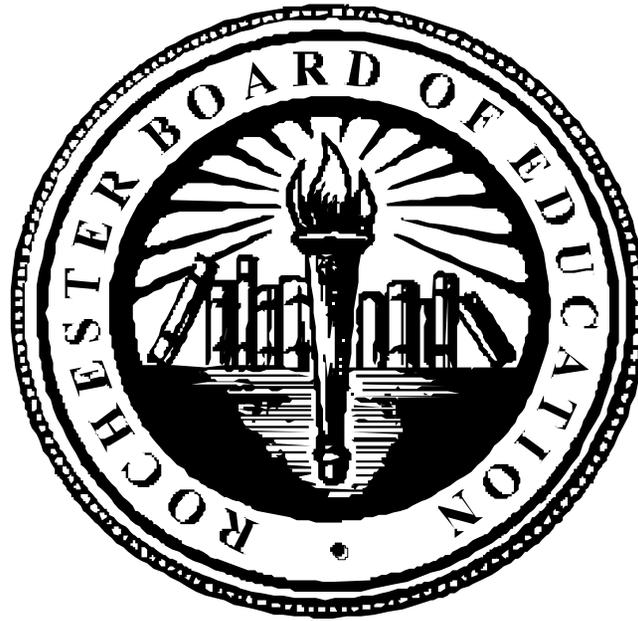


OFFICE OF AUDITOR GENERAL



Charter School Tuition

March 2015



Office of Auditor General Charter School Tuition

OBJECTIVE

To evaluate the District's operating control environment for Charter School tuition.

BACKGROUND

Charter Schools are independently run public school which receives operating flexibility, in exchange for increased performance accountability. The charter is a performance contract which includes school's mission, programs, student demographics, performance goals, and methods of assessment. Charter Schools receive public funding from local districts represented by the students attending the charter. Charter Schools are directly responsible for complying with the requirements established by the Department of Education. Although the district is responsible for providing some services, the district is not responsible for oversight and monitoring of Charter Schools. In 2013-14, the District expended approximately \$41M in Charter School tuition and a budget of \$52M in 2014-15.

SCOPE

We evaluated the Charter School processes including the effectiveness of operating protocols and procedures, verification processes and payment procedures. The District's process for enrolling and withdrawing Charter School students was evaluated for completeness and accuracy. Residency and enrollment was analyzed to ensure only District students enrolled and attending Charter Schools were billed and paid. We assessed the District's tuition payment procedures to ensure accuracy and minimize the risk of overpayments.

CONCLUSION

Oversight and responsibility does not reside with any department for Charter School Tuition, which increases the risk for operating challenges. Responsibilities are performed by individuals in several departments. Documenting expectations through Board Policies or Superintendent Regulations would be prudent, due to the significant increase in Charter schools and enrollments. Formal operating protocols and procedures must also be established to formalize internal expectations for District activities. The enrollment process is not formalized; therefore, inconsistent processing of Charter School enrollment occurs.

Charter schools should receive standard expectations, deadlines, forms and formats for submissions to facilitate processing. Standard enrollment documentation does not exist, and information received does not consistently align with historical PowerSchool SMS information. Also, the District is not consistently informed regarding students with disabilities at time of enrollment, which is required for providing services. Charter School tuition payments were not timely for basic tuition, excess cost aid, or the year-end true up tuition payment. Although this is not completely the result of District actions, we are not in compliance. In addition, Charter Schools are not complying with NYSED regulations for special education reporting requirements.



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Rec #	Recommendations
1	<i>Consider developing Charter School related Board policies. At a minimum, establish Superintendent Regulations which include guidance regarding: enrollment, attendance, withdrawal, tuition payments, and special education services.</i>
2	<i>Establish, communicate, implement and enforce comprehensive operating protocols and procedures for Charter School processes that support enrollment, transfers, withdrawals, and payments. Ensure protocols specify any special actions for students with disabilities and an appropriate method for document maintenance and storage.</i>
3	<i>Designate oversight responsibility for charter school processes for general and special education students. Ensure departmental roles are understood and communicated. Formalize procedures to ensure relevant information and process changes are transitioned between RCSD departments.</i>
4	<i>Identify, train and delegate additional resources the responsibility for working on Charter school operations. Evaluate if enrollment responsibilities can be performed by resources in the existing Placement function. In addition, evaluate the feasibility of increasing automation in Charter school activities</i>
5	<i>Establish, communicate and enforce standard charter school reporting protocols, requirements and formats. Define all required information that must be provided to RCSD to facilitate processing. Include protocols and procedures for enrollments, withdrawals, invoicing for payment, reporting requirements, deliverables, deadline dates and any other necessary information. Develop standardized forms and templates to ensure consistency of data received.</i>
6	<i>Develop and implement a formalized Charter School student enrollment process. Define enrollment documentation requirements and develop standard required enrollment forms which must be utilized by all Charter Schools.</i>
7	<i>Enhance the enrollment process to ensure students with disabilities are identified during the enrollment process and required Special Education services are understood by both the District and Charter.</i>
8	<i>Establish a formal process for approving out-of-district addresses. To the extent possible, limit access to add and change student address information in PowerSchool SMS. Provide periodic monitoring of out-of-district addresses to ensure validity and remove addresses when they become invalid.</i>



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Rec #	Recommendations
9	<i>Evaluate the challenges that are causing payment delays and remediate challenges to improve timeliness.</i>
10	<i>Ensure timely reconciliation and payment of year-end true-up for Charter School tuition. Establish a deadline in which year-end-reconciliations are prepared and payments/credits are issued. Ensure adherence to the established deadlines.</i>
11	<i>Obtain reporting from Charter Schools which indicate the level of special programs and services provided, or to be provided by the Charter School. Discontinue the practice of providing the Charter School with the excess cost aid reporting.</i>
12	<i>Establish procedures for paying excess cost aid for Charter School tuition on the NYSED required bimonthly payment schedule.</i>