support their other personal businesses.

**“The theft of resources from Michigan’s children will not be tolerated,” said Schuette. “We must root out corruption at all levels of government to ensure the public is served. Nobody will get a free pass when they break the law.”**

— Michigan Attorney General Bill Schuette, after charging the former treasurer of the George Washington Carver Academy Charter School with felony embezzlement.

### Mismanagement That Puts Children In Actual or Potential Danger

Less prevalent, but perhaps more concerning than the other mismanagement we found, were a number of cases where children were put in potential or actual danger due to charter operator mismanagement. Many of the cases involved charter schools neglecting to ensure a safe environment for their students. For example, Ohio’s State Superintendent of Public Instruction, Dr. Richard A. Ross, was forced to shut down two charter schools, The Talented Tenth Leadership Academy for Boys Charter School and

The Talented Tenth Leadership Academy for Girls Charter School, because, according to Ross, “They did not ensure the safety of the students, they did not adequately feed the students, they did not accurately track the students and they were not educating the students well. It is unacceptable and intolerable that a sponsor and school would do such a poor job. It is an educational travesty.”<sup>30</sup>

Another situation occurred at the Paterson Charter School in New Jersey. An investigation conducted by the Department of Education found that more than 75 percent of the school’s employees had not undergone the required criminal background checks.<sup>31</sup> Similarly, the Department of Education found that the Mercer Arts Charter High School, also in New Jersey, was not providing a safe and orderly education environment for its students.<sup>32</sup> Across the country in California, the San Diego Unified School District found a similar problem. The District cited the A. Phillip Randolph Leadership Academy Charter School for “not adequately supervising students.”<sup>33</sup>

Charter oversight rules that inoculate against these types of mismanagement cases are sorely needed. As is discussed in the ‘recommendations’ section of this report, we believe there is a need to task and fund a dedicated state-level charter school and charter authorizer oversight office that employs investigators in a ratio of 1 investigator to 10 charter schools. Especially in situations where student safety is concerned, setting up a system of preventive monitoring is key. When investigators are appropriately staffed, they can catch problems before they turn into casualties. Appendix D of this report includes excerpts from source documents which detail the various ways charter operators have put children in real or potential danger.

## Charters Illegally Requesting Public Dollars For Services Not Provided

Where there is little oversight, and lots of public dollars available, there are incentives for ethically challenged charter operators to charge for services that were never provided.

A particularly egregious example comes from the operator of the Cato School of Reason Charter School (Cato) in California. According to an investigation conducted by the California State Auditor, Cato registered and collected millions of taxpayer dollars for students who were actually attending private schools.<sup>34</sup>

Another example comes from New Jersey. State officials shut down the Regional Experiential Academic Charter High School after the state found, according to report in the New York Times, “a wide range of problems, including failure to provide special education students with the services required by state and federal law.”<sup>35</sup> In Minnesota, as was reported in the *Star Tribune*, the superintendent of the Community School of Excellence Charter School “improperly directed staff members to enter or have students enter lunch codes for meals that were not eaten.”<sup>36</sup>

As is the case with the other types of fraud, this type of fraud could be prevented with increased transparency,

monitoring of services and regular public reporting. Appendix E of this report includes excerpts from source documents which detail the various ways charter operators illegally requested public dollars for services that they did not provide.

## Charter Operators Illegally Inflating Enrollment To Boost Revenues

Tens of millions of dollars have been lost due to charter operators illegally inflating their enrollment figures. For example, an independent auditor’s report of Success Academy Charter School in Minnesota found that \$608,000 was owed to taxpayers because they overstated their enrollment.<sup>37</sup> Another example comes from Florida, where an investigation by school district officials found that Life Skills Center charter school charged the state \$101,000 for students it didn’t have.<sup>38</sup> In California, an audit of the Oak Hills Charter School by the Fiscal Crisis and Management Assistance Team, a state agency, could not find evidence that a number of students existed.<sup>39</sup> In Pennsylvania, as reported in the Philadelphia Inquirer, “Curtis Andrews, chief executive of the now-defunct Center for Economics and Law Charter School in Southwest Philadelphia, was sentenced in 2006 to 33 months in federal prison for defrauding the school district of \$206,554 by devising a scheme to inflate student enrollment. He agreed to make full restitution as part of his guilty plea.”<sup>40</sup>

Charter schools should be required to submit monthly enrollment numbers, both to prevent this type of inflation, but also to ensure that adequate funding is being provided—or moved if students exit the school. The governing board should approve these enrollment reports and any irregularities should be immediately reported to authorizers. Governing boards should be held accountable for the accuracy of reports. Without regular audits, it is very likely operators will continue to illegally inflate their enrollment. Appendix F of this report includes excerpts from source

documents that detail various cases of charter operator’s illegally inflating their enrollment.

## Charter Operators Mismanaging Public Funds and Schools

Operating a charter school requires sophisticated knowledge of both education pedagogy and nonprofit management. Unfortunately, states have yet to pass laws that would guarantee that charter officers and administrators have the skills necessary to successfully run such

institutions. As a result, operators who fail to run their schools successfully have wasted or even lost millions of taxpayer dollars. Various forms of mismanagement have led to charters failing, the most common being operators who fail to set sound business practices or hire trained financial controllers. Examples include:

- ABC Charter Middle School in California. An audit by the Los Angeles Unified School District found that “the lack of oversight by both the school’s management and board members led to significant control weaknesses



in cash management, payroll, and financial accounting and reporting.”<sup>41</sup>

- Sunshine Academy Charter School in Florida. As reported in the Miami Herald, Broward County prosecutors found that, “the record keeping at the school and oversight of the school by the board of directors was virtually nonexistent...[and that] the school appears to have been poorly run.”<sup>42</sup>

In order to avoid more losses to taxpayers, lawmakers must pass laws that establish some professional qualifications or standards for charter operators and officers.

Appendix G of this report includes excerpts from source documents that detail various cases where charter operators ran their schools poorly, which resulted in taxpayer money being lost.

## Appendix B:

# Charter Operators Using Charter Funds for Personal Gain

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### Georgia

#### Latin Academy Charter School

Atlanta's Latin Academy Charter School, Latin Grammar Charter School, and Latin College Prep Charter School discovered that the founder of the schools, Christopher Clemons, had allegedly misappropriated approximately \$600,000 from school accounts through ATM withdrawals. The FBI arrested Clemons. "The Atlanta Journal-Constitution reports Clemons allegedly used that money on travel, meals and clubs. A records check by the Atlanta Journal-Constitution revealed cash withdrawn from an ATM at the same address as a strip club...Clemons also allegedly borrowed hundreds of thousands of dollars in the schools' names but without their authorization. The financial hit put the viability of Latin Academy at risk despite fundraising efforts by parents and an anonymous pledge of \$1 million. The boards cut salaries and expenses in an attempt to remain in operation."

Source: <http://www.wsbradio.com/news/news/local/fugitive-georgia-charter-school-founder-arrested-d/nq4sq/>

### South Carolina

#### Mary L. Dinkins Higher Learning Academy Charter School

The founder of Mary L. Dinkins Higher Learning Academy Charter School, "Benita Dinkins-Robinson, was sentenced in federal court in Columbia, South Carolina, for embezzling government funds. United States Chief District Judge Terry Wooten sentenced Dinkins-Robinson to 42 months imprisonment and ordered her to pay over \$1.5 million in restitution. From 2007 to 2013, Dinkins-Robinson embezzled more than a million dollars in federal funds that were intended to be used for the Mary L. Dinkins Higher Learning Academy. The case was investigated by the Federal Bureau of Investigation and the United States Department of Education Office of Inspector General. Assistant United States Attorneys Winston Holliday and Ben Garner of the Columbia office handled the case."

Source: <http://www2.ed.gov/about/offices/list/oig/invtreports/sc082015.html>

### Pennsylvania

#### PA Cyber Charter School

Nicholas Trombetta, founder of the Pennsylvania Cyber Charter School is accused of diverting funds from it for his private purchases. He allegedly bought houses, a Florida Condominium and a \$300,000 plane, hid income from the IRS, formed businesses that billed even though they had done no work, and took \$550,000 in kickbacks for a laptop computer contract.

Federal investigators pursued him for over a year. An unsealed affidavit says that he siphoned off \$8 million in taxpayer funds for himself. Trombetta was indicted by a state grand jury on August 21, 2013 and faces up to 100 years in prison.

Sources: <http://www.post-gazette.com/news/education/2013/08/23/Feds-PA-Cyber-Charter-School-founder-Trombetta-schemed-to-steal-1-million/stories/201308230210>

[http://www.ellwoodcityledger.com/news/police\\_fire\\_courts/bags-of-cash-court-records-detail-allegations-against-trombetta/article\\_4b6ff790-0d6f-52f3-9ffe-58f371aabc3d.html](http://www.ellwoodcityledger.com/news/police_fire_courts/bags-of-cash-court-records-detail-allegations-against-trombetta/article_4b6ff790-0d6f-52f3-9ffe-58f371aabc3d.html)

#### Harambee Institute of Science Technology Charter School

Masai Skief plead guilty to two counts of wire fraud by which he embezzled \$88,000 from the Harambee Institute of Science Technology Charter School. The former chief executive of the school used the money for personal expenses, including a down-payment on a house. After pleading guilty, the U.S. Attorney's Office found that he continued to use the school's debit card, stealing an additional \$12,500. A U.S. District Judge sentenced him to 3 years in Federal prison on February 11, 2014.

Sources: [http://articles.philly.com/2014-01-12/news/46092814\\_1\\_plea-agreement-masai-skief-harambee-institute](http://articles.philly.com/2014-01-12/news/46092814_1_plea-agreement-masai-skief-harambee-institute)

[http://articles.philly.com/2014-02-12/news/47238840\\_1\\_harambee-institute-masai-skief-john-skief](http://articles.philly.com/2014-02-12/news/47238840_1_harambee-institute-masai-skief-john-skief)

#### Raising Horizons Quest Charter School

Two former administrators of Raising Horizons Quest Charter School pled guilty in U.S. District Court on October 22, 2008. They were charged with conspiracy and altering documents in 2006 to use \$14,000 of taxpayer money for personal use, including travel, alcohol and gasoline charges.

Source: [http://articles.philly.com/2008-10-23/news/24992166\\_1\\_grand-jury-documents-expenses](http://articles.philly.com/2008-10-23/news/24992166_1_grand-jury-documents-expenses)

#### Khepera Charter School

When Philadelphia City Controller Alan Butkovitz conducted a 2010 audit of the city's schools, he encountered some surprising numbers. In one example, he noted Rhonda Sharif, who served as a financial officer of three charter schools at the same time, including Khepera Charter School, had billed the schools for a combined total of 463 work days in 2008 alone. That earned her a salary and consulting fees of \$183,000 plus over \$570,000 in travel and other expenses over a five-year period. Her husband's construction company happened to secure lucrative work at the schools Sharif runs.

Source: <http://www.vvdailynews.com/articles/trial-42605-charter-hearing.html>

## Philadelphia Academy Charter School

In 2009, Kevin O'Shea and Rosemary DiLacqua were charged with defrauding the Philadelphia Academy Charter School ("PACS"). DiLacqua, as PACS' board president, authorized the quick rise of O'Shea, who had no educational qualifications, from facilities manager for the school, to its CEO, earning \$200,000 when he resigned in May 2008.

The malfeasance included using approximately \$710,000 to buy a building with the aim of reselling it to another charter school for a \$1 million profit; demanding kickbacks from PACS vendors; using approximately \$145,000 to outfit offices for themselves with posh amenities including flat-screen televisions, executive bathrooms and granite countertops; submitting for reimbursement at least \$40,000 in fraudulent invoices for personal meals, entertainment, home improvements, and gas and telephone bills; billing approximately \$50,000 worth of home repairs to PACS; collecting approximately \$34,000 in rent from entities using PACS facilities, attempting to destroy computer evidence to obstruct the investigation against them, and filing a false tax return.

After concerned parents contacted the Philadelphia Inquirer, the case was investigated by the United States Department of Education - Office of Inspector General, the Federal Bureau of Investigation, and the Internal Revenue Service—Criminal Investigation Division.

Both O'Shea and DeLacqua have started prison sentences.

Sources: <http://www2.ed.gov/about/offices/list/oig/intreports/pa072009.html>

[http://articles.philly.com/2010-02-03/news/25219787\\_1\\_bureau-of-prisons-spokeswoman-medium-security-prison-mail-fraud](http://articles.philly.com/2010-02-03/news/25219787_1_bureau-of-prisons-spokeswoman-medium-security-prison-mail-fraud)

## Agora Cyber Charter School

Dorothy June Brown, founder of Laboratory, Ad Prima, Planet Abacus, and Agora Cyber charter schools, will be retried beginning in September, 2014 for defrauding the schools of \$6.5 million and conspiring to conceal the fraud. A jury acquitted Brown of three charges in January and deadlocked on the other 54 charges. Two other administrators were acquitted of conspiracy and obstructing justice; another two pleaded guilty and testified against Brown in her first trial. Brown severed ties with Agora Cyber Charter in 2009 as part of the settlement of several civil suits.

Sources: [http://articles.philly.com/2014-04-15/news/49159242\\_1\\_dorothy-june-brown-agora-cyber-charter-ad-prima](http://articles.philly.com/2014-04-15/news/49159242_1_dorothy-june-brown-agora-cyber-charter-ad-prima)

[http://www.philly.com/philly/education/20140415\\_Retrial\\_set\\_in\\_charter\\_school\\_fraud\\_case.html](http://www.philly.com/philly/education/20140415_Retrial_set_in_charter_school_fraud_case.html)

<http://www.fbi.gov/philadelphia/press-releases/2012/charter-school-founder-dorothy-june-brown-charged-in-6-million-fraud-scheme>

## Minnesota

### Right Step Academy Charter School

The husband and wife owners of the former Right Step Academy charter school in St. Paul, Minnesota were sentenced to federal prison on March 24, 2006 after being

convicted of fraud. After an investigation by officials from the IRS and U.S. Department of Education, William and Shirley Pierce were found guilty of defrauding their former school of thousands of dollars. It is estimated that coupled charged over \$357,625 to the school and used the money for such personal expenses as a Caribbean cruise vacation and season tickets to the Minnesota Timberwolves.

Source: <http://www2.ed.gov/about/offices/list/oig/intreports/mn052006.html>

## Oh Day Aki/Heart of the Earth Charter School

The former executive director of the Oh Day Aki/Heart of the Earth Charter School in Minnesota pleaded guilty to stealing over \$1 million from the school by forging signatures on dozens of checks. Joel Pourier embezzled the money from 2003 to 2008 and used the funds to pay for such extravagances as trips to strip clubs. At the same time, the charter school, founded to educate low-income American Indian youth, lacked appropriate funding for educational necessities such as textbooks and other supplies.

Source: <http://www.startribune.com/local/minneapolis/97951354.html>

## New Jersey

### Capital Preparatory Charter School

The Capital Preparatory Charter School in Trenton, New Jersey forfeited its charter on May 2, 2011 in the wake of state Department of Education accusations of financial mismanagement. In addition to a staggering \$300,000 deficit, the DOE noted that the school paid \$10,000 for a staff trip to Atlantic City and \$5,600 on a staff party. Employees were allowed to overspend allotted travel funding, consultants were overpaid, and spending was inadequately documented.

Sources: [http://www.nj.com/mercer/index.ssf/2011/05/capital\\_preparatory\\_under\\_inve.html](http://www.nj.com/mercer/index.ssf/2011/05/capital_preparatory_under_inve.html)

[http://www.nj.com/mercer/index.ssf/2011/09/once-promising\\_charter\\_schools.html](http://www.nj.com/mercer/index.ssf/2011/09/once-promising_charter_schools.html)

## Ohio

### Greater Achievement Community Charter School

An Ohio state audit found that administrators at the Greater Achievement Community Charter School egregiously mismanaged public funds, sometimes using money for personal expenses. Between 2003 and 2010, the auditors found that Greater Achievement developer Elijah Scott diverted over \$46,000 of public funds into his personal account. The school's financial records could not adequately account for excessive cash withdrawals from ATMs and other sources and the school overall was found to have misspent at least \$570,000.

Source: [http://www.cleveland.com/metro/index.ssf/2012/03/audit\\_finds\\_more\\_than\\_570000\\_i.html](http://www.cleveland.com/metro/index.ssf/2012/03/audit_finds_more_than_570000_i.html)

### **Cincinnati College Preparatory Academy Charter School**

After receiving an anonymous tip, the Ohio Auditor of State's office investigated the Cincinnati College Preparatory Academy Charter School and found that administrators stole at least \$148,000 of taxpayer money. Superintendent Dr. Lisa Hamm and school treasurer Stephanie Millard were indicted in March of 2013 on multiple criminal charges. The two are alleged to have used school funds to pay for things such as sightseeing tours through Europe, a \$20,000 tour of California, and a Chicago trip to a Tina Turner concert, all under the guise of visiting schools to identify best practices or for professional development.

*Source: <http://www.wcpo.com/news/local-news/charter-school-officials-to-appear-in-court-for-allegedly-spending-148k-in-school-funds>*

### **Theodore Roosevelt Public Community Charter School**

Former superintendent Roger Conners of Theodore Roosevelt Public Community Charter School was fired in May of 2012 after questionable spending of school money surfaced. An audit from the school treasurer revealed that Conners submitted receipts for \$32,672 that involved inflated costs and illegal purchases. Among other ambiguous purchases, Conners submitted receipts for \$228 worth of cigarettes and beer.

*Sources: [http://article.wn.com/view/2012/06/18/Thousands\\_in\\_receipts\\_questioned\\_in\\_school\\_firing/](http://article.wn.com/view/2012/06/18/Thousands_in_receipts_questioned_in_school_firing/)  
<http://www.cincinnati.com/article/20120617/NEWS/306170084/Thousands-receipts-questioned-school-firing>*

### **Greater Heights Academy Charter School**

The chairman and a secretary of Greater Heights Academy in Cleveland Heights, as well as a security guard and a consultant to the school, pleaded guilty in January 2014 to defrauding the school of more than \$400,000. Joel Friedman, the chairman, provided Jeffrey Pope, the consultant, with a template to generate fraudulent invoices to the school on the consulting business's letterhead. Marianne Stefanik, the school secretary, processed the payments knowing the invoices were false. The Federal Bureau of Investigation and the Internal Revenue Service investigated.

*Source: <http://www.news-herald.com/general-news/20140107/mayfield-heights-man-admits-defrauding-charter-school>*

### **Imani Institute Leadership Charter School**

On April 4, 2011, Donna Johnson of the Imani Institute Leadership Charter School in Ohio was sentenced on 15 felony counts including theft of school funds. The state auditor began an investigation in 2003 that revealed that over \$800,000 in state funding for the school was misspent or unaccounted for since 2001. State prosecutors investigating the missing funds determined that, among

other things, Johnson paid for her home to be remodeled and purchased items at Ann Taylor with school money.

*Source: [http://blog.cleveland.com/metro/2010/09/former\\_head\\_of\\_imani\\_school\\_pl.html](http://blog.cleveland.com/metro/2010/09/former_head_of_imani_school_pl.html)*

*[http://blog.cleveland.com/metro/2011/04/sentencing\\_of\\_imani\\_institute.html](http://blog.cleveland.com/metro/2011/04/sentencing_of_imani_institute.html)*

### **W.E.B. DuBois Academy Charter School**

In November 2008 the founder of Cincinnati charter school W.E.B. DuBois Academy pleaded guilty to record-tampering and theft of over \$700,000 in public money. Wilson Willard III is serving a four-year prison sentence and an associate is on three years of probation for the theft. Investigation by the Ohio state auditor's office determined that during the school years of 2003-04 and 2004-05, Willard falsely inflated enrollment figures that generated overpayments to the school, and then used the public funds for personal gains including renovation of his own home and payment of university fees and tuition.

*Source: <http://asumag.com/dailynews/dubois-academy-charter-cincinnati-audit-2090403>*

## **Hawaii**

### **Hawaii Technology Academy Charter School**

Jeff Piontek, former head of Hawaii Technology Academy, one of Hawaii's largest charter schools, was arrested and charged in October 2013 with stealing over \$100,000 from the school. An investigation initiated by Hawaii News Now showed that Piontek bought gift cards and incurred phone charges for his personal benefit. Sources said that Piontek used school funds to purchase thousands of dollars in gift cards at non-education related outlets, including Chilis restaurants, Marriott hotels, Ala Moana Center and Spafinder, the web site that allows people to book body treatments like massages, facials or pedicures at 7,000 spas around the world.

*Source: <http://www.hawaiinewsnow.com/story/23751584/exclusive-fired-charter-school-chief-indicted-for-100k-theft>*

## **California**

### **California Charter Academy**

Former Hesperia, California, mayor and councilman Tad Theron Honeycutt and California Charter Academy founder Charles Steven Cox were indicted in 2007 for misappropriating \$5.5 million in public funds from the network of charter schools. Political wrangling has kept the case from going to trial for 6 years.

The pair shares a combined 117 felony charges for misappropriation of public funds, grand theft, tax evasion and filing a false tax return, court records show. A state audit indicates that Honeycutt's spending of funds included \$18,000 for two jet skis and \$1,942 at the Guitar Center. The 2005 audit, commissioned by the California Department of Education, also claimed Cox took millions from the public schools to benefit his friends and family,



eventually leading to the collapse of the academy. The two also controlled two management firms that provided services to the network of schools.

Sources: <http://www.vvdailynews.com/articles/counts-2668-cox-charter.html>

<http://www.vvdailynews.com/articles/trial-42605-charter-hearing.html>

## Ivy Academia Charter School

Yevgeny “Eugene” Selivanov and his wife, Tatyana Berkovich, founders of Ivy Academia Charter School with three campuses in the San Fernando Valley, were sentenced on October 4, 2013 for misappropriating more than \$200,000 in public funds. Selivanov received a sentence of four years, eight months, and Berkovich received a forty-five day sentence and 320 hours of community service followed by five years’ probation. They argued that most of the funds were spent on teacher appreciation activities to build morale. The California Charter Schools Association filed a brief in the case arguing that no crime had occurred, and warned that the case could undermine charter school flexibility and expose other operators to prosecution.

Source: <http://articles.latimes.com/print/2013/oct/04/local/la-me-1005-charter-sentence-20131005>

## LA Academy

Steven A. Bolden pleaded guilty on January 2, 2014 to stealing more than \$7.2 million worth of computers from a government program. Between 2007 and 2012, Bolden invented more than a dozen education non-profits, including fake charter schools, to benefit from a General Services Administration program that gives surplus computer equipment to public schools and non-profits. In July 2012, a GSA undercover investigator was contacted by Palmdale Educational Development Schools, one of Bolden’s organizations, and sent Bolden 9 laptop computers, which Bolden sold via Craigslist.

Source: <http://www.seattlepi.com/local/article/Charter-school-con-man-admits-to-7-2-million-5112206.php>

## Illinois

### Triumphant Charter School

The former head of Chicago’s now-closed Triumphant charter school, Helen Hawkins, was found guilty in 2001 after an investigation by the Chicago Public School’s Inspector General. The investigation questioned

more than \$250,000 in purchases with the school’s credit card including over \$30,000 in personal items from Lord & Taylor and Saks Fifth Avenue, and at brand-name shops such as Louis Vuitton, Coach and Tommy Hilfiger. Hawkins spent thousands of dollars on hair care and cosmetic products, jewelry and diet pills.

Source: [http://www.huffingtonpost.com/2010/02/17/helen-hawkins-former-scho\\_n\\_466223.html](http://www.huffingtonpost.com/2010/02/17/helen-hawkins-former-scho_n_466223.html)

## New York

### East New York Preparatory Academy

In New York City, the schools chancellor, Joel I. Klein in 2010 ordered the closing of East New York Preparatory Charter School in Brooklyn at the end of this academic year following revelations that the school’s founder and principal had named herself superintendent and granted herself a \$60,000 raise.

Source: [http://www.nytimes.com/2010/05/26/education/26charters.html?\\_r=0&adxnnl=1&pagewanted=all&adxnnlx=1397606483-HRfkrEDtpvRD/2RLuUadhA](http://www.nytimes.com/2010/05/26/education/26charters.html?_r=0&adxnnl=1&pagewanted=all&adxnnlx=1397606483-HRfkrEDtpvRD/2RLuUadhA)

## Louisiana

### Langston Hughes Academy Charter School

A regular financial audit in 2009 of the Langston Hughes Academy in New Orleans uncovered theft of \$660,000 by Kelly Thompson, the school’s business manager. Thompson admitted that from shortly after she assumed the position until she was fired 15 months later, she diverted funds to herself in order to support her gambling in local casinos.

Saying that Thompson’s actions had tarnished education reform efforts in the city after Katrina, the judge ordered Thompson to pay restitution of \$670,000 and to serve five years in a federal prison, a sentence that is double the time recommended by federal sentencing guidelines. Others in the education community shared his sentiments -- the president of the Langston Hughes board supported the heavy sentence, saying that it would send a message to others, and though he was not implicated in wrongdoing, the CEO of the school at the time of the theft resigned.

Sources: [http://www.nola.com/crime/index.ssf/2010/02/langston\\_hughes\\_academys\\_forme.html](http://www.nola.com/crime/index.ssf/2010/02/langston_hughes_academys_forme.html)

[http://www.nola.com/education/index.ssf/2010/05/former\\_langston\\_hughes\\_academy.html](http://www.nola.com/education/index.ssf/2010/05/former_langston_hughes_academy.html)

## Washington DC

### School for Arts in Learning (SAIL) Charter School

In the fall of 2008, the U.S. attorney’s office issued a subpoena for school financial records related to L. Lawrence Riccio’s “alleged criminal activities” at the School for Arts in Learning (SAIL). Known internationally for his work in the education of youth with disabilities, Riccio founded the Washington, DC charter school in 1998, but by 2007, a memo by a financial consultant to SAIL’s former chief financial officer describes complete disarray of financial matters.

Though grant money had been flowing in, staff members were not allowed to purchase supplies, rent went unpaid, and funds from one Riccio-led organization paid expenses for another. Financial statements showed that SAIL and sister organizations paid a \$4,854 credit card bill to cover

Mr. Riccio's travel-related expenses in Scotland, as well as membership dues and dinner tabs at the University Club, a premier private club. SAIL covered expenses for travel to Boston, Denver, Houston and New Orleans; grocery stores, drugstores, wine and liquor stores and flower shops, cafes and restaurants, a salon and spa, Victoria's Secret and at a glass, paint and wallpaper shop in France, where Mr. Riccio and his wife maintain a private residence.

Source: <http://www.washingtontimes.com/news/2010/may/05/charter-school-pioneer-gets-fbi-scrutiny/#ixzz2zj0z6GdJ>

### Nia Community Public Charter School

Monique S. Murdock, the co-founder and former executive director of Nia Public Charter School in DC, pled guilty on Nov. 13, 2013 to embezzling \$29,000 in school funds by writing checks on the school's account to a foster child in her care and transferring the funds to an account in her name. Murdock also admitted to using a government-issued purchase card to buy more than \$11,000 in gift cards in her role as director of an army day care center after being dismissed from the charter school. Nia's charter was revoked by the D.C. Public Charter School Board for poor academic performance and failure to develop a curriculum. Murdock was sentenced to nine months in prison on April 24, 2014.

Sources: [http://www.washingtonpost.com/local/education/nia-community-public-charter-schools-ex-director-pleads-guilty-to-embezzlement/2013/11/13/4979da0a-4cae-11e3-9890-a1e0997fb0c0\\_story.html](http://www.washingtonpost.com/local/education/nia-community-public-charter-schools-ex-director-pleads-guilty-to-embezzlement/2013/11/13/4979da0a-4cae-11e3-9890-a1e0997fb0c0_story.html)

[http://www.washingtonpost.com/local/education/former-dc-charter-school-leader-sentenced-to-prison-for-stealing-school-funds/2014/04/24/4ee82940-cbe5-11e3-a75e-463587891b57\\_story.html](http://www.washingtonpost.com/local/education/former-dc-charter-school-leader-sentenced-to-prison-for-stealing-school-funds/2014/04/24/4ee82940-cbe5-11e3-a75e-463587891b57_story.html)

### Dorothy I. Height Community Academy Public Charter School

In February 2015, the DC Public Charter School Board unanimously voted to revoke the charter of the Dorothy I. Height Community Academy Public Charter School.<sup>43</sup> The DC Attorney General is suing the founder, Kent Amos, for diverting public education funding to a private company for his personal profit. That private management company paid Amos more than \$2.5 million over the last 2 years. Over the past 10 years, the school has paid the private entity more than \$14 million and, while costs to the private company declined over that time, management fees rose.

The charter board's oversight report showed "no pattern of fiscal mismanagement." Members of the DC Public Charter School Board have described their limited ability to oversee for-profit management companies, which face no requirement to disclose salaries or other pertinent information.

Sources: Michael Alison Chandler, "Charter Board Could Close School Amid Allegations that Leader Diverted Money," *Washington Post*, February 11, 2015, [http://www.washingtonpost.com/local/education/board-weighs-closing-charter-school-amid-allegations-of-diverted-cash/2015/02/11/19f2ee02-b094-11e4-827f-93f454140e2b\\_story.html](http://www.washingtonpost.com/local/education/board-weighs-closing-charter-school-amid-allegations-of-diverted-cash/2015/02/11/19f2ee02-b094-11e4-827f-93f454140e2b_story.html).

## Wisconsin

### New Hope Institute of Science and Technology

In 2008, Rosella Tucker, founder and director of the now-closed New Hope Institute of Science and Technology charter school in Milwaukee, was convicted in federal court of embezzling \$300,000 in public money and sentenced to two years in prison. Tucker acknowledged taking U.S. Department of Education money intended for the school, which she started through a charter agreement with Milwaukee Public Schools. She spent about \$200,000 on personal expenses, including cars, funeral arrangements and home improvement, according to court documents. Tucker has argued that the remainder of the money she received was legitimate reimbursement for school-related expenses. Tucker embezzled the \$300,000 from 2003 to 2005. The Milwaukee School Board voted to close New Hope Institute of Science and Technology in February 2006, amid problems that included unpaid bills and lack of appropriate teacher licensure.

Sources: <http://www.jsonline.com/news/education/29420144.html#ixzz2z4VdlL7d.html>

<http://www.jsonline.com/news/milwaukee/112892364.html#ixzz2ziaCvli9>

<http://www.jsonline.com/news/education/29420144.html#ixzz2ziJL95F>

<http://www.jsonline.com/news/milwaukee/112892364.html>

<http://www2.ed.gov/about/offices/list/oig/invtrreports/wi012008.html>

## Michigan

### George Washington Carver Academy Charter School

Shantell Bell, former treasurer of the George Washington Carver Academy in Highland Park, was sentenced to five years' probation for embezzling \$25,000 from the school to purchase a Detroit home. The school notified the Michigan State Police of the theft after learning of it from Bell's ex-boyfriend, and the Attorney General's Public Integrity Unit pursued the case against Bell. They found that in March 2009, Bell had requested a check to purchase text books, which she had converted to a cashier's check and then used it for a down payment on the home.

Sources: <http://www.examiner.com/article/former-highland-park-charter-school-treasurer-charged-with-embezzlement>

[https://www.michigan.gov/ag/0,4534,7-164-34739\\_34811-262330--,00.html](https://www.michigan.gov/ag/0,4534,7-164-34739_34811-262330--,00.html)

### Grand Traverse Academy

In April 2014, Steven Ingersoll, founder of Grand Traverse Academy, was convicted on federal fraud and tax evasion. He did not report \$2 million of taxable income in 2009 and 2010. The school's audit revealed a \$2.3-million prepayment to Ingersoll's school management company. The school's later decision to write down \$1.6 million of the

loan put the school in a deficit position for the first time. Ingersoll then used half of a \$.8 million loan for school construction to pay down some of his debt to the school. After the founder's ouster, his daughter-in-law continued to handle the finances of the school.

*Sources: Michelle Merlin, "GT Academy Founder's Trial Continues," Traverse City Record-Eagle, February 23, 2015, [http://www.record-eagle.com/news/local\\_news/gt-academy-founder-s-trial-continues/article\\_7bd0c8f4-1dda-5aa2-a6e6-3ead1485ae3a.html](http://www.record-eagle.com/news/local_news/gt-academy-founder-s-trial-continues/article_7bd0c8f4-1dda-5aa2-a6e6-3ead1485ae3a.html). Cole Waterman, "Federal jury convicts Bay City Academy founder Steven Ingersoll of 3 of 6 tax fraud charges," M Live, March 10, 2015, [http://www.mlive.com/news/bay-city/index.ssf/2015/03/federal\\_jury\\_convicts\\_bay\\_city.html](http://www.mlive.com/news/bay-city/index.ssf/2015/03/federal_jury_convicts_bay_city.html).*

*Michelle Merlin, "Charter School's Finances Handled by Indicted Founder's Daughter-in-Law," Traverse City Record-Eagle, July 3, 2014, [http://www.record-eagle.com/news/local\\_news/charter-school-s-finances-handled-by-indicted-founder-s-daughter/article\\_6a48b4b0-8467-52d0-bda3-ec389a858b9b.html](http://www.record-eagle.com/news/local_news/charter-school-s-finances-handled-by-indicted-founder-s-daughter/article_6a48b4b0-8467-52d0-bda3-ec389a858b9b.html).*

## Arizona

### Dobson Academy Charter School

Laurie Bassett was sentenced to supervised probation on January 22, 2010 after pleading guilty to embezzling more than \$20,000 from Dobson Academy Charter School, where she worked in the finance department. Bassett faked invoices for janitorial supplies and wrote checks to her husband and herself for the amounts of the invoices. Bassett's husband, who was also charged with cashing over \$11,000 in fraudulent checks, claimed that the school owed him for an irrigation job on which he lost money. The fraud came to light when the school's governing board conducted an audit and noticed a 300% increase in spending on janitorial supplies.

*Sources: <http://www.azcentral.com/news/articles/2010/01/14/20100114abrkdobsonacademy.html>  
[http://www.knowleslaw.org/Arizona\\_Defense\\_Blog/2010/February/Woman\\_Pleads\\_Guilty\\_to\\_Embezzling\\_Money\\_From\\_Sch.aspx](http://www.knowleslaw.org/Arizona_Defense_Blog/2010/February/Woman_Pleads_Guilty_to_Embezzling_Money_From_Sch.aspx)*

## Appendix C:

# School Revenue Used to Illegally Support Charter Operator Businesses

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### New Jersey

#### Adelaide L. Sanford Charter School

In June, 2013, the state of New Jersey revoked the charter of Adelaide Sanford Charter School, citing the school's poor academic performance and its repeated failure to comply with regulations. The state Education Department cited school founder and community activist Frederica Bey and others for refusing to turn over records and rectify conflicts of interest, including inflated rent payments from the school to Women in Support of the Million Man March (WISOMM), an organization founded by Bey and on whose board Bey and her daughter serve. A complaint filed by the US Attorney's office alleges that Bey used \$345,000 in federal money intended for programs for at-risk youth to pay WISOMM's bills. Several members of the Adelaide Sanford board had asked the state Education Department to intervene.

Sources: [http://blog.nj.com/njv\\_barry\\_carter/2013/06/newark\\_charter\\_school\\_closes\\_a.html](http://blog.nj.com/njv_barry_carter/2013/06/newark_charter_school_closes_a.html)

[http://www.nj.com/essex/index.ssf/2013/06/christie\\_administration\\_closing\\_newark\\_charter\\_school\\_founded\\_by\\_city\\_activist\\_fredrica\\_bey.html](http://www.nj.com/essex/index.ssf/2013/06/christie_administration_closing_newark_charter_school_founded_by_city_activist_fredrica_bey.html)

[http://www.nj.com/news/index.ssf/2013/05/newark\\_charter\\_school\\_sanford.html](http://www.nj.com/news/index.ssf/2013/05/newark_charter_school_sanford.html)

### Pennsylvania

#### New Media Technology Charter School

On July 15, 2012, New Media Technology Charter School's founder and board president, Hugh C. Clark, and its executive director, Ina Walker, were sentenced to 24 months and 6 months in prison, respectively, for diverting public funds from the charter school to support a restaurant and a private school they controlled. Prosecutors alleged that the two had funneled public money through Lotus Academy, the private school, to prop up a restaurant in Mount Airy and to pay off debts associated with a failed internet company. The two agreed to pay restitution for the \$861,000 stolen from New Media Charter School. Teachers testified that the school lacked textbooks and failed to meet its pension obligations, and that payroll checks sometimes bounced.

Sources: [http://articles.philly.com/2012-07-15/news/32675514\\_1\\_fiscal-mismanagement-and-conflicts-lotus-academy-charter-school](http://articles.philly.com/2012-07-15/news/32675514_1_fiscal-mismanagement-and-conflicts-lotus-academy-charter-school)

[http://articles.philly.com/2011-04-15/news/29421529\\_1\\_charter-school-lotus-academy-walker-and-clark](http://articles.philly.com/2011-04-15/news/29421529_1_charter-school-lotus-academy-walker-and-clark)

#### Germantown Settlement Charter School

In 2008, the School Reform Commission revealed that Emmanuel Freeman, CEO of the Germantown Settlement Charter School, had run massive deficits, maintained a bloated administrative staff, and used school funds to bail out other entities he ran. Freeman was also director of the Germantown Settlement, a social services agency, and the Germantown Housing Development Corporation, as well as many related non-profit organizations, all of them chronically mismanaged. In 2002, the school settled a lawsuit brought by its former education director alleging that Freeman had transferred over \$500,000 in state education funds to Germantown Settlement and fired her for whistle-blowing.

Source: <http://www.phillymag.com/articles/emanuel-freeman-the-man-who-duped-city-hall/?all=1>

#### Pocono Mountain Charter School

The Pocono Mountain Charter School and Pocono Mountain School District are engaged in a battle in Commonwealth Court over whether the School District followed proper procedure in its attempts to revoke the school's charter. The school board and the state auditor general found that the school's founder, Rev. Dennis Bloom also served as leader of the Shawnee Tabernacle Church, where the school rented facilities, and handled business for both entities. In 2007 and 2008, the school spent nearly \$2.6 million in public funds to improve facilities on the church's property, including a gymnasium floor bearing the church's name and an electronic sign to display religious messages. Bloom is currently serving a ten-month sentence in federal prison on unrelated tax evasion charges.

Sources: [http://articles.mcall.com/2014-02-26/news/mc-pocono-mountain-charter-school-restored-20140226\\_1\\_shawnee-tabernacle-church-daniel-fennick-pocono-mountain-charter-school](http://articles.mcall.com/2014-02-26/news/mc-pocono-mountain-charter-school-restored-20140226_1_shawnee-tabernacle-church-daniel-fennick-pocono-mountain-charter-school)

<http://www.poconorecord.com/apps/pbcs.dll/article?AID=/20140319/NEWS/403190331>

### Ohio

#### Lorain Arts Academy Charter School

Arts Academy charter school in Lorain, Ohio, and Arts Academy West charter school in Cleveland were closed by the state in June 2011 after a state audit found that the school had failed to keep required financial records and had significant debts. The school's founder, Alexis Rainbow, and the director of the school's sponsoring agency, Jorethia Chuck, were both accused of ethics violations by state auditors and by each other. Rainbow allegedly made payments from the school's account to various businesses



that she owned. The audit also found improper spending and financial mismanagement on the part of consultants hired by both women. The school's closure left Ohio taxpayers with about \$75,000 in unpaid bills, many of which had piled up unopened in the schools' mail.

Sources: <http://chronicle.northcoastnow.com/2012/05/18/lorain-arts-academy-flunks-audit/>

[http://www.cleveland.com/metro/index.ssf/2012/03/debts\\_of\\_arts\\_academy\\_and\\_arts.html](http://www.cleveland.com/metro/index.ssf/2012/03/debts_of_arts_academy_and_arts.html)

## Main Street Automotive Magnet School

In response to a report by the Ohio Auditor of State, Main Street Automotive Magnet founder Joe Singleton admitted in August 2009 to faking invoices for chairs, computers and other school equipment and using the funds for his personal gain. His purchases include a golf cart and the installation of a security system at a warehouse owned by his mother. Singleton used his own company, RJ Investments, to bilk the school out of \$116,000.

Source: <http://ohioauditor.gov/news/pressreleases/details/711>

## California

### Center for Excellence in Education Charter School

On September 7, 2004, the Bear Valley Unified School District board of trustees voted unanimously to revoke the charter of the Center for Excellence in Education. The school district argued that the charter school had failed to comply with a number of regulations on teaching credentials, conflicts of interest, and what the district characterized as "inappropriately close" relationships with several religious organizations. The founding director of the school, John Dunn, simultaneously acted as a board member and as the school's landlord. His successor as director also violated the California Government Code by serving as a paid employee and board member. Employees received bonuses and advances paid with public funds, in violation of the state Constitution. In 2006, Dunn filed suit against the district, superintendent, and school board members, alleging that the charter revocation violated due process rights.

Sources: [http://www.bigbeargrizzly.net/news/article\\_bedcf990-92df-5bf3-bf1e-a352328eabca.html](http://www.bigbeargrizzly.net/news/article_bedcf990-92df-5bf3-bf1e-a352328eabca.html)

[http://www.bigbeargrizzly.net/news/article\\_e0e50ee5-ac1f-5743-b2d7-c03417bd7d77.html](http://www.bigbeargrizzly.net/news/article_e0e50ee5-ac1f-5743-b2d7-c03417bd7d77.html)

### The American Indian Public Charter School II

In 2012, California's Fiscal Crisis and Management Assistance Team conducted an investigation into the American Indian Public Charter School II in Oakland after a former employee blew the whistle on suspicious financial activity between the school and a real estate company owned by the school's founder and chief executive, Ben Chavis. The investigation found up to \$3 million of questionable transactions between the charter school and Chavis's companies. Chavis is accused of embezzling with the help of his wife, an administrator at the school. "When

an organization lacks internal controls and governing board oversight is minimal," the auditing team wrote in a letter to Alameda County Superintendent Sheila Jordan, "the likelihood of fraud greatly increases."

Source: <https://www.wsws.org/en/articles/2012/04/char-a24.html>

## Florida

### Academy of Arts & Mind Charter School

An investigation into the finances and governance of Academy of Arts and Minds in Coconut Grove was sparked in June 2011 when the school's Parent Teacher Student Association sent a letter to Dade County officials alleging that the school's board included relatives and business associates of the school's founder and landlord, attorney Manuel Alonso-Poch. They also noted that the school paid Alonso-Poch \$86,000 per month in rent and that a company he controlled held the school's food services contract. The Miami-Dade School Board's auditor confirmed the conflicts of interest in a report in June 2012, but by December Alonso-Poch had continued to deny that any improprieties existed.

Sources: [http://mca.dadeschools.net/AuditCommittee/AC\\_june\\_26\\_2012/item8.pdf](http://mca.dadeschools.net/AuditCommittee/AC_june_26_2012/item8.pdf)

<http://www.miaminewtimes.com/2011-06-09/news/coconut-grove-charter-school-owner-manuel-alonso-poch-accused-of-bilking-taxpayers/>

<http://www.miaminewtimes.com/2012-12-27/news/manuel-alonso-poch-won-t-fix-conflicts-of-interest-at-his-charter-school-new-audit-finds/full/>

## Illinois

### United Neighborhood Organization (UNO) Charter School

In 2014, the Federal Securities and Exchange Commission (SEC) charged UNO Charter School Network with defrauding investors in a \$37.5 million bond offering for school construction by making materially misleading statements about transactions that presented a conflict of interest. According to the SEC's complaint, UNO failed to notify the state of two construction contracts totaling \$12.9 million with the brothers of one of UNO's top executives. Additionally, the charter school operator failed to notify bond investors that the state could take the loan that the bond was assured with back for the non-disclosure of the contracts. The conflicts of interest uncovered in a series of Sun-Times articles in 2013.

In August 2014, the IRS notified the state that it had opened an investigation into the organization's bond issuance.

Sources: <http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370541965772#.VDWsRFZ2Rig>

<http://www.sec.gov/litigation/complaints/2014/comp-pr2014-110.pdf>

<http://politics.suntimes.com/article/chicago/uno-charter-schools-now-target-irs-audit-over-bonds/wed-09032014-617pm>

## Louisiana

### New Orleans Military and Maritime Academy Charter School

Darrel K. Sims, the former business manager of New Orleans Military and Maritime Academy Charter School turned himself in to police on December 3, 2013 after being charged with a \$31,000 theft from the school. Smith had written checks that were invoiced as though they were made out to office supply stores, but in reality were written to a social organization founded by Sims. The school had fired Sims in May 2012 but only discovered the theft in December of that year, at which time the school contacted the police. Sims had been charged with stealing and writing bad checks several times before, but the charges were too old to show up in the Military Academy's background check.

Sources: <http://thelensnola.org/2013/12/03/former-employee-charged-with-stealing-31000-from-new-orleans-military-and-maritime-academy/>

<http://thelensnola.org/2013/04/23/former-employee-investigated-for-stealing-31000-from-charter-school-once-charged-with-theft-from-terrebonne-school/>

## Texas

### Varnett Public Charter School

The Texas Education Agency released a report on August 20, 2013 alleging that the superintendent of the Varnett School and her husband, the facilities and operations manager, misspent school funds and improperly profited by conducting business with the school. The report claims that Annette and Alsie Cluff, Jr. were reimbursed for \$1.5 million in charges on their personal credit cards, including luxury hotels, first-class flights, cruises, and Broadway tickets. They also own a real estate company that leased space to the school for \$1 million per year, and their bus company billed the school for student transportation at a rate of \$12 per mile. The Cluffs denied most of the findings of the report.

Source: <http://educationblog.dallasnews.com/2013/08/houston-charter-school-misspent-5-3-million-in-federal-funds-state-report-finds.html/>

### Burnham Wood Charter School

In March 2012, the Texas Education Agency released an audit report alleging financial improprieties and nepotism by the board of the Burnham Wood Charter School District, which runs three schools. The report found that the board improperly approved the purchase of property from Superintendent Iris Burnham, who also serves as board president. The board approved the 2006 purchase using \$1.2 million in revenue bonds, nearly 150% of the land's market value. (The district argues that the purchase was legal and approved by the attorney general.) The district also leased property from Burnham and employs Burnham, her son, and daughter in law in positions with significant financial responsibilities. Burnham operated a private school on a district charter campus that did not pay rent for several years. The Education Agency assigned a monitor to the district, which the district contested.

Sources: [http://www.elpasotimes.com/news/ci\\_20456862/state-audit-reaffirms-burnham-wood-issues?source=pkg](http://www.elpasotimes.com/news/ci_20456862/state-audit-reaffirms-burnham-wood-issues?source=pkg)

[http://www.elpasotimes.com/ci\\_21124138/problems-bringing-tea-monitor-district](http://www.elpasotimes.com/ci_21124138/problems-bringing-tea-monitor-district)

## Washington, DC

### Options Public Charter School

Former leaders of Options Public Charter School are under Federal investigation for possible Medicaid fraud and other abuses. They are accused of exaggerating the needs of the disabled students, bilking the federal government for Medicaid funds to support their care, and creating a contracting scheme to divert more than \$3 million from the schools for their own companies, including a transportation company that billed the Federal government for transporting students to the school, but apparently offered gift cards to students to increase ridership on the buses. Additionally, a senior official at the D.C. Public Charter School Board allegedly received \$150,000 to help them evade oversight.

Sources: [http://www.washingtonpost.com/local/education/options-dc-charter-schools-medicare-billing-is-at-center-of-investigation/2013/12/16/614c2dfe-5dcf-11e3-95c2-13623eb2b0e1\\_story.html](http://www.washingtonpost.com/local/education/options-dc-charter-schools-medicare-billing-is-at-center-of-investigation/2013/12/16/614c2dfe-5dcf-11e3-95c2-13623eb2b0e1_story.html)

[http://www.washingtonpost.com/local/education/new-claims-surface-in-options-charter-school-case/2014/01/03/c02d1f5e-74a4-11e3-8b3f-b1666705ca3b\\_story.html](http://www.washingtonpost.com/local/education/new-claims-surface-in-options-charter-school-case/2014/01/03/c02d1f5e-74a4-11e3-8b3f-b1666705ca3b_story.html)

## Missouri

### Paideia Academy Charter School

Fred W. Robinson, former chairman of the Board of Paideia Academy Charter School, was convicted in March 2013 on multiple fraud charges including diversion of federal and state education funds from the school. Robinson diverted around \$242,333 for the purchase, construction, and rehabilitation of a building to develop a day care center to be operated by a company in which Robinson had an ownership and financial interest that he failed to disclose. Additionally, he submitted false time sheets from 2006-2010 as an employee of the Treasurer's office, receiving approximately \$35,360 every year from the false sheets. The FBI assisted with the investigation of the case.

Source: <http://www.fbi.gov/stlouis/press-releases/2013/chairman-of-the-board-for-the-paideia-academy-employee-of-st-louis-city-treasurers-office-convicted-on-fraud-charges>

## Appendix D:

# Mismanagement that Puts Children in Potential Danger

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### New Jersey

#### Paterson Charter School for Urban Leadership

The New Jersey Department of Education investigated, and closed the Paterson Charter school for Urban Leadership in 2003. The school had been operating for years under a large deficit. During the investigation, the DOE found that over 75% of the school employees had not undergone criminal background checks. Two employees with disqualifying convictions were subsequently removed.

Source: <http://www.nytimes.com/2003/07/22/nyregion/paterson-charter-school-closed-amid-protest.html>

#### Mercer Arts Charter High School

Mercer Arts Charter High School had its charter revoked by the New Jersey state Department of Education in 2007 for not providing a safe and orderly education environment. The state cited myriad problems including fiscal woes and under-developed programs.

Source: [http://www.nj.com/mercer/index.ssf/2007/12/state\\_pulls\\_plugin\\_on\\_charter\\_sc.html](http://www.nj.com/mercer/index.ssf/2007/12/state_pulls_plugin_on_charter_sc.html)

### California

#### A. Phillip Randolph Leadership Academy Charter School

The San Diego School Board voted unanimously to revoke A. Phillip Randolph Leadership Academy's charter in July 2006, due to inadequate supervision of the students and financial mismanagement. District administrator Wendell Bass wrote in a report "Students entered and exited class at will, sometimes without the teacher knowing they had left."

Source: [http://www.utsandiego.com/uniontrib/20060712/news\\_1m12charter.html](http://www.utsandiego.com/uniontrib/20060712/news_1m12charter.html)

#### Children's Conservation Academy Charter School

San Diego schools investigated Children's Conservation Academy Charter School in 2007 and found that they could not account for tens of thousands of dollars in questionable expenses. These included an athletic club membership (\$638), restaurant food (\$2,219), Starbucks coffee (\$143), Padres tickets (\$369) and cell phone bills (\$1,505). Additionally, the school operated for a year and a half without purchasing workers' compensation insurance and had no proof of criminal background and tuberculosis checks for employees, creating safety and health hazards for students. The mother of the school's founding director

was paid more than \$11,000 by the school, "without authorization and without supporting documentation to reflect the work performed," according to the district.

Source: [http://www.utsandiego.com/uniontrib/20070824/news\\_1m24charter.html](http://www.utsandiego.com/uniontrib/20070824/news_1m24charter.html)

### Ohio

#### The Talented Tenth Leadership Academy for Boys Charter School & The Talented Tenth Leadership Academy for Girls Charter School

The State Superintendent of Public Instruction, Richard Ross, directed the closure of two charter schools in October, 2013 for health and safety reasons. He also brought the superintendent of the sponsor, North Central Ohio Educational Service Center, which sponsors 21 other schools in the area, to his office to account for the dismal performance. The Talented Tenth Leadership Academy for Boys and the Talented Tenth Leadership Academy for Girls in Columbus, Ohio were found by the department to be inadequately staffed and not providing the proper level of supervision or an adequate education. The department also believes that the sponsor failed to provide oversight to ensure the students were in a safe learning environment. Dr. Ross said "They did not ensure the safety of the students, they did not adequately feed the students, they did not accurately track the students and they were not educating the students well. It is unacceptable and intolerable that a sponsor and school would do such a poor job. It is an educational travesty."

Source: <http://education.ohio.gov/Media/Media-Releases/2013-Releases/State-Superintendent-Directs-Closing-of-Two-Commun#.U03jCeZdXfY>

## Appendix E:

# Charters Receiving Public Dollars for Services Not Provided

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### Louisiana

#### ReNEW Charter School

ReNEW Charter School officials, Tim Hearin and Alex Perez, changed student diagnoses and services to draw in \$320,000 in state (and/or) federal funds designated for students with disabilities, for ReNEW SciTech Academy in Uptown New Orleans. School leaders knew about special education fraud at one of their New Orleans schools for at least three months before reporting it last year to the Louisiana Department of Education. A whistleblower emailed CEO Colleen Mackay about special education irregularities in January 2015. The whistleblower re-alerted the CEO of the school two months later because the problems had continued.

Source: [http://www.nola.com/education/index.ssf/2016/03/renew\\_special\\_ed\\_fraud.html](http://www.nola.com/education/index.ssf/2016/03/renew_special_ed_fraud.html)

### New Jersey

#### Regional Experiential Academic Charter High School

New Jersey officials shut the Regional Experiential Academic Charter High School on April 19, 2000. This was the first time they shut a charter down. The state found issues including a failure to provide services for special education students that are required by both state and federal law, as well as not itemizing and approving expenses.

Source: <http://www.nytimes.com/2000/04/20/nyregion/charter-school-with-financial-and-academic-woes-is-closed.html>

### Pennsylvania

#### Frontier Virtual Charter High School

Pennsylvania Department of Education revoked the charter of Frontier Virtual Charter High School, a Philadelphia-based cyber school. The Daily News wrote that the school "didn't supply students with promised laptops, printers and Internet reimbursements." Additionally, cash purchases that weren't backed up with receipts and non-school expenses were a significant issue for the school.

Sources: <http://technical.ly/philly/2012/07/09/daily-news-philly-based-cyber-school-surrenders-its-charter-after-months-long-investigation/>

[http://articles.philly.com/2012-07-06/news/32566795\\_1\\_charter-school-law-frontier-s-ceo-education-ron-tomalis](http://articles.philly.com/2012-07-06/news/32566795_1_charter-school-law-frontier-s-ceo-education-ron-tomalis)

### Imhotep Institute Charter High School

Under a settlement reached with the School District of Philadelphia, Imhotep Institute Charter High School was ordered in January of 2016 to pay back \$16,000 in funds earmarked for special education instruction. As part of a memorandum of understanding with the School Reform Commission and the city's Office of Inspector General, Imhotep Institute will reimburse the school district, will outline steps for accurately reporting billing information to the school district, and will train employees on proper procedures.

Source: [http://www.phillytrib.com/news/city-charter-school-reprimanded-for-fraud/article\\_f32e307a-5e3c-5173-9c63-01ee2d2c9c97.html](http://www.phillytrib.com/news/city-charter-school-reprimanded-for-fraud/article_f32e307a-5e3c-5173-9c63-01ee2d2c9c97.html)

### Minnesota

#### Community School of Excellence Charter School

The St. Paul police investigated the Community School of Excellence Charter School in January of 2014 for failure to report suspected child abuse and financial malfeasance. A private investigation found that the school's superintendent told staff to enter lunch codes for meals that were not eaten and to not report suspected cases of child abuse. Concordia University, the schools authorizer, encouraged the board to replace the superintendent in February of 2014.

Sources: <http://www.startribune.com/local/stpaul/241753081.html>

[http://www.twincities.com/education/ci\\_25088228/head-st-paul-charter-school-should-go-authorizer](http://www.twincities.com/education/ci_25088228/head-st-paul-charter-school-should-go-authorizer)

### Ohio

#### Cleveland Academy of Scholarship Technology & Leadership Enterprise Charter School

Five former officials are accused of laundering and stealing nearly \$2 million from the Cleveland Academy of Scholarship Technology & Leadership Enterprise. They are accused in an indictment issued in April 2013 of setting up shell companies to receive payments from the school for goods and services that were never provided. Ten individuals and 13 businesses in total were accused of being part of the scandal and at least 2 pleaded guilty in February of 2014.

Sources: [http://www.cleveland.com/metro/index.ssf/2013/04/post\\_137.html](http://www.cleveland.com/metro/index.ssf/2013/04/post_137.html)

<http://www.daytondailynews.com/news/news/crime-law/dayton-residents-plead-guilty-to-misdemeanors-in-c/ndCng/>



## Summit Academy Youngstown Charter School

Summit Academy Youngstown Charter School in Mahoning County billed for services for students who were absent or not even enrolled on the dates of service, according to a Medicaid audit released by Auditor of State Dave Yost. “How do you provide services to students who aren’t even enrolled at the school?” Auditor Yost said. “You don’t. This is an old-school rip-off.” The audit determined that Summit Academy Youngstown Charter School was overpaid by Ohio Medicaid for services rendered in the amount of \$14,663.59. With interest in the amount of \$1,011.89, Summit Academy Youngstown owes the Ohio Department of Medicaid \$15,675.48. The audit also identified nine billed services with no supporting documentation and three services in which the provider billed the wrong procedure code, resulting in an overpayment.”

## California

### Cato School of Reason Charter School

In 1998, LA Weekly investigated the operations of the Cato School of Reason in California. The charter entity, created in 1994, had come up with a money making scheme that netted it millions of public dollars. Cato formed various types of partnerships with private schools, allowing the charter to “enroll” hundreds of private school students and bring in millions in public dollars, which were then shared with some of the private school operators. In a second wave of fraud, the California State Controller found that the now-closed CATO II School of Reason had signed up 40 private schools that were converted into charter schools, receiving both state funds and paid tuition. All told, CATO’s founder Thomas Cosgrove has netted millions on the schools. According to the LA Weekly, “Cosgrove has successfully exploited the flip side to the charter-school mantra of deregulation and local control. Along with the freedom to reform came a distinct lack of oversight. Charter-school legislation never clearly addressed who was responsible when something went wrong. Nor did reformers fully consider that a charter school could exist for reasons other than the best interests of children. They never contemplated that their reforms would unchain dollars as well as ideas. And that state education funds were dangling for the taking by school operators who could obtain a local charter, then devise ways to crunch down costs for financial gain.”

Sources: <http://www.laweekly.com/1998-08-20/news/charter-school-for-scandal-page-1/>

<http://www.laweekly.com/1998-08-20/news/charter-school-for-scandal-page-2/?storyPage=2> <http://irascibleprofessor.com/comments-3-27-00.html>

## Florida

### Life Skills Center Charter School

John Wyche was sentenced in 2011 of misusing more than \$750,000 in state education money, housing grants and loans meant for the charter school Life Skills Center in Escambia County, Florida. He used this money to try to save the failing Mason de Ville apartment complex. The school’s former chief financial officer was also sentenced for helping in the scheme.

Source: <http://www.pnj.com/article/20120417/NEWS01/204170317/Court-denies-Pensacola-Businessman-John-Wyche-s-appeal?odyssey=tab%7Ctopnews%7Ctext%7CFRONTPAGE>

## Appendix F:

# Charter Executives Illegally Inflating Enrollment to Boost Revenues

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### Missouri

#### Hope Academy Charter School

Missouri Attorney General accused Hope Academy Charter School of defrauding the state by reporting inflated attendance figures. The Attorney General sued the Kansas City charter school for approximately \$3.7 million paid to the school based on attendance records that Missouri says were inflated and falsified.

Source: <https://nonprofitquarterly.org/2016/01/28/charter-school-faces-lawsuit-over-misrepresenting-attendance-figures/>

### Minnesota

#### Chiron Downtown Middle Charter School

In 2006, State of Minnesota Office of the State Auditor reviewed the financial records of Chiron Downtown Middle Charter School and found a lack of effective oversight and internal controls. They also found that the managing Director misreported the number of enrolled students to get more public funds. She also made questionable payments to herself and others. She was later arrested and charged with 7 counts of theft and other felonies and the school was closed. The state lost \$340,000.

Sources: [www.osa.state.mn.us/reports/spi/2006/chiron\\_06\\_report.pdf](http://www.osa.state.mn.us/reports/spi/2006/chiron_06_report.pdf)

[http://www.amsd.org/articles/charter\\_demise0909.html](http://www.amsd.org/articles/charter_demise0909.html)

#### Success Academy Charter School

Success Academy in 2010 closed its doors with more than \$1.2 million in debt according to an independent auditor's report. It left staff who were owed over \$300,000 in salaries and vendors who were owed \$194,000. The school overstated its enrollment and was overpaid for special education costs, and didn't meet expectations for its extended year program, owing taxpayers a grand total of \$742,726.

Source: December 30, 2000; *Star Tribune* (Minneapolis, MN) <http://charterschoolscandals.blogspot.com/2011/04/success-academy-two-campuses.html>

### Florida

#### Life Skills Center Charter School

A Polk County School District investigation in 2010 of the Life Skills Center found that the charter school overcharged the state \$101,000 by exaggerating enrollment by 37 students.

Source: <http://www.theledger.com/article/20100313/NEWS/3135022>

### California

#### Oak Hills Academy Charter School

In 2007, following allegations of fraud at Oak Hills Academy Charter School, the Fiscal Crisis and Management Assistance Team conducted an extraordinary audit, which revealed serious deficiencies in the school's internal controls and management. According to the audit, the charter school failed to properly account for its inventory, as required by its charter agreement. For instance, the audit team could not find 151 of 193 plants purchased by the school estimated to cost \$1,656 and two computers estimated to cost \$2,600. The school also failed to maintain adequate and complete payroll records. The audit team found evidence that school personnel falsified authorization for pay rates increases and positions and evidence of rampant nepotism, with the principle making hiring and compensation decisions for family members and close associates. The audit's finding on nepotism, for example, states the principal made the decision to hire her mother as a teacher, a position supervised by the principal herself. The board clerk authorized hiring his wife's cousin, who had a serious illness. According to the document, "[t]he individual earned \$1,200 in 2005-06 and \$870 in 2006-07. However, the individual received full-time health and welfare benefits costing \$874.65 per month." The audit uncovered insufficient documentation to substantiate that credit card charges to the amount of \$18,526 in 2006-07 and \$14,332 in 2007-08 were school-related. In addition, the audit found the employees falsified signatures for expenses incurred by family members and close friends. The audit has been turned over to the Butte County District Attorney's Office for further investigation.

Sources: [http://www.chicoer.com/ci\\_10432891](http://www.chicoer.com/ci_10432891)

<http://fcmat.org/wp-content/uploads/sites/4/2014/02/ButteCOEOakHillsCharterrepor.pdf>

### Texas

#### Prepared Table Charter School

Three family members were sentenced to prison on September 3, 2005 for their roles in submitting inflated enrollment numbers and stealing state and federal funds intended for meal programs through a sham catering service. Rev. Harold Wilcox, who was accused of being the mastermind behind the scheme at the Prepared Table Charter School in Houston, died several weeks before the sentencing. His wife Louvicy Wilcox was sentenced to four years and nine months for submitting inflated enrollment reports to the Texas Education Agency; his stepdaughter Roshall Frank was sentenced to fifteen months for the inflated attendance records; and his brother Rev. Anthony Mosley was sentenced to six years on conspiracy and money laundering charges related to the fake catering service. Altogether, Prepared Table Charter School

defrauded the state and federal government of \$6 million.

Source: <http://www.chron.com/news/houston-texas/article/3-relatives-sentenced-in-charter-school-scam-1919855.php>

### IRRA Charter School

In 2009, the Texas Education Agency placed the IRRA Charter Schools system on accreditation probation for changing student attendance records to inflate their state funding and ordered the schools to repay \$900,000. The system replaced its superintendent and changed its name to Ignite. After a Channel 5 News investigation quoted a teacher and student who said the schools marked students present when they didn't attend school, the TEA sent parents a letter in October 2012 noting that the schools remained on probation.

Source: <http://www.krgv.com/news/valley-charter-school-system-on-probation/>

## Arizona

### Life School College Preparatory Charter School

In a 2012 report to Congress, the Department of Education's Office of the Inspector General reported on the results of several investigations relating to charter schools. The report noted that a former information technology official at Life School College Preparatory, Inc., also known as the Franklin Arts Academies in Arizona, was sentenced to serve 3 years of probation and was ordered to pay nearly \$2 million in restitution for fraud. The case involved falsifying enrollment documents by entering fictitious and former student names into the Arizona Department of Education's school attendance system, leading to the allocation of Federal and State dollars to which the school was not entitled.

Source: <http://www2.ed.gov/about/offices/list/oig/semiann/sar65.pdf>

## Pennsylvania

### Center for Economics and Law Charter School

Curtis Andrews, the chief executive of the Center for Economics and Law Charter School in Southwest Philadelphia, was sentenced on Nov. 4, 2006 to 33 months in prison for inflating the school's attendance records and using the \$200,000 in extra funding for himself and to increase some school employee's paychecks. The School Reform Commission had unanimously voted in March 2003 against renewing the school's charter, citing financial mismanagement, failure to provide required records, and failure to administer standardized tests. School officials abruptly closed the school in June 2003, before the end of the school year. Andrews agreed to make full restitution as part of his guilty plea.

Source: [http://articles.philly.com/2008-10-23/news/24992166\\_1\\_grand-jury-documents-expenses](http://articles.philly.com/2008-10-23/news/24992166_1_grand-jury-documents-expenses)  
[http://articles.philly.com/2005-03-19/news/25421010\\_1\\_charter-school-traditional-public-schools-fbi-agent](http://articles.philly.com/2005-03-19/news/25421010_1_charter-school-traditional-public-schools-fbi-agent)

## Ohio

### International Preparatory Schools Charter School

In 2012, Ohio Attorney General Mike DeWine ordered the operators of two Cleveland-area charter schools to pay back \$1.4 million that the schools charged the state for hundreds of students never enrolled in either of two campuses of The International Preparatory Schools (TIPS) during their 6 years of operation. Any money recovered, says DeWine, will go back to the Cleveland and Northeast Ohio school districts that were obligated to pass public funding through to the schools.

Source: <http://stateimpact.npr.org/ohio/2012/01/10/former-charter-school-operator-to-pay-back-1-4-million-it-owes-state/>

### General Chappie James Leadership Academy Charter School

General Chappie James Leadership Academy Charter School in Dayton, Ohio owes taxpayers close to \$1.2 million after it was found to have falsified its attendance records and received state funding for students who never attended the school. An investigation by state Auditor Dave Yost found that, "almost half of the reported 459 students enrolled at General Chappie James Leadership Academy had either never attended the school or had already left the school. Of the alleged students found by investigators, some had been incarcerated, moved out of state, or had been working and not attending school."

Source: <http://www.educationnews.org/education-policy-and-politics/ohio-charter-school-falsifies-attendance-owes-state-1-2-million/#sthash.jfXArknP.azCrDZnv.dpuf>

## North Carolina

### Roger Bacon Academy Charter School

On January 9, 2014, the North Carolina Board of Education approved the Roger Bacon Academy's application to open a third charter school, despite evidence that the Academy's two existing schools were the subject of an open investigation by the U.S. Department of Education. Brunswick County Schools Superintendent Edward Pruden, who has argued against approval for the third school, forwarded a letter from the US DOE confirming that an investigation was ongoing and denying his request for details about its focus. Pruden said that based on information received by his office, the investigation concerns attempts to improperly recruit students in order to boost enrollment records and state funding at one of Roger Bacon's campuses, Charter Day School. Roger Bacon Academy head Baker Mitchell has denied knowledge of any investigation. Pruden and others have raised concerns about a potential conflict of interest in Mitchell's position on the state Charter School Advisory Board, though the Board of Education has said his appointment to the board was legal.

Sources: <http://www.americanownews.com/story/24399755/superintendent-levels-serious-accusations-about-charter-school>

<http://www.wect.com/story/24399755/superintendent-levels-serious-accusations-about-charter-school>

<http://pulse.ncpolicywatch.org/2014/01/10/baker-mitchells-charter-schools-under-investigation-by-the-u-s-dept-of-education/>

<http://www.starnewsonline.com/article/20140109/ARTICLE/140109710/1177?p=1&tc=pg#gsc.tab=0>



# Appendix G:

## Charter Operators Mismanaging Their Schools

### Ohio

#### Eagle Heights Academy Charter School

Eagle Heights Academy charter school in Youngstown was closed in 2010 after the Ohio State Auditor issued a report listing significant financial mismanagement at the school. The report found \$33,500 in public funds that were illegally spent, and ordered the money repaid. In addition the Auditor found that federal grant payments were received by school personnel without approval from the school's governing board; federal income taxes of over \$333,000, and Medicare taxes of over \$120,000 were withheld from employees paychecks, but not turned over to the appropriate taxing authorities, and over \$700,000 in questioned costs or accounting errors were also found.

Source: <http://www.vindy.com/news/2010/may/12/eagle-heights-academy/#sthash.9cNpE2yq.dpuf>

#### Legacy Academy for Leaders and the Arts Charter School

#### George Washington Carver Preparatory Academy

#### NuBethel Center of Excellence

#### New City Community School

Together, over \$470,000 in public funds were swindled from these four now-closed charter schools in Ohio. What they had in common was their treasurer, "serial charter school embezzler" Carl Shye. Shye is now serving two years in federal prison for the fraud.

Shye's work as treasurer for as many as 10 charter schools in Ohio was initially investigated by Ohio State Auditor David Yost, but later involved the FBI as well. The FBI investigation ended up uncovering a whopping 62 findings of embezzlement involving over \$1 million.

Descriptions of the fraud are varied, Shye apparently wrote checks for amounts that exceed contractual work done for the schools, beefed up his own salary payments, and lent money from one school to another, then pocketing the repayments. Meanwhile, federal taxes withheld from teacher and employee paychecks was never paid to the proper taxing authorities.

Sources: <http://www.vindy.com/news/2013/dec/04/audit-finds-more-sloppy-bookkeeping/?print>

<http://www.blackpressusa.com/carl-shyes-charter-school-embezzlement-woes-deepen/#sthash.O3XdLN4r.dpuf>

<http://www.fbi.gov/cincinnati/press-releases/2012/former-charter-schools-treasurer-sentenced-to-24-months-in-prison-for-embezzling-money-from-schools>

### Minnesota

#### Harvest Prep Academy

In 2012, Eric Mahmoud was inducted into the National Alliance of Public Charter School's Hall of Fame. But state officials are beginning to scrutinize the finances of the network of charter schools the Mahmoud and his wife run. Much of the investigation centers around financial debt incurred by the charter schools—Harvest Prep Academy and three Best Academy charter schools, along with SEED Daycare. The schools all appear to be losing money, primarily on their buildings and building financing. As a result, beginning in 2011, investors required SEED to operate with a financial consulting firm on-site. Other concerns raised have to do with nepotism on the governing boards of the schools, and Mahmoud's salary of \$273,000 annually—more than any superintendent of schools in the State.

Additional red flags were raised when it was discovered that's Mahmoud is currently serving five years' probation after pleading guilty in 2010 in a mortgage fraud case in Georgia. In that case, Mahmoud was one of five men arrested for using a fraudulent loan application to try to close on the sale of a home in Atlanta. Mahmoud pleaded guilty in 2010 under a plea agreement, and was fined \$5,000. But later investigation showed that officials at Mahmoud's charter schools in Minneapolis may have been involved in the Georgia.

A spokesperson for the Minnesota Department of Education told the Minneapolis Star Tribune in August, 2013, "It appears the state cannot prohibit a public school from hiring an individual with a criminal background, nor can the state be considered responsible for criminal activity that may take place in a school, particularly when that criminal conduct is not related to educational matters."

Sources: <http://www.startribune.com/local/minneapolis/165813196.html>

<http://www.startribune.com/local/minneapolis/165679246.html>

<http://www.startribune.com/local/blogs/199606941.html>

<http://www.startribune.com/local/blogs/166274586.html>

#### Synergy Academy

Synergy Academy at SEED was one of two proposals for a residential charter academy for at-risk students in Minnesota in the 1990s. Synergy received a state grant of over \$6 million in 1999 to construct and equip a facility for the school. The grant required that the state be reimbursed if the building were closed or used for other purposes. The school closed in 2003, unable to attract enough students to keep it viable. SEED's founder, Eric Mahmoud then opened several new charter schools in the building, but did

not pay by the state grant. Though red flags were waved at the state Department of Education as early as 2002, no action was taken to protect public dollars invested in SEED. Owner Eric Mahmoud is now under investigation for financial dealings relating to his other charter schools.

Source: <http://www.startribune.com/local/minneapolis/165813196.html>

## Massachusetts

### Gloucester Community Arts Charter School

The Gloucester Community Arts Charter School was closed in early 2013 due to low enrollment, high rates of attrition and financial instability. An investigation by the state's Charter School Office found myriad problems with the school, including the lack of a coherent curriculum, violations of the State's bidding laws in the contract for its facility, among other concerns. The schools trustees surrendered their charter and the school closed down in the middle of a school year, putting about 100 students on the street in search of new schools.

Source: <http://www.bostonglobe.com/metro/2013/01/04/gloucester-charter-school-close-next-week/16x1PYddrQ82HaSlhNaboM/story.html>

## California

### ABC Charter Middle School

A 2009 Audit by the Los Angeles Unified School District Office of the Inspector General found management issues at ABC Charter Middle School in LA. "Our audit found that the lack of oversight by both the School's management and board members led to significant control weaknesses in cash management, payroll, and financial accounting and reporting. In addition, the School did not maintain adequate documentation for expenditures and other financial transactions," the report said.

Source: [http://notebook.lausd.net/pls/ptl/docs/page/ca\\_lausd/fldr\\_organizations/fldr\\_oig\\_publications\\_audit\\_reports/09392abccharterms.pdf](http://notebook.lausd.net/pls/ptl/docs/page/ca_lausd/fldr_organizations/fldr_oig_publications_audit_reports/09392abccharterms.pdf)

### Wisdom Academy of Young Scientists

In May 2013, the Los Angeles County Office of Education contacted Fiscal Crisis and Management Assistance Team to conduct an extraordinary audit of Wisdom Academy of Young Scientists (WAYS) charter schools, after the county office received multiple allegations of questionable expenditures and financial irregularities at the schools. The audit found that WAYS' management and governing board engaged in a "litany of financial irregularities... which investigators described as rife with possible criminal fraud, conflicts of interest, and misappropriation of public funds." According to the audit, the WAYS board failed to properly oversee the network, giving the founder and former director of WAYS, Kendra Okonkwo, carte blanche access to the networks' assets and authority to enter into several business arrangements for personal gain. In 2011, when the L.A. Unified District agreed to conditionally

approve the operation of the charter on the condition that Okonkwo resign as director, Okonkwo appointed several family members to key posts in the organization. In total, Okonkwo's family members and acquaintances received \$2.6 million in payments from the school. The audit also found that the organization paid Okonkwo nearly \$1 million in lease payments for properties she owned and nearly \$230,000 in unused vacation and severance despite the lack of documentation to substantiate the payout. The investigation revealed that the school paid \$158,800 to a company owned by one of Okonkwo's relatives for supplies that the organization could not prove it ever received. Perhaps, most troubling, the audit found that the organization paid a "\$566,803 settlement to a former teacher who sued the organization for wrongful termination after she was directed by Okonkwo to travel with her to Nigeria to marry Okonkwo's brother-in-law, for the purpose of making him a United States citizen."

Sources: <http://www.latimes.com/local/education/la-me-wisdom-academy-20140929-story.html>

<http://fcmat.org/wp-content/uploads/sites/4/2014/03/LACOEWAYSAB139finalreport3-20-14.pdf>

### El Portal Leadership Academy and Academia Calmercac Charter Schools

In 2012, prosecutors charged two former officials at Mexican American Community Service Agency's El Portal Leadership Academy and Academia Calmercac Charter Schools with felony grand theft, following allegations that they used nearly \$1 million in employee employment retirement savings to cover the schools' operating costs, including \$13,000 for office supplies and \$7,000 for new computers, and their own pay. At least one of the charged officials personally benefited from the scheme when she stopped making contributions to her retirement account and received a 3% raise in two successive years. Presumably, the employee pension contributions were used to cover her raises.

Sources: [http://www.mercurynews.com/ci\\_20433326/report-two-be-charged-san-jose-community-group](http://www.mercurynews.com/ci_20433326/report-two-be-charged-san-jose-community-group)

<http://fcmat.org/wp-content/uploads/sites/4/2014/02/SantaClaraCOEMACSAfinalrepor.pdf>

### Westwood Charter School

Following an audit conducted by the Fiscal Crisis and Management Assistance Team, the state investigated a school administrator for violation of state conflict of interest laws. Henry Bietz, the official under investigation, served as the superintendent of Westwood Unified School District, the superintendent of Westwood Charter School, which the district authorized, and the CEO of Westwood Charter School Services, Inc., which provided services to the charter school. The audit team found that Bietz' employment as superintendent of the school district and the services he provided to the charter school may have violated provisions of California law. Between 2004 and 2008, Bietz received over \$800,000 in earnings from Westwood Charter School and Westwood Charter School Services and over \$100,000 in earnings as superintendent of the Westwood Unified School District. Bietz also worked as a consultant for 65 days during the audit period. The audit team found that many of the consulting days

occurred during days that had already been contracted for by the Westwood Unified School District.

Sources: <http://www.redding.com/news/lassen-county-school-superintendent-investigated>

<http://fcmat.org/wp-content/uploads/sites/4/2014/02/LassenCOEreWestwoodUSDAB139f.pdf>

## Oak Hills Academy Charter School

In 2007, following allegations of fraud at Oak Hills Academy Charter School, the Fiscal Crisis and Management Assistance Team conducted an extraordinary audit, which revealed serious deficiencies in the school's internal controls and management. According to the audit, the charter school failed to properly account for its inventory, as required by its charter agreement. For instance, the audit team could not find 151 of 193 plants purchased by the school estimated to cost \$1,656 and two computers estimated to cost \$2,600. The school also failed to maintain adequate and complete payroll records. The audit team found evidence that school personnel falsified authorization for pay rates increases and positions and evidence of rampant nepotism, with the principle making hiring and compensation decisions for family members and close associates. The audit's finding on nepotism, for example, states the principal made the decision to hire her mother as a teacher, a position supervised by the principal herself. The board clerk authorized hiring his wife's cousin, who had a serious illness. According to the document, "[t]he individual earned \$1,200 in 2005-06 and \$870 in 2006-07. However, the individual received full-time health and welfare benefits costing \$874.65 per month." The audit uncovered insufficient documentation to substantiate that credit card charges to the amount of \$18,526 in 2006-07 and \$14,332 in 2007-08 were school-related. In addition, the audit found the employees falsified signatures for expenses incurred by family members and close friends. The audit has been turned over to the Butte County District Attorney's Office for further investigation.

Sources: [http://www.chicoer.com/ci\\_10432891](http://www.chicoer.com/ci_10432891)

<http://fcmat.org/wp-content/uploads/sites/4/2014/02/ButteCOEOakHillsCharterrepor.pdf>

## Albor Charter School

In 2007, an audit revealed that the executive director of Albor Charter School, Emilio Vazquez, "funneled more than \$12 million in state funds to several businesses owned by him, his supposed wife, and their friends." Allegations of fraud and mismanagement led to the revocation of Albor's charter in 2005. The school managed to stay open following a legal challenge the following year. In 2006, Emilio Vazquez, closed the school with little to no notice and failed to perform financial accounting of the school's liabilities and assets as required by state law, which triggered an extraordinary audit by Fiscal Crisis and Management Assistance Team. According to the audit, "while Albor was purportedly a high school, it appeared in reality to be a vocational school for adults. Brochures mentioned certified nursing assistant, medical assistance and computer technology programs, with little, if any, description of high school classes." The audit also found that students may have been charged attendance fees, which are illegal. Lastly, the audit found "Vazquez had

delegated administrative operations of Albor and funneled more than \$12 million in state funds to MI – Vocational School, a business he also controlled. Some of this money was then given to Vagabond Entertainment, EMPE Inc., A&E Financing Inc. and other companies controlled by Vazquez, his supposed wife...and their associates." These companies did not seem to be "related in any way, shape or form to educating students" at the school. The audit findings were turned over the Orange County district attorney's office for further review.

Sources: <http://articles.latimes.com/2007/oct/10/local/me-charter10>

<http://fcmat.org/wp-content/uploads/sites/4/2014/02/AlborCharterSchoolExtraordin.pdf>

## Magnolia Charter Schools

In July 2014, the Los Angeles Unified School District performed a forensic audit of Magnolia Public Schools. They found that the charter-school chain used education dollars to pay for six non-employees' immigration costs and could not justify \$3 million in expenses over four years to outsource curriculum development, professional training, and human resources services that the school itself reported doing.

Annie Gilbertson, "Charter Schools: Audit Finds Missing, Misused Funds at LA Network," KPCC, July 21, 2014, <http://www.scpr.org/blogs/education/2014/07/21/17031/audit-finds-missing-misused-funds-at-la-charter-ne/>.

## Sierra Summit Academy Charter School

In 2005, former Sierra City school superintendent and charter school executive Jeff Bauer was sentenced to 8 months in jail and 5 years' probation as a result of an audit and investigation by the California State Controller's Office. According to an audit, Bauer "misused state funds intended to help children." As part of his sentence, Bauer had to pay the state \$317,668. Bauer pleaded no contest to criminal charges of conflict of interest and misappropriation of public funds.

Source: [http://www.sco.ca.gov/Press-Releases/2005/bauer\\_case0113.pdf](http://www.sco.ca.gov/Press-Releases/2005/bauer_case0113.pdf)

## Challenge Charter School

Challenge Charter High School will close its doors at the end of the school year, following a decision by school administrators and staff at Wednesday evening's Oroville Union High School District board meeting.

With the school's petition up for renewal this year, the board of trustees was to consider the approval or denial of the school's charter at Wednesday's meeting. However, before board members could discuss the issue, school Principal Walt Gess withdrew the petition renewal—opting to simply let the petition run out in July, with the school closing at that time. As Superintendent Oran Roberts was about to deliver his recommendation to the board regarding the charter school, Gess approached Roberts, requesting permission to address the board. Roberts obliged and Gess controlled the lectern for several minutes, ultimately telling the board and audience that the school could not remain open and that "with reluctance" he "wished to respectfully withdraw the petition for renewal." Gess

cited severe financial problems for his decision, claiming the school will not only face reduced funding due to state budget cuts this year, but actually owes the state an estimated \$591,000. Although the school was allotted money for the students, it was discovered earlier this year that approximately 65 percent of the students the school received money for did not actually attend Challenge Charter for the required amount of time. In a memorandum that was circulated to the board and audience members, Roberts stated that in addition to the school's fiscal issues, Challenge Charter "presents an unsound educational program." When comparing standardized test scores of Challenge Charter to the two comprehensive high schools, Roberts found that the school continually underperformed, with test score averages considerably lower than Las Plumas and Oroville High. AND "District staffers suspect fraud in the closures of some San Diego charters, most notably Children's Conservation Academy, which closed in August. San Diego Unified claims that CCA spent hundreds of dollars on Padres tickets, cell phone bills and gym memberships, and paid more than \$11,000 to executive director Nicole Decatur's mother, a past board president, with little proof of the work she'd performed."

Source: <http://voiceofsandiego.org/2007/12/04/when-charters-close-public-schools-foot-the-bill/>

### Children's Conversation Academy

Financially troubled Children's Conservation Academy shut down in 2007 despite last minute attempts to salvage the school. According to the district, the school failed to properly account for "tens of thousands of dollars in questionable expenses, including an athletic club membership (\$638), restaurant food (\$2,219), Starbucks coffee (\$143), Padres tickets (\$369) and cell phone bills (\$1,505)." "According to district documents, the school operated for a year and a half without workers' compensation insurance required by state law, and it lacked proof that all of its employees had undergone checks for criminal background and tuberculosis, posing safety and health hazards to students." Nicole Decatur, the school's founding executive, was among the employees who lacked proper clearances. The district also "expressed concerns about 'conflicts of interest' and 'self-dealing' on the school's governing board." Decatur's mother, for example, received over \$11,000 in payment from the school "without authorization and without supporting documentation to reflect the work performed."

Source: [http://www.utsandiego.com/uniontrib/20070824/news\\_1m24charter.html](http://www.utsandiego.com/uniontrib/20070824/news_1m24charter.html)

## Florida

### Sunshine Academy Charter School

In 2011 the Miami Herald published an extensive report on charter accountability in Florida. In its report, it cited the case of Sunshine Academy in Miramar. In 2007, according to the Herald, the board of Sunshine Academy went to the police, after discovering that Alcira Manzano, the school's principal, had made unauthorized withdrawals from the school's account. The board closed the school

and Manzano was arrested on theft charges. Investigators later found that Manzano had also made loans to the school and personally paid the rent. Though charges against Manzano were later dropped, the prosecutor in the case noted that the school had been poorly run. The following year, a legislative report noted that the state needed to adopt stronger monitoring procedures to detect struggling schools before the problems brought the school to the brink of closure.

Source: <http://www.miamiherald.com/2011/09/19/2541051/florida-charter-schools-big-money.html#storylink=cpy>

## North Carolina

### StudentFirst Academy Charter School

StudentFirst Academy in Charlotte, North Carolina closed in early April 2014 after dwindling enrollment and poor management created severe financial stress. The school,

in its first year of operation, surrendered its charter. By March of this year, the school's board had over \$600,000 in overdue bills and bank loans. A team of investigators from the state Office of Charter Schools provided help and support to the board, but expressed concerns over a range of issues including the quality of instruction and support for students with disabilities.

Source: <http://www.charlotteobserver.com/2014/04/03/4814539/studentfirst-charter-school-to.html#.U03QMeZdXfb#storylink=cpy>

## Louisiana

### D'Arbonne Woods Charter School

In 2010, an audit of D'Arbonne Woods Charter School revealed that seventy-six percent of employees (16 of 21) received merit pay in excess of that allowed in the personnel policies by \$39,185. Auditors also found that included in the Executive Director's pay for the audit year was a check noted as merit pay for \$7,291, but was, in fact, a retroactive salary increase, which is prohibited under state law. In addition, auditors found that the Executive Director used school funds to provide a cellular phone to her son, and the audit included findings of nepotism as the Executive Director's son was also paid \$2,350 for work at the school.

[https://app.la.state.la.us/PublicReports.nsf/A3D93A6CBB50197C86257893005E9B73/\\$FILE/0001F3F2.pdf](https://app.la.state.la.us/PublicReports.nsf/A3D93A6CBB50197C86257893005E9B73/$FILE/0001F3F2.pdf)

### Lusher Charter School

In 2011, an employee of Lusher Charter School's accounting department embezzled \$25,000 by forging five checks she wrote to herself from the school's bank account. The school discovered the theft and it was reported in its annual financial audit.

Source: <http://thelensnola.org/2012/12/19/audit-lusher-employee-embezzled-25000-from-school/>



## KIPP New Orleans Charter School

An employee of KIPP New Orleans Inc., the operator of six charter schools in Orleans Parish, misappropriated two checks totaling almost \$70,000. The employee altered two checks intended for vendors and the theft was discovered when the vendors complained that they hadn't been paid. The employee admitted the theft. The theft was made public in an audit.

*[http://app.lla.state.la.us/LLApress.nsf/vwPRsWeb/KIPP\\_New\\_Orleans\\_Inc\\_\(Charter\\_Schools\)CHET-9G4MDD.html](http://app.lla.state.la.us/LLApress.nsf/vwPRsWeb/KIPP_New_Orleans_Inc_(Charter_Schools)CHET-9G4MDD.html)*

## Arise Schools

The operations manager stole over \$9000 from Arise Schools, a New Orleans-based charter group. The theft was made public in a 2014 audit, but was discovered by the school when they noticed money missing from a debit card. The employee twice bought \$1,500 in gift cards with the organization's debit card, in March and June 2014. The rest of the embezzlement was done in small amounts, tacking on his own purchases when he bought supplies for the school. After an investigation in which the employee admitted to the theft, Arise immediately fired him, filed a police report and filed an insurance claim, but did not report the theft to the state auditor, as required by law.

*Source: [http://www.nola.com/education/index.ssf/2015/01/new\\_orleans\\_charter\\_employee\\_s.html](http://www.nola.com/education/index.ssf/2015/01/new_orleans_charter_employee_s.html)*

## James M.Singleton Charter Middle School

In July 2014, the LLA found that James M.Singleton Charter Middle School (Singleton) failed to enroll certain employees in the Teachers' Retirement System of Louisiana (TRSL). Had these employees been properly enrolled in TRSL, Singleton would have been required to make contributions totaling \$686,081 to TRSL. In addition, some of the employees were removed from payroll reports, which caused inaccurate wage and contribution information to be submitted to TRSL. Singleton disputed the audit findings.

*Source: [http://app.lla.la.gov/PublicReports.nsf/2323F88A1ED3CE3C86257D0900589993/\\$FILE/000016BA.pdf](http://app.lla.la.gov/PublicReports.nsf/2323F88A1ED3CE3C86257D0900589993/$FILE/000016BA.pdf)*

## Oregon

### EdChoices Charter Schools

Tim King and Norm Donohoe, founders of a chain of 10 charter schools in several Oregon Counties, agreed to repay the state \$475,000 and dismantle their charter school network, as part of a court settlement reached in the case. The Oregon Department of Justice accused the men of engaging in racketeering, money laundering and other fraud related to the charter schools between 2007-2010. Both men were also banned for life from running, advising or otherwise being involved in any charter school in the state.

*Source: [http://www.oregonlive.com/education/index.ssf/2013/11/oregon\\_charter\\_school\\_founders\\_1.html](http://www.oregonlive.com/education/index.ssf/2013/11/oregon_charter_school_founders_1.html)*

## North Carolina

### Kinston Charter Academy

Before the North Carolina State Board of Education could act to close it, the Kinston Charter Academy in Lenoir County shut itself down just a week in to the 2013-2014 school year. The sudden closure left the families of 230 students in limbo. But what the State found in the school's books was disheartening: the school had only \$3,000 in its accounts, despite having received more than \$600,000 in public funding for the beginning of the school year. The funds had been used to pay of school debt, according to the school's director, and there was no money remaining to cover the payroll. The school had been running at a deficit for several years.

*Source: <http://www.ncpolicywatch.com/2013/09/17/charter-shuts-down-questions-raised-about-state-education-funds/#sthash.9JHPKpnR.dyTr6oT2.dpuf>*

## New York

### Albany Leadership Charter High School for Girls

#### City of Albany

State Comptroller Audit (2014)

#### Auditors Found Charter Board Approves Ill-defined Contract

- The School entered into a three-year compact agreement with the (Brighter Choice) Foundation in April 2013. During the 2012-13 fiscal year, the School paid the Foundation a fee of \$32,218 to become a member of the charter school network and receive services stated in the compact.
- Auditors reviewed the compact document and did not identify a specific declaration made by the Foundation that clearly defined what activities it would engage in to achieve the stated goals and objectives. Also, the compact did not contain a specific performance measure to determine whether the services received by the School warranted the School's payment of the \$32,218. The compact also did not provide sufficient detail of the activities the Foundation would engage in or how delivery of services would be measured.
- Auditors asked the Board President to describe the services the School was receiving from the Foundation, but the Board President could not provide specific details regarding such services. Therefore, because School officials were not certain of the services they should be receiving under the compact, they could determine if the School was actually receiving the services it has paid for.

*Source: <http://osc.state.ny.us/localgov/audits/schools/2014/albanyleadershipcharter.pdf>*

## Brighter Choice Charter Middle School for Boys

### City of Albany

State Comptroller Audit (2014)

#### Auditors Found Charter Board Approves Ill-defined Contract

- The School entered into a three-year compact agreement with the Brighter Choice Foundation in June 2011. All Board members voted in favor of the compact agreement, except for the Board Chairman, who recused himself from voting because he is also the Foundation's Executive Director. The compact does not describe in detail the services that the Foundation will provide. The fee for the services is 1 percent of total pupil revenue from the prior academic year. The total 2012-13 fiscal year fee due to the Foundation was \$14,801. In January 2013, the School revised the compact contract with the Foundation. The revised compact provides further detail about the specific services that the Foundation could provide the School and increases the fee from 1 percent of total pupil revenue for the 2012-13 fiscal year to 1.5 percent for the following year, and 2 percent for the contract's final year. The fee structure, based on a percentage of per pupil revenue, does not appear to be reasonable, as the services being provided do not have any bearing on the number of students at the School or the State Education Department's Charter School Tuition rate.

#### Auditors found Board members failed to disclose information

- During the audit period, two Board members were also officers or directors of the Foundation. While both filed financial disclosure forms, neither disclosed their relationship with the Foundation on these forms.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/brighterchoicecharterboys.pdf>

## Brighter Choice Charter School for Boys

### City of Albany

State Comptroller Audit (2011)

#### Auditors found school officials failed to audit claims

- Auditors found that the School paid claims totaling \$329,017 before they were audited. The failure to audit claims prior to payment resulted in the School overpaying two vendors by \$8,319, and it increases the risk that the School could pay for goods that are not received, services that are not rendered, and claims that are not legitimate, reasonable, or for proper School purposes. Also, the School paid six claims totaling \$85,215, of 51 claims examined, later than the 60-day time period that its purchasing policy required claims to be paid within. For example, the School paid a \$15,462 invoice for health insurance 93 days after the invoice was dated. By not paying claims within the timelines outlined in the policy, the School risks missing vendor discounts associated with timely bill payment and/or risks incurring late fees for untimely payments.

Source: <http://osc.state.ny.us/localgov/audits/schools/2011/brighterchoice.pdf>

## Brighter Choice Charter School for Girls

### City of Albany

State Comptroller Audit (2014)

#### Auditors found Charter Board Approves Bad Contract

- On May 27, 2011, the Board approved a compact contract between the School and the Foundation that states that the Foundation will provide the School with access to legal and financial assistance, technical support and advocacy at State and local levels. The fee for these services is 1 percent of per pupil revenue from the prior academic year. On January 31, 2013, the Board approved a revised compact contract with the Foundation that supersedes the prior compact contract. The revised contract increases the fee from 1 percent for the 2012-13 school year, to 1.5 percent for the following year, and 2 percent for the final year of the contract. The increase in the fee percentage over the next two years will place an additional financial burden on the School. The fee structure of a percentage of per pupil revenue does not appear to be reasonable, as the services being provided do not have any bearing the number of students at the School or the State Education Department Charter School Tuition rate.

#### Auditors found Charter School Failed to Budget Properly

- The School did not budget properly. The School failed to accurately budget a number of expense accounts, including failing to budget some account codes and using unrealistic amounts in others. In addition, the School does not modify its budget during the year. During fiscal years 2011-12 and 2012-13, School officials had budgeted for a \$650,362 surplus. However, the actual net income amounted to only \$89,497, a shortfall of \$560,865.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/brighterchoicechartergirls.pdf>

## Albany Community Charter School

### City of Albany

State Comptroller Audit (2013)

#### Auditors found no evidence that the Board had fulfilled its fiduciary responsibility

- Auditors found no evidence that the Board had fulfilled its fiduciary responsibility to the School by ensuring that it fully evaluated the choice of its site selection for the elementary school or middle school.
- School officials could have saved about \$207,000 to \$2.3 million if they purchased the elementary school by issuing a bond instead of continuing to lease the building.
- On May 26, 2011 the Board approved a compact contract between the School and the Foundation that states that the Foundation will provide the School with access to legal and financial assistance, technical support, and advocacy at State and local levels at a fee of 1 percent of per pupil revenue from the prior academic year. On April 18, 2013 the Board approved a revised compact contract with the Foundation that increases the fee from 1 percent in for the 2012-13 school year, to 1.5 percent for the following year, and 2 percent for the final year of the contract. With the

increase in the fee percentage and the growth of the number of students over the next two years as the School expands to include middle school grade levels, the fee that the School pays the Foundation will increase three times from the 2011-12 school year payment which does not appear to be reasonable as the services being provided do not have any bearing the number of students at the School, nor the State Education Department Charter School Tuition rate.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/albanycharter.pdf>

## Achievement Academy Charter School

### City of Albany

State Comptroller Audit (2012)

#### **Auditors found the Board did not provide proper oversight.**

- The Board does not provide oversight of the purchasing function as directed by the School's policy. Auditors reviewed payments to vendors in excess of \$5,000 for the 2010-11 school year and the 2011-12 school year through February 29, 2012. For the 2010-11 school year, the School made 62 individual payments to 13 vendors totaling \$1,118,991 that required Board approval. The Board did not approve 38 of these payments totaling \$521,882. For the period from July 1, 2011 through February 29, 2012, the School made 41 individual payments to 18 vendors totaling \$828,170 that required Board approval. The Board did not approve 31 of these payments totaling \$507,878. School officials provided Board minutes from prior years showing the approval of certain purchases in the past; however, School officials could not provide us with Board minutes approving the purchases made during our scope period.

Source: <http://osc.state.ny.us/localgov/audits/schools/2012/achievementacademy.pdf>

## Henry Johnson Charter School

### City of Albany

State Comptroller Audit (2014)

#### **Auditor found that the school entered into contracts that did not provide sufficient detail.**

- Auditors reviewed the compact agreement between Brighter Choice Foundation and the School and could not determine how the quality of the services provided would be measured because the compact was insufficiently detailed. Therefore, School officials do not have a means to determine whether the School received an adequate level of services to justify the fees it paid to the Foundation. The fee structure, based on a percentage of per pupil revenue, does not appear to be reasonable, as the services being provided do not have any relationship to the number of students at the School or the Charter School Basic Tuition rate. The fee structure was established by the Foundation and increases as a means to expand the services provided to the members of the network. When the School enters into contracts that do not provide sufficient detail about the services being provided, and do not have a reasonable fee structure, the School is susceptible to incurring costs that are greater than necessary for the services it receives.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/henryjohnsoncharter.pdf>

## Ark Community Charter School

### City of Troy

State Comptroller Audit (2012)

#### **Auditors found internal control deficiencies**

- Auditors found weaknesses in the internal controls over IT. The Board did not develop a disaster recovery plan to minimize disruption of operations in the event of a catastrophic event.
- Auditors found that the Board did not adopted policies and procedures for remote access and server room security.

Source: <http://osc.state.ny.us/localgov/audits/schools/2012/arkcommunitycharter.pdf>

## Oracle Charter School

### City of Buffalo

State Comptroller Audit (2014)

#### **Auditors found that the Board did not demonstrate that it used an appropriate process to ensure it obtained a suitable building site at a reasonable cost.**

- School officials did not document that the Board performed an appropriate cost analysis of the selected site or alternative sites. Consequently, the School agreed to an arrangement requiring it to pay more than \$5.1 million for the acquisition and renovation of its building financed at a 20 percent interest rate. Auditors found that the building was acquired and renovated for approximately \$1.4 million, and that a developer fee and interest costs will total more than \$3.7 million over the term of the School's 15-year lease. As a result of a recent decision to prepay a portion of the debt, the School was able to save approximately \$136,000.

#### **Auditors found that charter school maintained inaccurate records**

- The business office did not maintain accurate and supported leave accrual records for all School employees. The School does not require that all employees submit leave request forms. Those employees required to submit forms did not do so consistently, and the forms did not always include evidence of required approvals.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/oraclecharter.pdf>

## Charter School for Applied Technologies

### East Amherst, Buffalo

State Comptroller Audit (2014)

#### **Auditors found charter board possibly illegal transferred school funds; school officials refuse to work with state auditors:**

- The Board approved transfers of School funds totaling \$425,000 to capitalize two wholly-owned private entities (EST LLC and Edoctrina which the Board caused to be established for the purpose of enabling the School

to engage in what are essentially commercial ventures. Auditors question whether the Board had authority to approve the transfers. Even if the Board had authority to approve the transfers, auditors were not able to assess the level of risk involved with the School's participation in these ventures because School officials refused to provide us access to either entity's financial records.

**Auditors found charter school failed to establish a written contract for services paid for.**

- The School made payments for services to one of the entities without a written contractual obligation to do so.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/charterappliedtechnologies.pdf>

## Buffalo Academy of Science Charter School

### City of Buffalo

State Comptroller Audit (2013)

**Auditors found Board did not ensure that it appropriately identified and evaluated available options before deciding to lease a building.**

- The Board did not ensure that it appropriately identified and evaluated available options before deciding to lease a building. The process used to select a firm to acquire and renovate a building on the Board's behalf was not transparent, and auditors question whether it was an arm's length transaction. The Board selected an unlikely firm, a nonprofit educational services corporation (Corporation) from the New York-New Jersey metropolitan area that did not have any apparent real estate experience. Auditors also found that the terms and conditions of the lease agreement appear to benefit the Corporation more than the School. Auditors estimate that the lease payments could exceed the Corporation's costs by more than \$4.4 million.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/buffaloacademycharter.pdf>

## Elmwood Village Charter School

### City of Buffalo

State Comptroller Audit (2013)

**Auditors found internal control deficiencies**

- Auditors identified control deficiencies with the School's residence verification process. The School does not verify student information by periodically requiring new proof of residence, such as a utility bill, or requiring that a new proof of residence be submitted when a student's address changes.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/elmwoodvillagecharter.pdf>

## Health Sciences Charter School

### City of Buffalo

State Comptroller Audit (2013)

**Auditors found internal control deficiencies**

- Auditors found the School's Business Office was unable to provide procurement procedure documentation and inconsistencies were found in the purchasing practices/

competitive bid process outlined in the School's charter agreement and the procurement policy.

- Both policy documents were silent on other key provisions such as when written contracts are required or whether professional services should be procured in a different manner. The documents did not clarify whether thresholds were for individual or aggregate purchases and if quotes should be written or verbal.
- Even though the School is in its third year of operation with a Principal and a fully functioning Business Office, School officials continue to rely on certain service providers to obtain bids or quotes and select vendors for goods and services such as janitorial services, school uniforms and kitchen supplies.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/healthsciencescharter.pdf>

## King Center Charter School

### City of Buffalo

State Comptroller Audit (2013)

Auditors found internal control deficiencies regarding purchasing

- Auditors found that the School's purchasing policy does not provide appropriate guidance as to when written or verbal price quotes should be obtained and when items must be competitively bid. The policy also does not address threshold amounts under which approval can be made by management, versus large purchases that would require Board approval.
- Although the policy requires the use of purchase orders, School officials are not routinely using them to initiate the acquisition of goods and/or services.
- School officials often did not properly document verbal or written price quotations when making purchase decisions. For example, School officials spent \$11,346 on computers but did not have adequate documentation to demonstrate that the lowest price was obtained.
- Auditors reviewed 12 disbursements associated with three capital projects that totaled approximately \$1.3 million. Auditors found that one of the three project contracts was not properly approved by the Board and there is no evidence that change orders totaling approximately \$63,000 were approved by the Board.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/kingcentercharter.pdf>

## The Tapestry Charter School

### City of Buffalo

State Comptroller Audit (2013)

**Auditors found internal control deficiencies**

- The School's credit card policy does not define how many credit card accounts may be established, limit the number of credit cards to be issued, and address to whom the cards may be issued. The policy also does not define credit limits. Auditors also found that the School did not ensure that all employees who were issued a credit card signed the policy to acknowledge their awareness of the procedures, as required by the policy. Auditors found that, of the 12 employees issued credit



cards, only seven had signed a copy of the policy. In addition, School officials did not ensure that credit card accounts were established in a manner that complied with the policy provision prohibiting cash advances.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/tapestrycharter.pdf>

## Buffalo United Charter School

### City of Buffalo

State Comptroller Audit (2012)

#### **Auditors question whether the Board can sufficiently monitor management the company.**

- The Board relies almost exclusively on National Heritage Academies (NHA) to handle the School's finances. Auditors question whether the Board can sufficiently monitor NHA. With almost all financial duties and responsibilities assigned to NHA, the Treasurer cannot adequately fulfill certain duties as prescribed in the by-laws.
- NHA's failure to fully disclose detailed information about its internal costs and how they are allocated to the School limits the Board's ability to verify that these charges are accurate and appropriate.

Source: <http://osc.state.ny.us/localgov/audits/schools/2012/buffalocharter.pdf>

## Community Charter School

### City of Buffalo

State Comptroller Audit (2012)

Auditors found board did not follow the school's conflict of interest policy.

- The former Board President engaged in business transactions with the owner of a construction company to which the School has paid \$2.4 million since 2007. The Board, however, did not follow the School's conflict of interest policy because it did not determine whether this relationship resulted in a conflict of interest as the policy requires.
- School officials did not use competitive procedures to obtain these construction services, and did not produce a written contract that stated the scope of the work or the basis of payment.

Source: <http://osc.state.ny.us/localgov/audits/schools/2012/communitycharter.pdf>

## Aloma D. Johnson Fruit Belt Community Charter School

### City of Buffalo

State Comptroller Audit (2012)

#### **Auditors found that the Board did not fulfill its fiduciary responsibility**

- The Board did not fulfill its fiduciary responsibility to the School by ensuring that it fully evaluated the choice of its school building. In fact, the Board selected a building that was owned by an organization that it had extremely close ties to with no evidence that it is paying market value.
- The terms of the building lease were not complied with as it appears that the School had been occupying and possibly renovating space that was not included in

the lease agreement and without prior State Board of Education approval.

- The terms and conditions of the lease, including the cost of leasehold improvements, directly impacted the School's financial condition, initially resulting in cash flow problems to the School, while also providing a significant financial benefit to the landlord.

Source: <http://osc.state.ny.us/localgov/audits/schools/2012/fruitbeltcharter.pdf>

## The West Buffalo Charter School

### City of Buffalo

State Comptroller Audit (2013)

#### **Auditors found the School did not fully develop its residence verification process.**

- Auditors found nine students' files did not contain the required proof of residency; three instances where no date was on the address verification document or the date was several years old; and one instance where the address did not agree with the address on the billing record. The School has not fully developed its residence verification process.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/westbuffalocharter.pdf>

## Global Concepts Charter School

### Lackawanna

State Comptroller Audit (2012)

#### **Auditors found board did not use an appropriate process to ensure it obtained a suitable site for the school.**

- The Board did not demonstrate that it used an appropriate process to ensure it obtained a suitable site at a reasonable cost. School officials did not provide evidence that the Board performed an appropriate cost analysis of the selected site or alternative sites. As a result, auditors estimate that the School will pay \$2.3 million more than necessary over the next five years for this school building.

Source: <http://osc.state.ny.us/localgov/audits/schools/2012/globalconceptscharter.pdf>

## Niagara Charter School

### Town of Wheatfield, Niagara County

State Comptroller Audit (2014)

#### **Auditors found that charter school maintained inaccurate records and overbilling of school district**

- Certain billings were not accurate and enrollment was not always adequately supported. In some instances, for students with less than full-time enrollment, School officials incorrectly calculated the full-time equivalents (FTEs), which resulted in over-billing school districts by more than \$10,200. Auditors also reviewed the 2012-13 fiscal year FTE report prepared by School officials and found that the School may be owed approximately \$13,500 from one of the school districts. However, due to the incorrect calculations of FTEs identified in our testing, it is unclear whether this amount owed to the School is entirely accurate.

- Auditors found that the School's system of collecting and reporting student data could be improved.
- Of the 22 students' files sampled, the proof of residency on file for five students was either inaccurate or missing.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/niagaracharter.pdf>

### Niagara Charter School (2010)

A report by the New York State Education Department concluded that the Niagara Charter School in Buffalo suffered from "the pervasive appearance of financial mismanagement and less-than ethical behavior on the part of the Board of Trustees and the school administration." Public funds provided to the school during its first years were apparently spent on plane tickets, restaurant meals and alcohol. More than \$100,000 was spent on no-bid consulting contracts. The investigation also questioned the school's relationship to another local charter—Enterprise Charter School—which apparently shared the same chief executive and several board members.

Source: [http://www.nytimes.com/2010/05/26/education/26charters.html?\\_r=0&adxnnl=1&pagewanted=all&adxnnlx=1397606483-HRfkrEDtpvRD/2RLuUadhA](http://www.nytimes.com/2010/05/26/education/26charters.html?_r=0&adxnnl=1&pagewanted=all&adxnnlx=1397606483-HRfkrEDtpvRD/2RLuUadhA)

### Eugenio Maria de Hostos Charter School

#### City of Rochester in Monroe County

State Comptroller Audit (2014)

#### **Auditors found School entered into the leases without any process for determining the fair rental value of the buildings**

- Auditors reviewed four building leases and 12 service contracts entered into by the School and found that the School entered into the leases without any process for determining the fair rental value of the buildings. Similarly, although competitive bidding is not required, auditors found that the School only sought competition for one of the service contracts. These findings are of particular concern because the leases and contracts were entered into with organizations having various types of business or occupational relationships with members of the Board or their family or friends. Under these circumstances, it is questionable whether the leases and contracts were in the best interest of the School.

#### **Auditors found charter school failed to establish a written contract for services paid for**

- The School paid for use of a building and for certain services without having entered into written agreements.

#### **Auditors found charter school lack IT infrastructure**

- The School also lacked appropriate information technology (IT) policies and procedures. The School did not properly control user access rights to the IT system and did not properly establish a disaster recovery plan.
- The School lacked accurate IT inventory records.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/eugeniomariadehostoscharter.pdf>

### True North Rochester Preparatory Charter School

#### City of Rochester

State Comptroller Audit (2014)

#### **Auditors found board and school officials entered into contract that lacked critical details.**

- Auditors identified significant concerns with the lack of detail contained in the memorandum of understanding (MOU) in the School's contract with the Charter Management Organization (CMO). Without clear and concise contract language, the School does not have a firm agreement detailing what services are included.
- School officials entered into a MOU whereby the School will annually pay a CMO nearly \$700,000 for services and an additional \$300,000 for expenses. This contract does not clearly define each party's responsibilities for certain costs and allows one party—the CMO—to train the Directors of Operations, who are responsible for overseeing the School's interests in the contract.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/truenorthrochestercharter2.pdf>

### True North Rochester Preparatory Charter School – West Campus

#### City of Rochester

State Comptroller Audit (2014)

#### **Auditors found that the School did not consistently comply with the Law and guidance regarding fingerprint-supported criminal background checks**

- The School has a policy entitled "Fingerprint Process" in their Onboarding Guide, which stated that "All school employees must be fingerprinted before they are authorized to work in a school in New York State." Auditors requested documentation to support that all adults working on site have been properly fingerprinted. Two of the 25 workers tested did not have complete background checks performed prior to working at the School. For one worker, School officials did not obtain clearance specifically for their School. A School official told us that because the worker was previously cleared at another charter school, School officials believed they did not have to obtain clearance. In addition, the former CEO did not have fingerprint records on file with OSPRA at the time of our testing. Fingerprint records were obtained subsequent to our request and auditors were provided documentation that on June 14, 2013 the former CEO's fingerprints were filed with OSPRA and cleared.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/truenorthrochestercharter.pdf>

### University Preparatory Charter School for Young Men

#### City of Rochester

State Comptroller Audit (2014)

#### **Auditors found School did not maintain adequate supporting documentation regarding students' residency.**

- Auditors selected a random sample of 25 students and found that the School did not maintain adequate

supporting documentation regarding students' residency. Auditors found that seven students' files did not contain a proof of residency. In addition, three of the students had moved and their files had a different verified address than the School used when it billed RCSD.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/universityprepcharter.pdf>

## Genesee Community Charter School

### City of Rochester

State Comptroller Audit (2013)

#### Auditors found internal control deficiencies

- Auditors found that the School has not developed procedures to segregate the collecting, recording, and reconciling of School meal and field study revenues. Monies received are held by the Coordinator of School Operations who also prepares the deposits and reconciles the bank statements without independent review of the deposits or reconciliations.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/geneseecharter.pdf>

## The Rochester Academy Charter School

### City of Rochester

State Comptroller Audit (2013)

#### Auditors found the School did not have sufficient Board-approved policies and procedures over the procurement process.

- The School did not have sufficient Board-approved policies and procedures over the procurement process. Such policies and procedures would provide guidance on when and how to solicit competition, documentation requirements to support purchasing decisions and payments. As a result of this weakness, auditors reviewed 76 disbursements totaling \$320,000 to determine if the disbursements were for school purposes, properly supported by a detailed original receipt, and, where applicable, to ensure compliance with the School's charter. Auditors found that the School used restrictive practices in some of their purchases, which undermined the intent of true competition.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/rochesteracademycharter.pdf>

## Urban Choice Charter School

### City of Rochester

State Comptroller Audit (2013)

#### Auditors found internal control deficiencies

- The Board has not established adequate internal controls over the School's IT system to ensure the School's computerized data and assets are safeguarded from internal and external threats.
- The Board has not established policies and procedures related to remote access, data backup, computer security, and data breach.
- The Board has not adopted a disaster recovery plan to address potential disasters.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/urbanchoicecharter.pdf>

## Southside Academy Charter School

### City of Syracuse

State Comptroller Audit (2014)

#### Auditors found that charter school board of directors approved budget without adequate information.

- The Board contracted with National Heritage Academies (NHA) to be responsible for the administration, operation and performance of the School in accordance with the School's Charter and subject to the oversight and authority of the Board. The agreement transfers all School revenues to NHA, and the revenues are to be expended by NHA in accordance with the approved budget, and as otherwise authorized by the Board. NHA provides the Board with projected budgets, budget amendments and quarterly financial statements for its review. Although the Board reviews and approves budgets and budget amendments, the budgetary information and the quarterly financial statements lack transparency to allow the Board to identify the fee for services paid to NHA and to distinguish indirect from direct costs, and how indirect costs are allocated by NHA to the School. For example, \$2.9 million in indirect costs have been allocated to the School by NHA but the Board has not received support for how the costs are allocated. As a result, this limits the Board's ability to adequately monitor NHA and verify indirect costs allocated to the School are accurate and appropriate.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/southsideacademycharter.pdf>

## The Syracuse Academy of Science Charter School

### City of Syracuse

State Comptroller Audit (2013)

#### Auditors question the prudence thousands of dollars in purchases

- School officials routinely purchased school equipment and furnishings from a limited group of four vendors that were affiliated with one another. The required number of quotes was not always obtained, quotes were sometimes dated after the purchase was made, officials did not document verbal quotes, and officials received quotes for equipment and furnishings from vendors that did not specialize in such items. As a result, auditors question the prudence of \$383,390 in purchases which likely could have been obtained at lower prices.
- Some of the purchased items were resold to the School after an affiliated vendor purchased the items online and marked up the price. Had School officials purchased these items either directly from the original vendor or through State contract, they could have saved \$5,220 on total purchases of \$54,940.

#### Auditors found the Director of Operations does not ensure all student information is recorded accurately

- The Director of Operations does not ensure all student information is recorded accurately prior to billing their school districts, and does not verify the accuracy of the year-end reconciliation of the School's student information system with billings, which should identify any moneys that the School owes to the resident districts (over-billings) or vice versa (under-billings).

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/syracusecharter.pdf>

## New Roots Charter School

### City of Ithaca

State Comptroller Audit (2012)

#### Auditors found school lacked board approval documentation for transactions.

- Auditors identified six contracts and three purchases totaling approximately \$917,900 that required Board approval. However, no documentation exists to show the Board approved six of these nine transactions, totaling approximately \$172,000.

Source: <http://osc.state.ny.us/localgov/audits/schools/2012/newroots.pdf>

## Amber Charter School

### New York City

State Comptroller Audit (2007)

#### Auditors found internal control deficiencies

- Auditors reviewed Amber's monthly bank reconciliations for fiscal year 2006 and found they were not performed on a timely basis and were generally inaccurate. School staff prepared "preliminary" bank reconciliations using incorrect general ledger balances. Weeks later, "Amended" bank reconciliations were prepared, but some of these were still inaccurate. Amber has two imprest petty cash funds; one maintained by its bookkeeper and the Chief Financial Officer (CFO); the second by the Facilities Director.
- Auditors found that the petty cash fund maintained by the Facilities Director was kept in her personal bank account off school premises. Auditors reviewed 17 contracts totaling \$996,769, entered into by Amber during the fiscal year ended June 30, 2006, to determine whether school management complied with Amber's contract procedures. Auditors found that Amber officials did not obtain either, oral quotes or written bids for 14 of the 17 contracts. Consequently, there is no assurance that the price paid for each of the 14 contracts was reasonable. These contracts totaled \$958,000. We also noted that Amber paid its cleaning contractor \$9,730 for cleaning supplies and services above and beyond what was required by the contract. In our view, Amber should bid out these additional goods and services or, alternatively, amend the original contract.

Source: <http://osc.state.ny.us/audits/allaudits/093008/07s101.pdf>

## Beginning with Children Charter School

### New York City

State Comptroller Audit (2006)

#### Auditors found internal control deficiencies

- Auditors found eight instances totaling \$36,431 of payments for which certain of the required supporting documentation was not present (e.g. missing invoices and/or packing slips).
- Auditors found that pre-approvals were not obtained in 13 instances totaling \$19,995. Of the 13 instances:

3 were for purchases less than \$250; 9 were for purchases of more than \$250; and 1 was for a purchase of more than \$5,000. When required approvals are not obtained, there is increased risk that some purchases may not be appropriate.

- Auditors found that BwCCS does not maintain a perpetual inventory of equipment and does not perform an annual physical inventory. Instead, auditors found that various departments within BwCCS maintain separate equipment inventory listings. These are neither complete nor tested.

Source: <http://osc.state.ny.us/audits/allaudits/093007/06n4.pdf>

## Bronx Preparatory Charter School

### New York City

State Comptroller Audit (2006)

#### Auditors found internal control deficiencies

- Auditors found that BPCS needs to develop written procedures to cover many aspects of its financial processes and certain procedures need to be strengthened.
- Auditors found that there is a need for the Board to adopt comprehensive written policies in the areas of cash disbursement, payroll, credit card usage and equipment inventory controls.
- Auditors found that adequate inventory records were not maintained, and that a physical inventory had not been conducted. Auditors also found that BPCS's formal equipment control procedures are not adequate. As a result, there is a significant risk that equipment may have been lost or stolen without detection.

Source: <http://osc.state.ny.us/audits/allaudits/093007/06s50.pdf>

## Brooklyn Charter School

### New York City

State Comptroller Audit (2006)

#### Auditors found severe internal control deficiencies

- Auditors determined that the Brooklyn Charter School has not established and maintained an adequate system of internal controls over the basic financial operations they tested. The audit disclosed significant control weaknesses in nearly all areas they tested and there is either noncompliance with procedures or a failure to establish sound basic control procedures over the operations.
- Auditors found that Brooklyn's Board of Trustees (Board) and school officials need to improve their oversight of the school's fiscal operations and to strengthen compliance with the internal controls outlined in their Internal Controls of Assets - Policies and Procedures Manual (Manual), particularly in the areas of financial oversight, disbursements, payroll, and equipment inventory. Auditors noted that Board oversight at Brooklyn has been weak since the school's inception. Without improvement, assets remain at increased risk of misappropriation or misuse.
- Auditors found that individuals were not always complying with established procedures before making



cash disbursements. For example, 27 of the 35 disbursements auditors tested, (77 percent) did not have adequate supporting documentation, such as pre-approvals, purchase orders, invoices, and/or receiving reports. Auditors also found that Brooklyn officials were not maintaining the petty cash fund in accordance with the Manual.

- Auditors found that payroll records were not being maintained properly or reviewed to ensure that employees were paid only for time worked. In addition, auditors identified three employees who were not paid the correct rate of pay and, as a result, were underpaid \$2,160 from September 2005 through June 2006.
- Auditors found that Brooklyn officials did not maintain adequate control over the school's equipment inventory. For example, the school neither maintained perpetual inventory records nor performed a physical inventory of its equipment at least once a year. Auditors also found that the school had no policies and procedures for the proper control of equipment.

Source: <http://osc.state.ny.us/audits/allaudits/093008/06n9.pdf>

## Carl C. Icahn Charter School

### New York City

State Comptroller Audit (2007)

#### Auditors found severe internal control deficiencies

- Auditors determined that controls could be strengthened to improve the school's financial management. The areas in need of strengthening included cash disbursements, procurement, and payroll. Furthermore, the Board should more closely monitor Icahn's transactions to ensure compliance with policies and procedures.
- Of 50 sampled disbursements, totaling \$185,902, six, totaling \$6,163, reimbursed the cost of staff parties. Of that amount, \$1,288 was spent on alcoholic beverages.
- Auditors found Icahn had no policies requiring competitive bidding for expenditures exceeding minimum cost thresholds. Only one of 18 contracts executed during the audit period was competitively bid. However, this contract was awarded to a relative of a school administrator. Icahn officials stated that four of the 18 contracts, totaling \$93,436, were executed with sole source vendors. However, there was no documentation to support the sole source classification. Icahn also had no policies or procedures governing the selection of sole source vendors. Additionally, six contracts were not signed by the school or the vendor.
- Auditors found Icahn's Assistant Principal for Administration handled all key payroll duties. These duties should be separated between different employees to ensure payroll transactions are appropriate.

Source: <http://osc.state.ny.us/audits/allaudits/093008/07s70.pdf#search=icahn>

## Community Partnership Charter School

### New York City

State Comptroller Audit (2007)

#### Auditors found internal control deficiencies

- Auditors found that two school employees had not

been fingerprinted as required. Moreover, eight school employees who began working at the school before receiving fingerprint and background clearances did not receive Emergency Conditional Clearances by the Board of Trustees, as required by Law. Auditors also found no evidence of fingerprint clearance for one consultant who had direct contact with students.

- Auditors found that the school did not have a document in place to reflect the prior approval of purchases. Auditors also found that the school was not in compliance with its credit card procedures.
- Auditors found that School officials were not always soliciting multiple bids to ensure that the best value is obtained. For example, auditors found no evidence that required telephone or written quotes were obtained for 8 purchases the auditors tested. The total value of these purchases was \$8,432.

Source: <http://osc.state.ny.us/audits/allaudits/093008/07s103.pdf>

## Explore Charter School

### New York City

State Comptroller Audit (2006)

#### Auditors identified certain weaknesses in Explore's controls over financial operations, particularly in the areas of procurement and disbursements, and equipment inventory.

- Auditors reviewed nine agreements for consultant services totaling \$214,043 and found Explore did not use a competitive procurement process for six of the agreements totaling \$182,553. As a result, school officials had no assurance the services were obtained for the lowest price available.
- Explore has no written policies and procedures addressing competitive procurement practices.
- Auditors found that the school's purchasing requirements often were not met. As a result, there was less assurance purchases were properly authorized and the school actually received what it paid for in all instances.
- Auditors found that disbursements from the Petty Cash Fund were not adequately accounted for, the purpose of the disbursements was not always documented, and the documented disbursements were not always for appropriate purposes.
- Equipment inventories were not adequately controlled because Explore does not maintain perpetual inventory records for its equipment and does not perform an annual physical inventory of its equipment. In fact, Explore has not established policies and procedures for equipment inventory control. Auditors attempted to locate 22 equipment items that were purchased in the 2005-06 and 2006-07 fiscal years, but were unable to find four of the items. The missing items included musical instruments and a printer/scanner.
- Auditors found that undelivered paychecks were not adequately safeguarded,
- Announcements about upcoming Board of Trustees meetings were not kept up-to-date on the school's web site.

Source: <http://osc.state.ny.us/audits/allaudits/093007/06n18.pdf>

## Family Life Academy Charter School

### New York City

State Comptroller Audit (2007)

**Auditors found control weaknesses in many areas and found that there is either noncompliance with procedures or a failure to establish sound basic control procedures over the operations.**

- Auditors found that Academy's Board of Directors (Board) and school officials need to strengthen controls over Academy's financial operations.
- Auditors found that the Board needs to be more active in monitoring operations.
- Auditors found that most contracts were not competitively bid, yet Academy procedures required competitive bidding.
- The Board did not meet the required number of times and did not document all contract and/or budget related discussions in its meeting minutes. It also did not document actions taken by committees it had formed.
- All personnel who work at the school should be fingerprinted and subjected to background checks. However, auditors found that two security guards employed by the Academy's landlord had neither been fingerprinted nor subjected to background checks.
- Auditors found that the internal controls related to cash disbursements were not operating effectively. Records regarding most disbursements were not properly maintained. School officials were not able to locate any supporting documentation for three of 29 disbursements auditors tested totaling \$12,557. Of the remaining 26 disbursements, auditors found various problems with the documentation for 24 of them, totaling \$120,071. For example, 13 disbursements had no purchase orders and 19 had no written approvals. In addition, packing slips were not available for four of the ten purchase transactions where packing slips should have been received.
- Auditors identified that Academy had ten active contracts with various vendors worth approximately \$188,576. Auditors found that eight contracts totaling \$128,063 were entered into without the required prior approval of the Principal or the Board. Further, six of the ten contracts that exceeded \$10,000 should have been competitively bid but were not. Auditors found that four contracts were not signed by all parties, as required.
- Auditors reviewed the personnel files for 17 employees who received pay increases during the 2005-06 and 2006-07 academic years. While the computer system showed the 17 employees received pay increases, auditors could not find documentation showing the pay increases were approved by the Principal for 12 of the 17 employees, as required.
- Auditors found that Academy's Operations Manager has too many responsibilities in both the procurement and payroll areas and there is no independent oversight over these functions.
- Auditors found Academy needs to better monitor controls over its equipment and the use of school computers by school staff and students. Auditors judgmentally selected 11 out of approximately 85

computers used by employees and students and found that individuals had accessed or attempted to access inappropriate and sexually-related Internet sites on three of them.

Source: <http://osc.state.ny.us/audits/allaudits/093008/07s102.pdf>

## Harbor Science and Arts Charter School

### New York City

State Comptroller Audit (2007)

**Auditors determined that the Harbor Science and Arts Charter School needs to establish additional controls and that compliance with existing controls needs to be strengthened in several key areas.**

- Auditors found that the Board needs to maintain more thorough minutes of its meetings
- Auditors found that all employees (and other personnel working in the school who have contact with children) were not be subjected to background checks.
- Auditors found that expenditures were not documented, competitive procurement methods were not employed and two employees were overpaid.
- Auditors found that Harbor's Board of Trustees (Board) and school officials need to improve their oversight of the school's fiscal operations and need to strengthen compliance with the internal controls outlined in their Accounting Policies and Procedures Manual (Manual).
- Auditors found that the minutes of the Board meetings did not fully identify the discussions by the Board members on all fiscal matters. Further, auditors found that some of the minutes of Board committee meetings had not been prepared or retained. Non-compliance with Harbor policies in other areas were also noted, supporting the need for greater Board oversight.
- All personnel who work at the school or who regularly come in contact with students on school premises should be fingerprinted and subjected to background checks. However, auditors found that 9 out of 41 school employees were not fingerprinted as required. In addition, auditors found that security personnel at the school had not been fingerprinted or subjected to background checks.
- Auditors found that internal controls related to cash disbursements were not properly maintained. School officials were not able to locate the invoices for 8 of 30 disbursements totaling \$15,974. In addition, school officials were not able to provide supporting documentation for \$1,097 in credit card purchases. Therefore, auditors could not determine whether the purchases were related to school business.
- Auditors identified that Harbor had five active contracts, worth approximately \$324,585. Auditors reviewed the five contracts and found that none of the contracts were awarded through a competitive bidding process. Auditors also found that four of the contracts were not approved by the Board.
- Auditors found that the internal controls related to payroll were not operating effectively. Two teachers had been paid as full-time employees even though they did not work full-time hours. This resulted in \$13,211

in overpayments during the 2005-06 academic year. Auditors also found that two former employees were paid \$2,828 in salary after they were terminated. This occurred because school officials did not remove them from the payroll in a timely manner.

Source: <http://osc.state.ny.us/audits/allaudits/093008/07s57.pdf>

## KIPP Academy Charter School

### New York City

State Comptroller Audit (2006)

#### Auditors identified a number of weaknesses in KIPP Academy's internal controls over financial operations.

- Auditors found, contrary to the law authorizing the creation of charter schools, some of the individuals hired by the school did not undergo a criminal history record check. In fact, the required criminal history clearance was not documented for 7 of the 37 employees auditors reviewed.
- Auditors also found KIPP Academy paid \$67,951 to send 49 staff on a five-day trip to the Bahamas and 21 staff on a five-day trip to the Dominican Republic. School officials told auditors the trips were educationally related because staff development retreats were held at the two locations, but auditors were provided with very little documentation of staff development activities at the two locations. School officials also told auditors that donated funds were used to pay for the trips and such funds were theirs to spend without restrictions. However, auditors could not determine whether the trips were, in fact, paid for with donated funds, because such funds are not accounted for separately from the school's other funds (mainly State aid).
- Auditors also identified significant weaknesses in the controls over KIPP Academy's payroll operations. For example, special bonuses, special stipends, pay increases, overtime payments and other types of payroll transactions were not adequately documented. As a result, there was less assurance such transactions were always authorized and appropriate.

Source: <http://osc.state.ny.us/audits/allaudits/093008/06n15.pdf>

## Merrick Academy Charter School

### New York City

State Comptroller Audit (2006)

#### Auditors found internal control deficiencies

- Auditors often found no documentation on file to support either the amount paid or the business purpose of disbursements from a checking account that was supposed to expedite purchases of \$500 or less. As a result, there was no assurance the disbursements were made for valid school purposes. Auditors were able to determine that two of the disbursements were not made for valid school purposes, including one payment for \$140 that enabled a member of Merrick's Board of Trustees to attend a fundraising event for a State legislator. The other payment which totaled \$160 allowed a Merrick staff person to attend a NAACP fundraising event.

- Auditors also found that more than \$1,800 in petty cash disbursements could not be accounted for and auditors also identified weaknesses in the controls over procurement, payroll and personal services, and equipment inventories.
- Merrick uses a contractor to help manage and oversee its operations since the school opened in 2000. The contractor receives an annual management fee for its services. Auditors determined that the fee for the 2004-05 school year was calculated incorrectly by the contractor, as it should have been \$890,480 rather than the \$904,819 that was charged by the contractor - a difference of \$14,339.
- Merrick is governed by a Board of Trustees that is supposed to meet at least five times each school year. However, auditors found that the Board met just twice during the 2004-05 school year and just three times during the following school year.

Source: <http://osc.state.ny.us/audits/allaudits/093008/06s66.pdf>

## Our World Neighbor Charter School

### New York City

State Comptroller Audit (2007)

#### Auditors found that OWNCS's controls could be strengthened to improve the school's financial management.

- Auditors determined that the areas in need of strengthening included fingerprinting, cash disbursements, and procurement. Furthermore, the Board should monitor OWNCS's transactions more closely to ensure compliance with policies and procedures. All personnel who work at the school are required to hold a valid fingerprint and background clearance from the Commissioner of Education.
- Auditors found that four school employees and eight consultants did not have such clearances, as required. Moreover, 58 school employees began working at the school before receiving fingerprint and background clearances.
- Auditors found that school officials did not always use competitive bidding practices to ensure that they received the best prices for the goods and services they purchased. Auditors found no evidence that competitive bidding practices were followed in seven instances that involved \$381,636 in vendor payments. For example, one vendor was paid \$135,142 for repair, security, and cleaning services; however, auditors found no documentation that a competitive bidding process had been used to select that vendor.
- Auditors found that the school was disposing of computer equipment without keeping any records of the discarded items. According to school officials, some parents had donated items of computer equipment that were now of little value. However, without written records, auditor could not be assured that the items were indeed of little value or of the appropriateness of the method used to dispose of them.

Source: <http://osc.state.ny.us/audits/allaudits/093008/07s56.pdf>

## Sisulu-Walker Charter School of Harlem

### New York City

State Comptroller Audit (2006)

#### Auditors found internal control deficiencies

- Auditors found that Sisulu's Board of Trustees and Victory, Inc., officials need to improve their oversight of the school's fiscal operations and to strengthen compliance with the internal controls outlined in the school's Financial Policies and Procedures Manual - particularly in the areas of disbursements, equipment inventory, revenues, and personnel services.
- Auditors found that school officials did not always follow established policies and procedures when making disbursements. For example, auditors noted that an unauthorized employee had signed the business manager's signature on certain checks valued at \$1,447 while the business manager was on leave. Although these expenditures were for school items, checks should be signed only by authorized personnel.
- Auditors found that payments for certain purchases were split so the employees at the school could circumvent the required purchase order process. To account for equipment properly, perpetual inventory records should be maintained and a physical inventory performed at least once a year.
- Auditors found that Sisulu officials neither maintained a complete inventory listing nor conducted an annual physical inventory. As a result, auditors testing found that eight items with a total value of \$10,628 were unaccounted for.
- If a student wishes to attend a charter school free of charge, the parents or legal guardians are required to reside within the district. Students who live outside the district may be able to attend such schools if the student's family pays tuition. Auditors found that one student continued to attend Sisulu free of charge even though her parents had relocated to New Jersey from New York State. The school had requested \$17,670 in State aid for this student even though her parents now lived in another state. In addition, auditors found that Sisulu officials failed to collect \$3,415 in school lunch charges because they did not bill students' parents in a timely manner.
- All personnel who work at the school should be fingerprinted and subjected to background checks. However, auditors found that security personnel at the school had not been fingerprinted nor subjected to background checks.

Source: <http://osc.state.ny.us/audits/allaudits/093007/06s52.pdf>

## The Renaissance Charter School

### New York City

State Comptroller Audit (2006)

#### Auditors found significant internal control deficiencies

- Auditors examined the composition of TRCS's Board of Trustees and found that it does not comply with SED's directive, as 8 of the 17 total Board members (47 percent)

are TRCS employees. TRCS officials stated that they believed they were in compliance with SED's directive because some of the TRCS employees on the Board are non-voting members. They stated that this arrangement was verbally approved by SED staff. However, auditors discussed this matter with SED staff and they stated that the arrangement is not allowable. Accordingly, auditors recommended the composition of the Board be reconfigured to comply with SED's directive.

- The Board minutes did not indicate that the 2004-05 budget was approved by the full Board. A discussion of the budget was included in the meeting minutes of the Board's Financial Committee, but there was no resolution of budget approval in the minutes of the full Board. TRCS officials stated that the Board minutes did not accurately reflect the business conducted and that the budget was in fact approved by the full Board.
- The Board is required by TRCS policy to approve all contracts in excess of \$10,000. However, auditors identified five contracts in excess of \$10,000 that were awarded by TRCS in the 2004-05 school year but were not approved by the Board or even mentioned in the Board minutes.
- Auditors reviewed the work performed by TRCS's auditing firm. Auditors found that the school had been audited annually, as required. However, the audit reports did not affirm that the work had been conducted in accordance with government auditing standards, as is required by the standards. In addition, contrary to the standards, certain additional auditor reports had not been provided to TRCS in conjunction with the audits. TRCS's independent auditor stated that, in their opinion, the audit work met the requirements of government auditing standards.
- TRCS has three checking accounts. The bank statements for such accounts should be reconciled by someone who does not perform other cash receipt, cash disbursement or cash recordkeeping functions. If this basic internal control (i.e., the separation of related duties) is not in place, any loss or theft of funds will be more difficult to detect in a timely manner. TRCS's Director of Finance is responsible for reconciling the three bank accounts. However, this individual also performs other cash receipt, disbursement and recordkeeping functions. For example, this individual also receives and disburses cash, prepares cash deposit slips, and records all cash transactions on TRCS's accounting system. As a result, cash-related duties are not adequately separated among different employees.
- Auditors selected the 30 purchase transactions from the 2,259 total disbursement transactions processed by TRCS during the period July 1, 2004 through March 22, 2006. The auditor sample was judgmental. Auditors selected a variety of types of purchases in an effort to cover the major types of contract expenses. Auditors then reviewed the documentation relating to each selected purchase transaction. Auditors found that, in many instances, the sampled purchases did not comply with TRCS's disbursement and procurement guidelines. For example, according to these guidelines, purchases of office supplies and equipment between \$250 and \$1,000 must be approved by one of the five members of the TRCS management team (the Co-Director of



Operations), and if such purchases exceed \$1,000, they must be approved by two members of the management team. However, in eight of the office supply/equipment purchases in the sample, none of the required approvals had been documented. Five of these eight purchases exceeded \$1,000, while three were between \$250 and \$1,000. Also, according to TRCS's disbursement and procurement guidelines, a formal purchase request must be submitted for approval before a purchase order is issued and a formal receiving report documenting the receipt of the goods or services must be submitted before payment is made. However, no purchase request was on file for 18 of the 30 purchases and no receiving report was on file for 21 of the 30 purchases. In the absence of a properly approved purchase request form or other required prior approvals, TRCS officials have less assurance purchase transactions are valid, appropriate and necessary. Further, in the absence of a receiving report, TRCS officials have less assurance the school has gotten what it paid for. These control weaknesses have additional significance, because TRCS's purchasing duties are not adequately separated among different employees due to limited staff (i.e., the individual responsible for issuing purchase orders also prepares the documents submitted for payment processing). It is therefore critical that TRCS officials ensure that all required prior approvals are obtained before purchase orders are issued and receiving reports are obtained before payments are made.

Source: <http://osc.state.ny.us/audits/allaudits/093007/06n5.pdf>

## Brooklyn Excelsior Charter School

### New York City

State Comptroller Audit (2012)

#### Auditors found significant internal control deficiencies

- Auditors could not fully determine the extent to which Excelsior officials exercised their fiscal oversight because auditors were unable to verify the true cost of Excelsior's operations or the extent to which the \$10 million of annual public funding benefited students. The reason for these limitations is that National Heritage Academies (NHA) officials did not provide support for \$1.7 million of costs allocated to the school. NHA officials claimed the information was private and proprietary.
- Auditors noted other areas where the Board has been lax in fulfilling its fiduciary responsibility. Auditors question whether the Board exercised due diligence and care in approving NHA's related party lease of the school building at a rate almost \$800,000 per year above market value. As a result, NHA has already recovered its full \$16.3 million cost of purchasing, renovating and outfitting the entire facility in less than 10 years of operation.
- Auditors identified conflicts of interest that exist because NHA employed a Board member at a salary of more than \$138,000, as well as the Board's failure to comply with certain provisions of its adopted by-laws.

Source: <http://osc.state.ny.us/audits/allaudits/093013/11s14.pdf>

## Williamsburg Charter High School

### New York City

New York the State Education Department, Audit Office of Audit Services (OAS) (2012)

#### The audit found that WCHS had a number of serious internal control issues

- The Board did not follow its Charter by entering into a management contract (Agreement) without approval, not setting up a required escrow account, and operating a school at an unapproved location.
- WCHS overpaid its management company and paid contractors for services that should have been provided or paid for by its management company.
- WCHS could not support the appropriateness of expenditures paid from federal grant funds. There were many instances of purchases, including credit card purchases, that were not necessary, reasonable, and/or adequately documented. There were other unapproved payments to the former Chief Executive Officer of WCHS.
- WCHS did not comply with appropriate accounting principles as they relate to fixed assets and inventory

Source: [http://www.oms.nysed.gov/oas/Audit\\_Report/Charter\\_Schools/Reports/WilliamsburgCHSFinalReport\\_CH\\_1110\\_01.pdf](http://www.oms.nysed.gov/oas/Audit_Report/Charter_Schools/Reports/WilliamsburgCHSFinalReport_CH_1110_01.pdf)

## Harriet Tubman Charter School

### New York City

New York the State Education Department, Audit Office of Audit Services (OAS) (2007)

#### The audit found that the School has a number of serious internal control issues, some of them are as follows:

- The increasing negative fund balance in the School's general fund is an indication of serious fiscal stress. As of June 30, 2004, the fund balance in the general fund reported in the audited financial statements was negative \$250,371. As of June 30, 2005, this amount had increased to a negative \$757,888. In the audited financial statements as of June 30, 2006, the fund balance was a negative \$971,772.
- The School maintained a Petty Cash Fund of \$1,000. In a 15-month period, over \$20,000 in checks were written to reimburse the Fund. Current receipts were not available and a number of the receipts furnished included sales tax. The Executive Director was the custodian of the Fund even though she was seldom at the School.
- Bank reconciliations were not prepared, reviewed, or presented to the Board of Trustees (Board).
- Checks were written to the Executive Director and Director of Operations and signed by these two individuals.
- Two credit cards issued to the Executive Director and the Director of Operations were used to charge over \$75,000 between July 2004 and May 2006. There was no evidence of a review or approval process for charges, no receipts were available, explanations were minimal or missing, and the bills were paid directly from the statements.

- The Board did not routinely receive the required reports to effectively monitor the financial condition of the school. For example, the Board did not review and approve the budget, approve any budgetary transfers, or receive budget status reports. It also did not discuss audit findings of the independent auditor or approve corrective action plans to address specific findings; did not discuss and authorize conference attendance; and did not review bank accounts annually, authorize required accounts, or recommend closure of unneeded accounts.
- The School's Director of Operations is responsible for many functions, which raises some concerns with the adequacy of controls, including separation of duties. This individual opens mail; handles all cash receipts; is solely responsible for the internal accounting system; preparation of financial statements; monitoring of staff attendance for payroll purposes; and preparing, signing, and mailing checks.

Source: [http://www.oms.nysed.gov/oas/Audit\\_Report/Charter\\_Schools/Reports/HTCSFinalReporCH-0106-1withresponse.pdf](http://www.oms.nysed.gov/oas/Audit_Report/Charter_Schools/Reports/HTCSFinalReporCH-0106-1withresponse.pdf)

## Our World Neighborhood Charter School

### New York City

New York the State Education Department, Audit Office of Audit Services (OAS) (2006)

#### Auditors found internal control deficiencies

- The Board of Trustees (Board) meeting minutes did not show the Board routinely received the required reports to effectively monitor the financial condition of the school. For example, the Board minutes did not show review and approval of the budget, approval of any budgetary transfers, or receipt of budget status reports. The Board minutes also did not show discussion of audit findings or approval of corrective action plans to address specific findings; did not show discussion and authorization of conference attendance; and did not show review of bank accounts annually, authorizations of required accounts, and recommendations for closure of unneeded accounts.
- The School's fiscal year and the actual number of school days provided are inconsistent among the School's Charter, the by-laws, and the School calendar. This may create some confusion as to what actual practice should be. The School should resolve these inconsistencies and obtain the State Education Department's (Department's) approval for any changes to the Charter.
- The School can improve controls over bank reconciliations by delivering unopened bank statements to the reconciliation preparer before delivery to the Chief Administrative ES-1ES-2 Officer (CAO)/Principal for review, and by requiring signatures of both the preparer and the reviewer on the monthly bank reconciliation.
- The Parent Teacher Organization (PTO) is not independent of the School in financial matters. The CAO/Principal is a signer on the PTO checking account and the PTO is using the School's tax-exempt identification number. While the PTO provides benefits to the School, its finances should be separate.

- The audit found several questionable expenditures paid from the Petty Cash Fund including payments for printing (\$157) and custodial services (\$240) that should have gone through the School's purchasing process, a \$60 loan to the PTO, \$18 for a personal expense (birthday cake), and \$68 in sales tax for 37 reimbursements. The audit found the School does not have specific procedures to define the types of expenditures that are appropriate and the documentation required for reimbursement from the Petty Cash Fund.
- Personnel files do not contain all necessary information, such as, documentation of reference checks and evidence of certification. Without this documentation, the School has less assurance it is hiring the most qualified individuals.
- The School did not establish adequate controls over the \$2.8 million in assets that it owns. Fixed assets, specifically about \$200K of furniture and equipment, were not labeled with School identification tags, the fixed asset inventory did not contain sufficient identifying information, and a physical inventory was not taken within the last year.

Source: [http://www.oms.nysed.gov/oas/Audit\\_Report/Charter\\_Schools/Reports/OWNCSFinalReportCH-1005-1withresponse.pdf](http://www.oms.nysed.gov/oas/Audit_Report/Charter_Schools/Reports/OWNCSFinalReportCH-1005-1withresponse.pdf)

## Charter School of Educational Excellence

### City of Yonkers

New York the State Education Department, Audit Office of Audit Services (OAS) (2012)

#### Auditors found significant internal control deficiencies

- The CSEE was not in full compliance with all of the terms of the Charter. The Board of Trustees (Board) did not maintain sufficient documentation of Board meetings, did not establish a required escrow account at the appropriate level, and did not always publicly post its annual report.
- Two Trustees failed to properly disclose organizational conflicts of interests.
- The Board minutes that were available did not always indicate the Trustees that were not present and did not always note how particular Trustees voted on resolutions.
- The Charter states that the school agrees to establish an escrow account of no less than \$75,000 to pay for legal and audit expenses that would be associated with dissolution should it occur. The Board did not comply with their Charter by failing to set up this escrow account.
- Two Trustees were directors in an educational firm that does business with CSEE. In their June 2008 DFIs, which were part of the renewal charter, these Trustees indicated that they were affiliated with the Center for Educational Innovation (CEI)—a firm that provides professional development and other services for CSEE. However, neither Trustee disclosed this relationship with CEI in their annually updated DFIs which were signed on August 10th and October 18th of 2010 and

included in the annual report. Both individuals are listed on CEI's current website, one as a Senior Fellow and one as a Director. Auditors could not determine if these two Trustees disclosed their relationship with CEI to the Board because of missing and incomplete minutes.

- CSEE could not support \$6,159 in federal grant expenses.
- Internal controls were weak for incoming checks, petty cash, inventory, and purchasing.
- CSEE does not have supporting documentation that all special education students received their prescribed educational programs.

Source: [http://www.oms.nysed.gov/oas/Audit\\_Report/Charter\\_Schools/Reports/CSEEFinalReport\\_CH\\_0911\\_01.pdf](http://www.oms.nysed.gov/oas/Audit_Report/Charter_Schools/Reports/CSEEFinalReport_CH_0911_01.pdf)

## Austin L. Carr Charter School

### Columbia County (Hudson)

New York the State Education Department, Audit Office of Audit Services (OAS) (2001)

- The audit found that the School's financial position is unstable.
- The School does not have any material source of funds other than its planning grant, the School's accounting records are incomplete and inaccurate, and the School has an operating deficit.
- The audit also found that the School's Board did not implement the necessary management controls, has not fulfilled its governance role and has not adhered to its Charter.
- The Board did not collectively possess or obtain the fiscal expertise to ensure the School's resources were being used efficiently and effectively and properly safeguarded, nor did it monitor the School's financial status or prevent conflict of interest transactions.
- The School did not comply with the terms of its grant, incurred non-reimbursable and questionable expenditures, overspent grant funds, and must make restitution of \$14,582 to the Department representing overpayment of grant funds.

Source: [http://www.oms.nysed.gov/oas/Audit\\_Report/Charter\\_Schools/Reports/AustinLCarrfinal\\_CH-1101-1.pdf](http://www.oms.nysed.gov/oas/Audit_Report/Charter_Schools/Reports/AustinLCarrfinal_CH-1101-1.pdf)

## Roosevelt Children's Academy Charter School

### Roosevelt New York, Nassau County

State Comptroller Audit (2014)

#### Auditors found charter school board of directors did not adequately monitor the schools operations

- The Board did not adopt realistic budgets or routinely monitor financial operations. School officials created an expenditure code entitled "building fund" and budgeted \$4.8 million in the 2010-11 fiscal year, \$5.2 million in 2011-12, and \$2.6 million in 2012-13 even though School officials had no expectation of any outflow of cash for such expenses.
- The Board is not monitoring the annual budget and has not established a Budget and Finance Committee as required by School by-laws.

#### Auditors found charter school paid board members violation of by-laws or policy.

- The School also paid for Board member expenditures that were not authorized by the School by-laws or policy. Of \$31,630 in Board expenditures, \$26,444 was not authorized.

#### Auditors found the charter school failed to competitive bid out projects

- The School paid four vendors a total of \$521,197 for significant public work and purchase contracts without fair competition, did not seek competitive price quotes when procuring goods and services totaling \$16,028, and engaged six professional service providers, paid a total of \$478,264, without soliciting competition. The School paid an information technology consultant \$118,182 more than the agreement provided, and did not have an applicable agreement for paying \$25,713 for security services.

Source: <http://osc.state.ny.us/localgov/audits/schools/2014/rooseveltchildrensacademy.pdf>

## Child Development Center of the Hamptons Charter School

### East Hampton New York

State Comptroller Audit (2013)

#### Auditors found that the Board needs to improve its monitoring of the management corporation to ensure School funds are used effectively and efficiently.

- The Agreement between the management corporation and the School states that Family Residences and Essential Enterprises, Inc. (FREE) will provide the Board with financial reports including quarterly and annual balance sheets, monthly statements of revenue and expenses, and monthly banking transaction reports. The Board did not receive quarterly and annual balance sheets and monthly banking transaction reports, as required by the Agreement. Instead, the financial reports provided to the Board contained only budget-to-actual revenue and expenditure reports for on average, a two-month period. The management corporation did not present the Board with bank statements or cancelled checks and a list of all moneys received and paid each month—documentation that supports information in the financial reports.

Source: <http://osc.state.ny.us/localgov/audits/schools/2013/hamptonscharter.pdf>

## Riverhead Charter School

### Town of Riverhead

State Comptroller Audit (2012)

#### Auditors found internal control deficiencies

- The Board did not approve the 2011-12 annual budget by June 1, 2011 as required, and the Director did not make any amendments to the budget to reflect variances in revenues and expenditures during the year.
- The Board did not receive and review quarterly balance sheets, budget-to-actual reports, or monthly cash receipts reports.

- Leave accrual balances maintained by the payroll clerk were not reviewed for accuracy or reconciled to leave balances on employees' pay stubs after processing by the School's payroll vendor.
- The School's financial software application has one user account and does not require the use of a password.

Source: <http://osc.state.ny.us/localgov/audits/schools/2012/riverheadcharter.htm>

As a result, the school paid for goods or services totaling more than \$95,000 that were either not delivered to the school or were misappropriated after they were delivered. Finally, auditors found that the board did not review the claims paid by the school and had not established an independent claims audit function.

Source: <http://osc.state.ny.us/press/releases/apr08/042908.htm>

## Enterprise Charter School

### Buffalo

State Comptroller Audit (2007)

#### Auditors found internal control deficiencies

- Payments to the Former CEO and Claims Processing (2007M-134) LGSA's audit found that the school had been making unauthorized, insufficiently documented and inaccurate salary, separation and contractual payments totaling approximately \$34,000 to its former chief executive officer (CEO). These various payments appear to have been an attempt to manipulate the former CEO's reported salary and hide salary payments by making them through the school's accounts payable system.
- In addition, auditors found that the board of trustees does not review the claims paid by the school and has not established an independent claims audit function. School officials in the administrative office initiate, authorize, and approve all claims, in effect controlling key aspects of a transaction. The internal control weakness associated with these inadequately segregated duties is further amplified by the lack of board oversight. Auditors reviewed 69 judgmentally selected claims totaling \$417,527 and found that 54 of the claims (78 percent) lacked proper approvals, supporting documentation, itemization of expenses, evidence that goods or services were received, and/or an indication that the claim was a proper school expense.

Source: [http://osc.state.ny.us/localgov/schoolsfa/sda07.pdf#search=enterprise charter](http://osc.state.ny.us/localgov/schoolsfa/sda07.pdf#search=enterprise%20charter)

## Western New York Maritime Charter School

### Buffalo

State Comptroller Audit (2008)

#### Auditors found internal control deficiencies

- The board failed to establish adequate controls to ensure that school assets were properly safeguarded. This resulted in numerous improprieties including the employment of an individual with a criminal record, the misappropriation of school funds and the awarding of contracts to employees where it was unclear whether the school received value for the money spent. However, once the board and school officials were notified of the improprieties by their accounting firm, they took corrective action by terminating employees who violated school policies and referred the matter to law enforcement agencies.
- In addition, the audit found that former school officials and employees exploited weaknesses in the internal control system and manipulated the purchasing system.

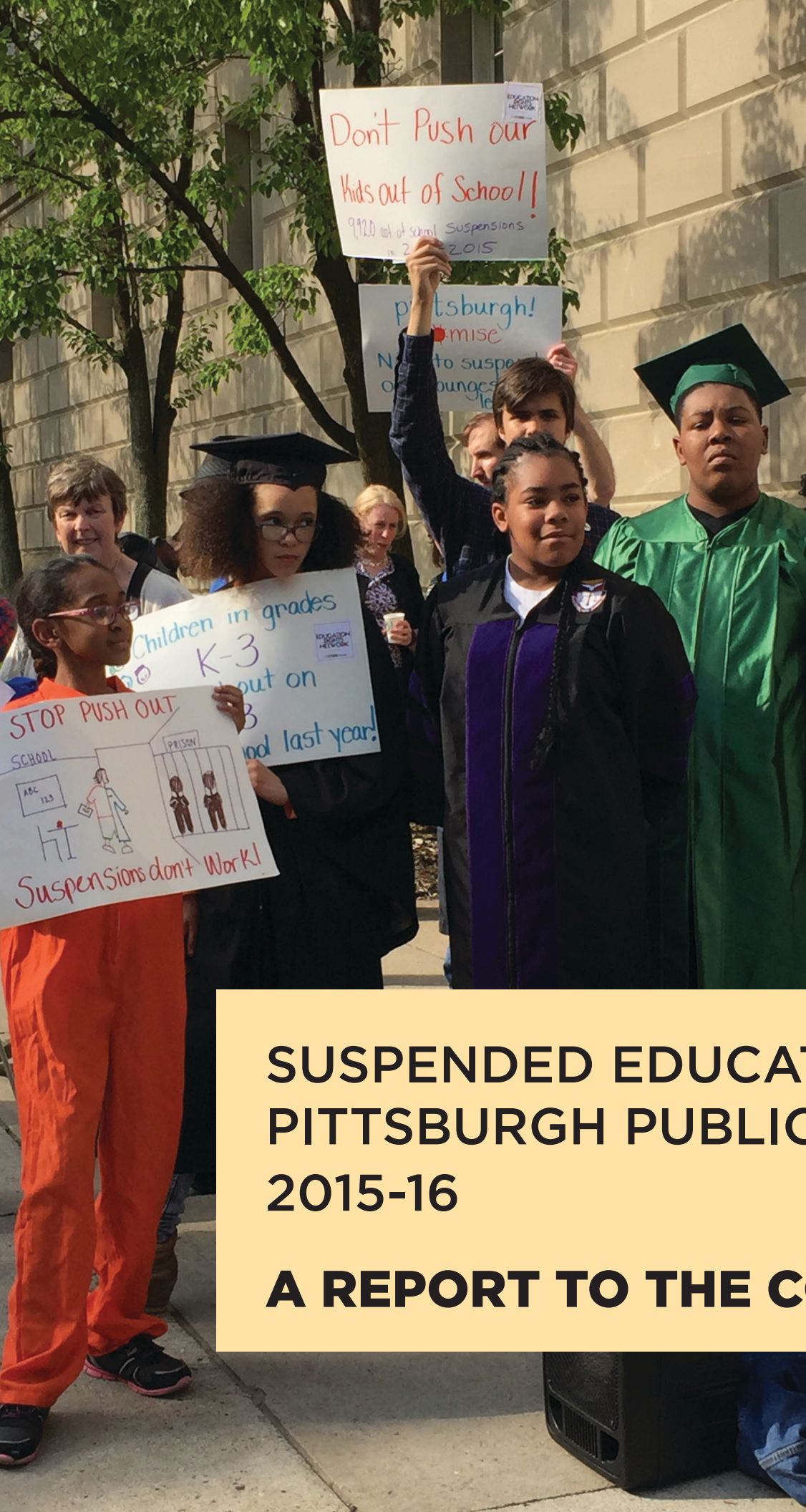


## Notes

- 1 Total fraud, waste, abuse, and mismanagement amounted to \$136 million in 2014 report, \$203 million in 2015, and this report's total is \$216 million, which includes all of the cases from the 2014 and 2015 reports, \$13 million in new cases.
- 2 The total figure for charter school investment by local, state, and federal government is not collected, this calculation uses an estimate of total charter school revenues derived as a percentage of total public school investment as documented by [www.usgovernmentspending.com](http://www.usgovernmentspending.com) which sources their data from the Office of Management and Budget or the United States Census Bureau.
- 3 Center for Media and Democracy, New Documents Show How Taxpayer Money Is Wasted by Charter Schools —Stringent Controls Urgently Needed as Charter Funding Faces Huge Increase, April 30, 2015, <http://www.prwatch.org/news/2015/04/12799/new-documents-show-how-federal-taxpayer-money-wasted-charter-schools>
- 4 Source: <http://innovation.ed.gov/what-we-do/charter-schools/charter-school-program-state-educational-agencies-sea/> Last Accessed 4/20/16
- 5 Using the methodology employed by the Association for Certified Fraud Examiners 2016 Report to Nations on Occupational Fraud and Abuse, which assumes 5% of total revenues lost to fraud, to determine the total amount of fraud globally, we estimate that over \$1.8 billion could be lost to fraud in the coming year. The total figure for charter school investment by local, state, and federal government is not collected, this calculation uses an estimate of total charter school revenues derived as a percentage of total public school investment as documented by [www.usgovernmentspending.com](http://www.usgovernmentspending.com) and derived from the Office of Management and Budget or the United States Census Bureau.
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- 13 Total fraud, waste, abuse, and mismanagement totaled to \$136 million in 2014 report, \$203 million in 2015, and this report's total is \$216 million, which includes all of the cases from the 2014 and 2015 reports, \$13 million in new cases.
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**EDUCATION  
RIGHTS  
NETWORK**

A **ONE PA** Campaign



# SUSPENDED EDUCATION IN PITTSBURGH PUBLIC SCHOOLS 2015-16

## A REPORT TO THE COMMUNITY



# INTRODUCTION

Parents, teachers, and leaders in Pittsburgh Public Schools have a common goal - to support the academic development and personal growth of young people. For students to be able to learn, and for teachers to be able to teach, it is critical that our schools have positive and productive learning environments. Establishing classrooms that are safe and supportive -- which includes encouraging positive behavior -- provides the foundation that helps students to stay on track academically.

Too often, students are removed from the classroom for minor misbehavior. Exclusionary discipline – actions such as suspension and expulsion that remove young people from their regular classrooms – may address problems in the short term, but can have a detrimental or even devastating impact on students’ educational and life outcomes. When students aren’t in the classroom, they’re missing out on important instructional time. Students who are suspended can fall behind in their learning and become even more disengaged from school, and research correlates suspension with lower test scores, higher dropout rates, and decreased post-secondary enrollment and persistence. And while people may assume that high suspension rates are a response to violence, in fact they most often reflect increased removal for relatively minor, non-violent infractions.

In the 2015-16 school year, Pittsburgh Public Schools students in K-12th grades missed over 16,000 days of school due to out-of-school suspension. The Education Rights Network (an initiative of One PA) has spearheaded an ongoing three-year “Solutions, Not Suspensions” campaign to address the overuse and disproportionate use of exclusionary discipline in Pittsburgh Public Schools, and to

promote preventive and positive approaches to discipline that hold young people accountable while keeping them in school. Notably, Pittsburgh Public Schools has also, in its recently released Pittsburgh Public Schools 2017–2022 Strategic Plan *Expect great things*, prioritized creating a system-wide strategy to address school climate and discipline in order to reduce the disproportionate use of exclusionary discipline and increase instructional time.

With support from the Annenberg Institute at Brown University, the Education Rights Network has analyzed out-of-school suspension data for the last two years in Pittsburgh Public Schools. **This report gives an overview of out-of-school suspensions in the district, and draws attention to two particular areas of concern: suspensions of our youngest learners, and the intersection of race, gender and disability in out-of-school suspensions.** We also outline our recommendations for policy changes, based on the Dignity in Schools Campaign *Model Code on Education and Dignity*, that we believe will create learning environments that best support young people as well as school staff.

Pittsburgh Public Schools students come from diverse backgrounds and experiences, with a range of strengths and challenges. Educators work on a daily basis to build upon these strengths and address challenges, and we know how demanding their jobs can be. Both students and educators must be supported in using positive alternatives to exclusionary discipline. Families, students, educators, school and district leaders, and community partners all have important parts to play, and we hope that you will get involved in the effort to create Solutions, Not Suspensions, for young people in Pittsburgh.

*National research has shown that exclusionary discipline disproportionately affects certain groups of students – students of color (particularly African-American students), students with disabilities, and LGBTQ students are more likely than their peers to be suspended or expelled. Implicit bias – unconscious attitudes or stereotypes that affect an individual’s actions – plays a part in creating discipline disparities, particularly for minor, behavior-related offenses.*

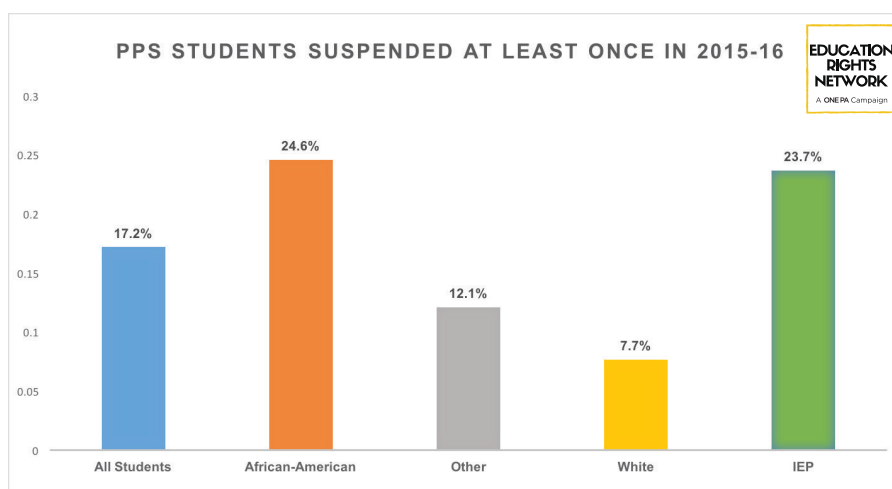
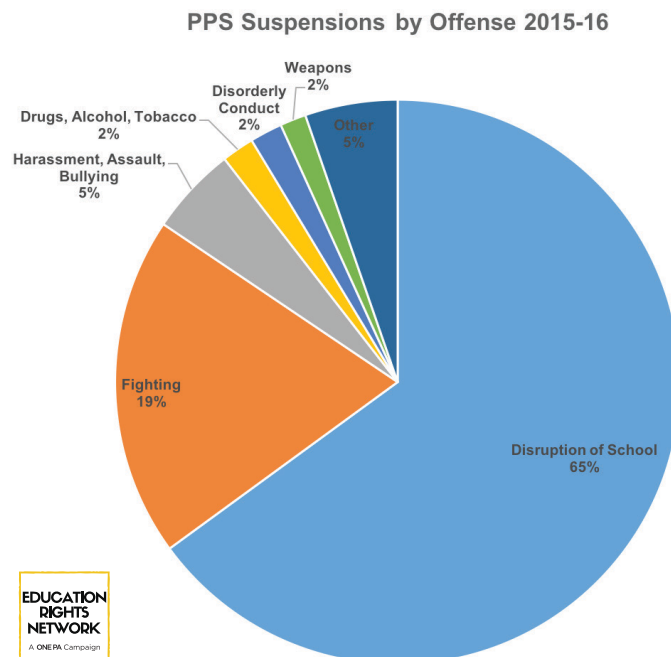
# SUSPENDED EDUCATION IN PITTSBURGH PUBLIC SCHOOLS 2015-16: K-12 OVERVIEW

The charts below provide a snapshot of suspensions in grades K-12 for school year 2015-16.

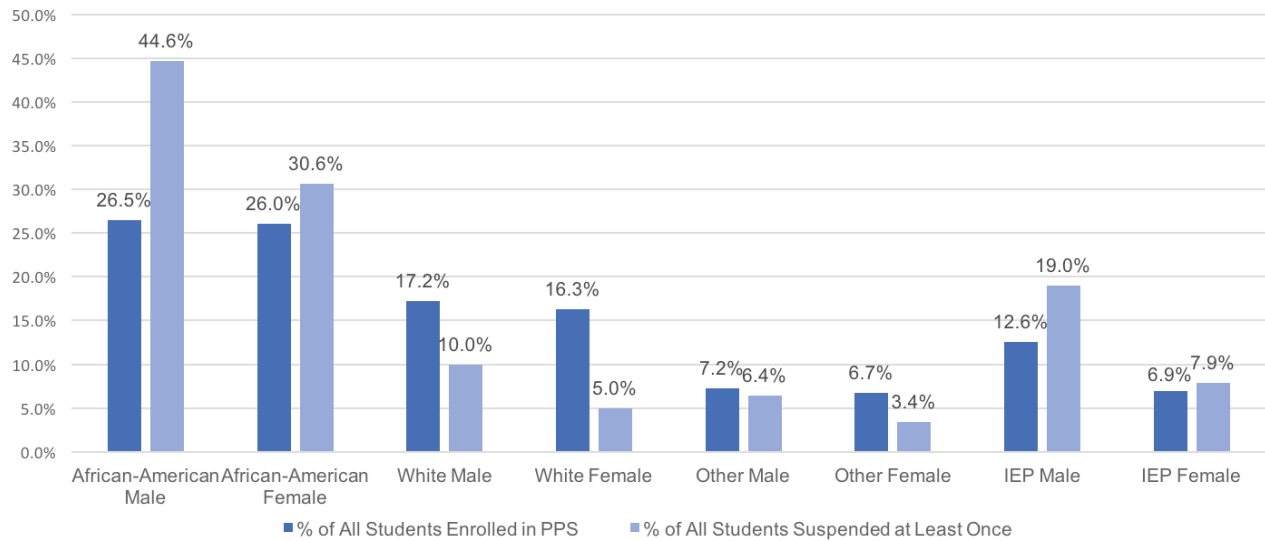
# of K-12 students suspended at least once	4,017
% of K-12 students suspended at least once	17%
# of K-12 out-of-school suspensions	8,247
# K-12 days of school missed due to out-of-school suspensions	16,005

65% of all suspensions were for “disruption of school” violations such as truancy, inappropriate language, and classroom disruptions. Students missed nearly 7,500 days of school for these minor, non-violent offenses.

Suspensions overall have decreased in PPS. In 2015-16, there were over 1,600 fewer suspensions than the previous year - a 17% decline - and this is something to be celebrated. Yet, disparities remain consistent for students of color and students with disabilities. African-American students were over three times more likely than White students to be suspended at least once, and nearly 1/4 of African-American students and students with Individualized Education Programs (IEPs) for special education (excluding students identified as “gifted”) were suspended at least once.



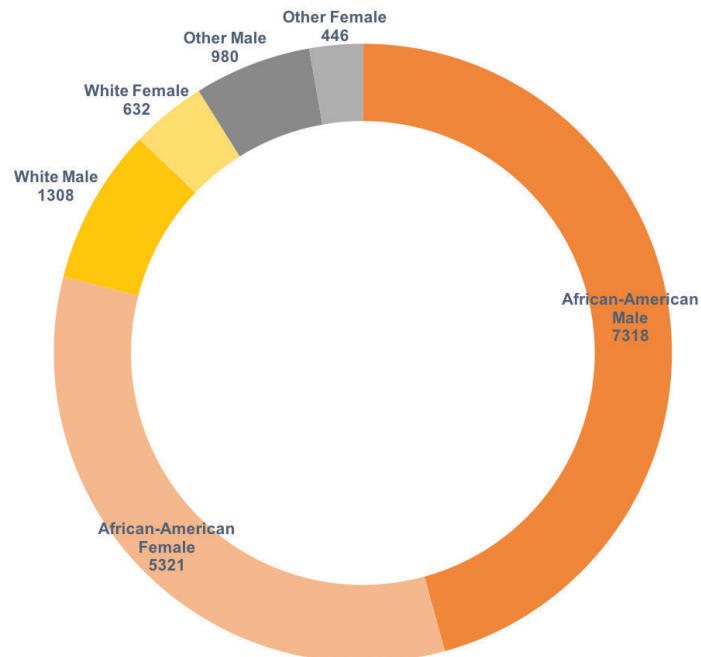
### PPS Disproportionality in Suspensions 2015-16 Proportion of Students Enrolled Vs. Students Suspended



African-American males are most severely overrepresented in the discipline system. While African-American males make up nearly 27% of the district's total enrollment, they account for nearly 45% of students suspended at least once. As a contrast, White males make up 17% of the district's total enrollment, and only 10% of students suspended at least once.

African-American students missed 12,639 days of school due to out-of-school suspensions – far more than students of other races.

### PPS Total Days Suspended 2015-16 (16,005 Days Total)



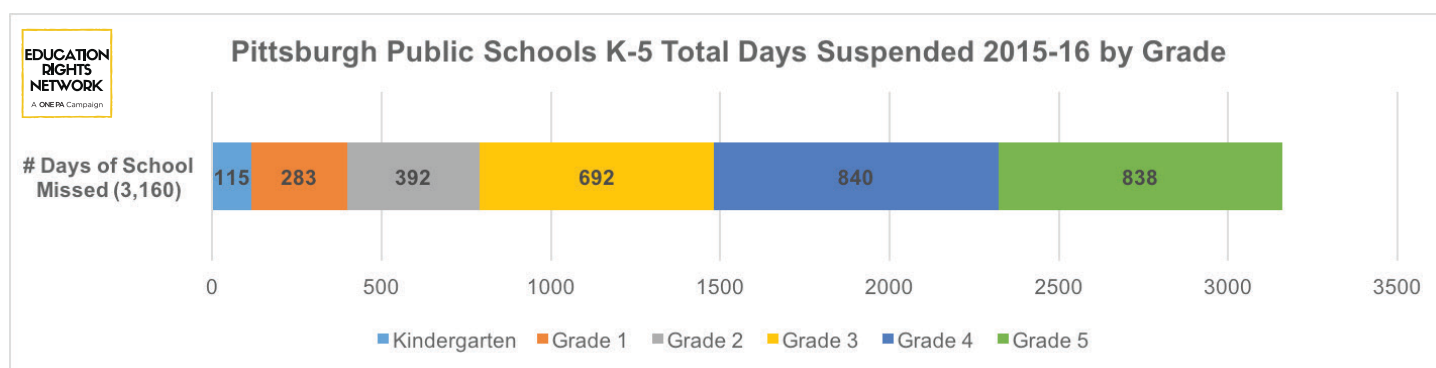
## K-5TH GRADE SUSPENSIONS

Our youngest students need to be in the classroom to learn the basics. Good attendance in elementary school leads to better outcomes, and time taken out of the classroom for suspensions can have a detrimental impact. The charts below provide a snapshot of suspensions in grades K-5 for school year 2015-16.

# of K-5 students suspended at least once	1,134
% of K-5 students suspended at least once	10%
# of K-5 out-of-school suspensions	2,221
<b># K-5 days of school missed due to out-of-school suspensions</b>	<b>3,160</b>

*While suspensions do remove students from their learning environment in these critical years, they don't deter future infractions. In fact, students suspended in earlier grades are far more likely to be suspended in later grades.*

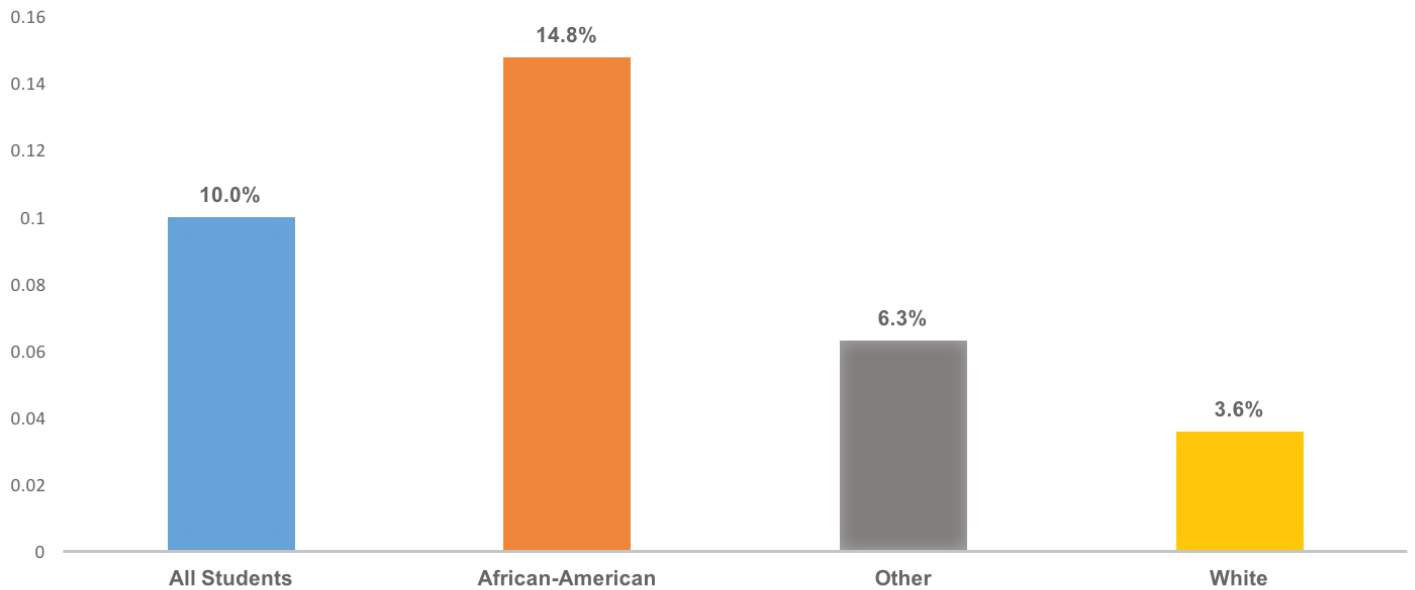
Students in all grade levels were suspended, and K-5 students missed over 3,000 days of instruction due to out-of-school suspension. 65% of K-5 suspensions (1,435 total) were for “disruption of school.” Even kindergarten students missed well over 100 days of instruction - 98 of these were for disruption. In total, 827 K-5 students missed 1,892 days for these minor, non-violent offenses.



*The Civil Rights Project at the University of California Los Angeles – an organization which has done extensive research on exclusionary discipline – considers a school or district to be “high suspending” if it suspends 10% or more of elementary students in any major racial group. With 10% of all elementary students suspended at least once, and nearly 15% of African-American elementary students suspended at least once, Pittsburgh Public Schools meets this “high-suspending” designation.*

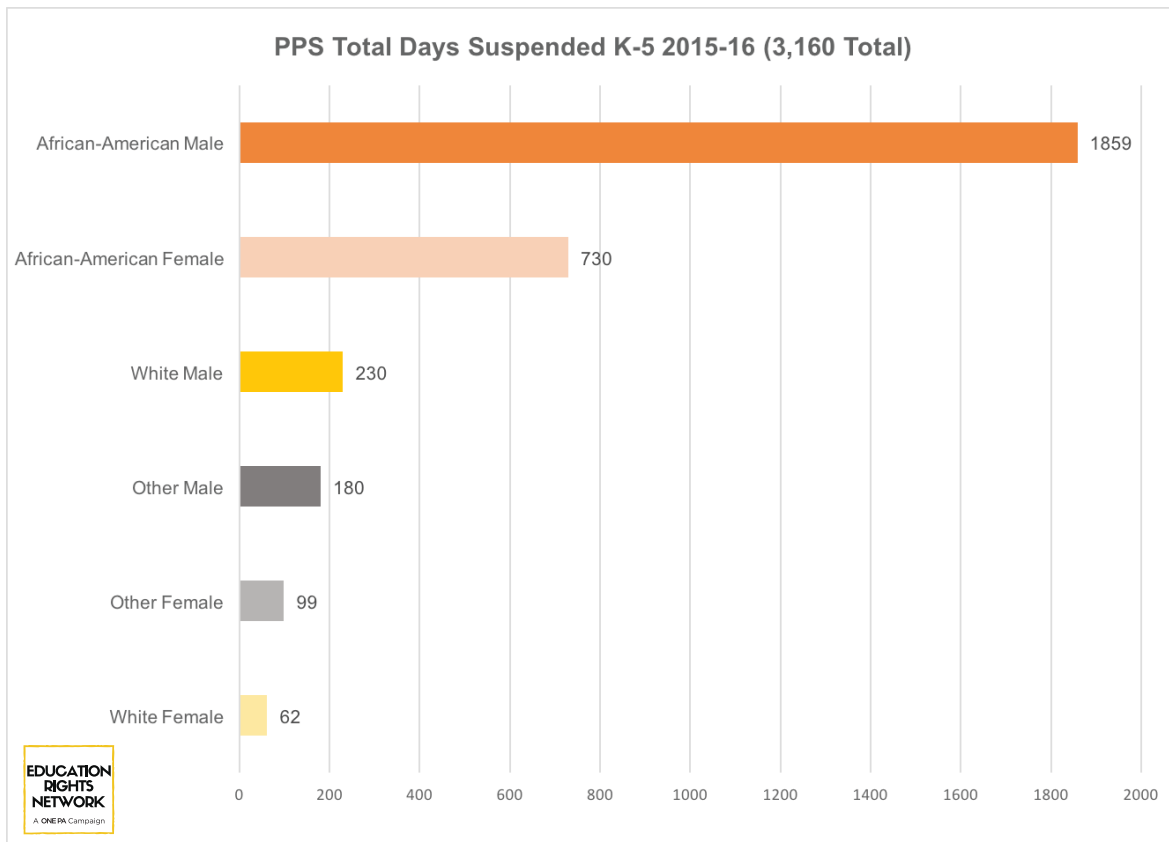


## PPS K-5 STUDENTS SUSPENDED AT LEAST ONCE IN 2015-16



Racial disparities in grade K-5 out-of-school suspensions are not just similar to those in grades K-12 – they’re slightly higher. African-American students are over twice as likely as “other” students and over four times as likely as white students to be suspended at least once.

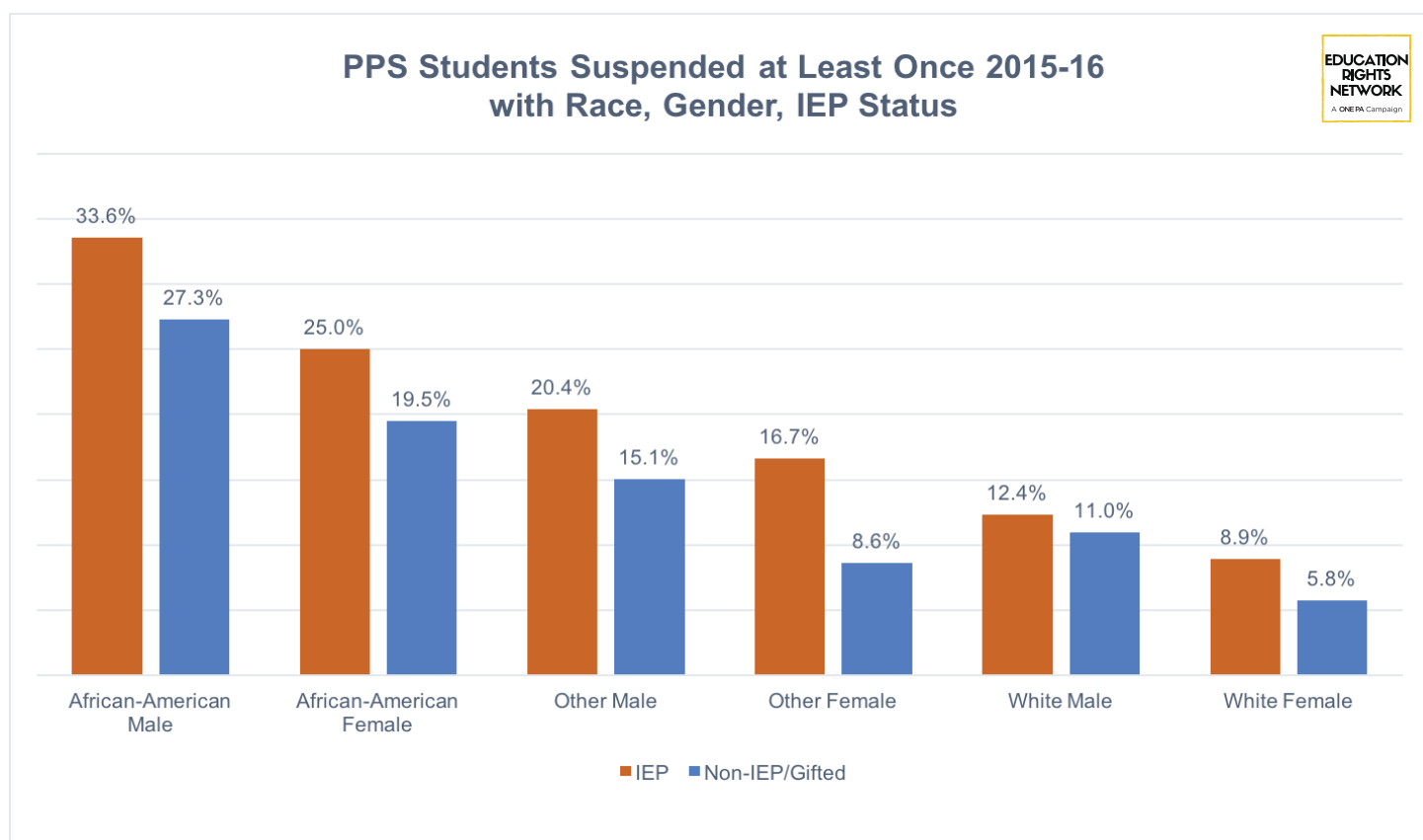
African-American K-5 students missed nearly 2,600 days of school due to out-of-school suspensions. Once again, African-American males were most disproportionately impacted.



# RACE, GENDER AND IEP STATUS

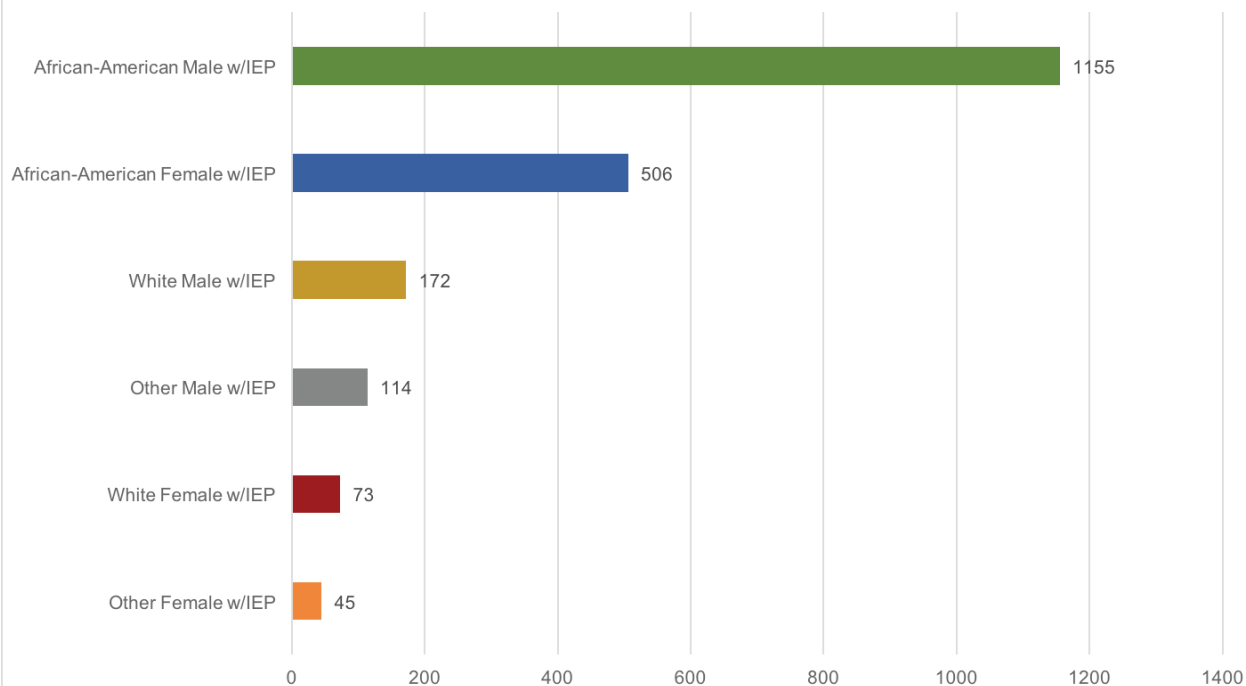
Students with disabilities – that is, students with Individualized Education Programs (IEPs) for special education (excluding students identified as “gifted”) – are generally at greater risk for exclusionary discipline than their peers without disabilities.

# of students with IEPs suspended at least once	1,080
% of students with IEPs suspended at least once	23.7%
# of out-of-school suspensions for students with IEPs	2,456
<b># days of school missed due to out-of-school suspensions for students with IEPs</b>	<b>3,691</b>



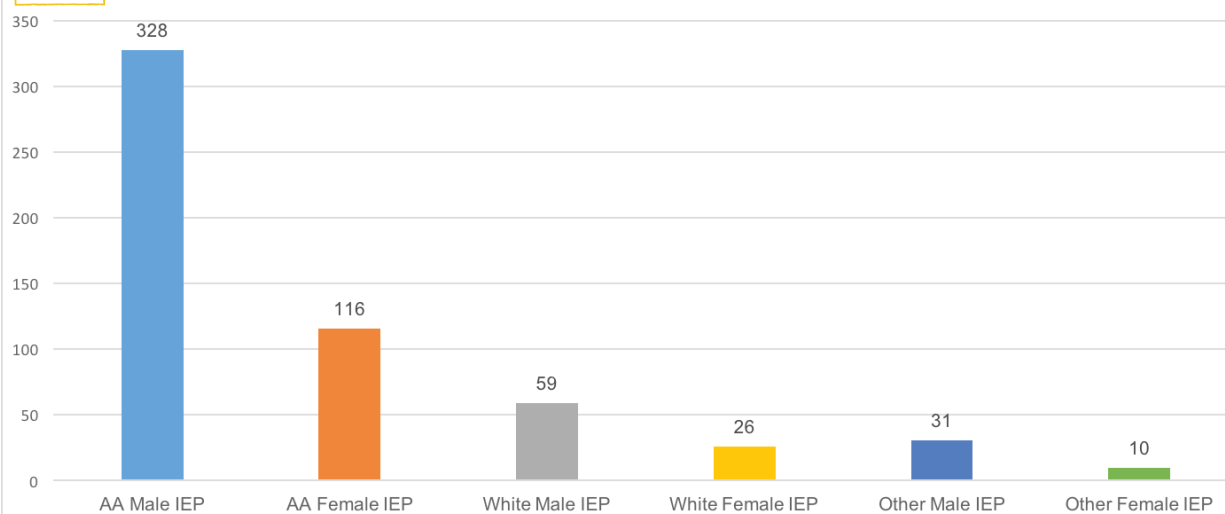
Across all race and gender groupings, Pittsburgh Public School students with IEPs were suspended at higher rates than students without. Students of color with IEPs were at particularly significant risk. One-third of African-American males, one-fourth of African-American females, and one-fifth of “Other” males (Hispanic, multi-racial, Asian, Native American) with IEPs were suspended at least once in 2015-16. And “Other” females with IEPs were almost twice as likely as their non-IEP/gifted peers to be suspended.

## PPS Days Suspended for "Disruption of School" for Students with IEPs 2015-16



65% of suspensions of students with IEPs were for “disruption of school.” 714 students with IEPs were suspended nearly 1,600 times and missed a total of 2,065 days of school for these minor, non-violent offenses. African-American students again were hardest hit, as African-American students with IEPs missed 1,661 days for “disruption of school.”

## PPS K-5 "Disruption of School" Suspensions for Students with IEPs 2015-16



Trends were similar for K-5 students with IEPs. 302 K-5 students with IEPs received 570 “disruption of school” suspensions and missed over 750 days of school. 444 – nearly 80% -- of these “disruption of school” suspensions to students with IEPs were given to African-American students, who missed 610 days of school for these minor, non-violent offenses.

# POLICY RECOMMENDATIONS

**Education Rights Network**, a parent-led organization that works to achieve inclusion and equity for all students in Pittsburgh, is building a movement to end the overuse and disproportionate use of suspensions in PPS through the “Solutions, Not Suspensions” campaign. Our policy recommendations directed to the Pittsburgh Public Schools, State Legislators, and others are detailed below. They are closely linked to our endorsement of a community schools approach in Pittsburgh Public Schools designed to support the well-being of students and families.

## **Ban Out-of-School Suspensions/Expulsions in PreK-5th Grade for Minor Misconduct**

Ban suspensions for Pittsburgh Public School students from PreK-5th grade for minor misconduct like disruption of school. Assign, in every school with PreK-5th grade students, at least one full-time counselor or social worker whose primary job is to coordinate appropriate guidance interventions and supports. Pittsburgh Public Schools claims not to remove PreK students from school for behavior - if this is the case, it should be codified in District policy. As disproportionality in suspensions is a statewide issue, we are also calling for a statewide ban on suspensions for minor misconduct in grades PreK-5.

***If suspensions remain consistent next year, PreK-5th students could miss almost 1,900 days of instruction for minor misconduct - the equivalent of nearly 10 years of school. End suspensions for 5th grade and below!***

## **Provide Effective Support and Resources for School Staff**

Guarantee effective support for teachers and schools in dealing with discipline by using positive approaches that keep students in the classroom - for example, small class sizes, increased support staff, Positive Behavior Interventions and Supports (PBIS), and Restorative Practices. Invest in district-wide school-based support personnel to provide ongoing training and support in these approaches to principals and staff to ensure fidelity of implementation. Prioritize collaboration and relationships between students, parents and educators to create safe and engaging classrooms that protect the human right to education and dignity.

## **Revise Student Code of Conduct**

Adopt district-wide, consistent, support-based, trauma-informed, developmentally appropriate disciplinary policies that move away from exclusionary discipline practices. The Code of Conduct must be student and parent friendly, highlighting that guidance interventions and supports are provided to students before any disciplinary action. Replace vague language that allows for racial, gender, and disability bias.

## **Ensure Transparency of Discipline Data**

Even when suspensions decrease, disparities based on race, gender and disability have remained constant. Report suspension, expulsion, use of physical restraint, and arrest data broken down by grade, gender, race, and disability category monthly on the District website.

## **Implement a School Climate Advisory Board**

Institute a PPS School Climate Advisory Board composed of parents and students who are impacted by school push out, administrators, teachers, advocates, community partners and other stakeholders to work collaboratively to recommend district-wide disciplinary policies, training and supports based on best practices.

## **Invest in Counselors, Not Cops**

Police should not be stationed in schools, or used to counsel or discipline students. An agreement with the Pittsburgh Police Department must be in place to specify the cases when law enforcement can be called in to a school, with particular safeguards in place to ensure students' rights to education and dignity are protected along with their constitutional rights to counsel and due process.

## **Collaborate with PA Human Relations Commission**

It's been 25 years since the Pennsylvania Human Relations Commission (PHRC) intervened in Pittsburgh Public Schools due to low achievement for African American students and racial disparities (including disparities in discipline). The PHRC must continue to work with the Equity Advisory Panel to monitor the District's progress and have more active oversight of the discipline measures in the agreement with PPS.

# SOURCES

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- Pittsburgh Public Schools 2017-2022 Strategic Plan (<http://www.ppsstrategicplan.org/strategic-plan>)
- National Education Policy Center: Discipline Resource Sheet ([http://nepc.colorado.edu/files/ResourceSheet\\_School\\_10-3.pdf](http://nepc.colorado.edu/files/ResourceSheet_School_10-3.pdf))
- The Civil Rights Project at UCLA: “Are We Closing the School Discipline Gap” and “Suspended Education in Massachusetts: Using Days of Lost Instruction Due to Suspension to Evaluate Schools” (<https://www.civilrightsproject.ucla.edu>)
- Dignity in Schools Campaign (<http://www.dignityinschools.org/>)







## **JOIN THE MOVEMENT TO BRING SOLUTIONS, NOT SUSPENSIONS, TO PITTSBURGH!**

The Education Rights Network (EdRights) is comprised of a dedicated group of parents and caregivers who are working to ensure equity and inclusion for all students in Pittsburgh Public Schools. In addition to reviewing and analyzing suspension data and raising awareness of the issue, EdRights works to educate and support parent leaders via “Know Your Rights” workshops and direct help in navigating the district’s Code of Conduct and discipline procedures. EdRights has successfully mobilized and supported parent leaders to rally for necessary changes to the district’s discipline policies and practices, and has achieved wins including the ratification of some recommended changes to the district’s Code of Conduct.

For more information or to become involved, visit [www.onepa.org/EdRights](http://www.onepa.org/EdRights), call 412-626-7454, or email [EducationRightsNetwork@gmail.com](mailto:EducationRightsNetwork@gmail.com).