



**MILWAUKEE
PUBLIC SCHOOLS**

Office of Board Governance – Audit Services

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DATE: April 4, 2018

TO: Members of the Board of School Directors

From: Paul E. Geib *P.E.G.*

RE: Audit #2018-047: Individualized Developmental Educational Approaches to Learning Performance and Compliance Audit

C: Dr. Darienne Driver
Dr. Jacqueline Mann
Mr. Tom Conjurski
Ms. LaWanda Baldwin
Ms. Marla Bronaugh
Mr. Michael Trueblood
Mr. David Zech
Ms. Jennifer Carter
Mr. Alberto Adame

Transmitted herewith is our report on *Audit #2018-047: Individualized Developmental Educational Approaches to Learning - Performance and Compliance Audit*. If you have any questions regarding this report or would like the report to be placed on a committee agenda, please contact our office.

On behalf of the Audit Services' staff, we wish to thank the school staff and the MPS administration for their cooperation and assistance throughout the audit process.

Attachment

**Individualized Developmental Educational Approaches to Learning
Performance and Compliance Audit**

Audit: 2018-047

April 2018



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**Individualized Developmental Educational Approaches to Learning
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**MILWAUKEE PUBLIC SCHOOLS
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I. BACKGROUND

The Wisconsin Charter School Law, Statute 118.40, authorizes the Milwaukee Board of School Directors (Board) to establish by contract Milwaukee Public Schools (MPS) instrumentality and non-instrumentality charter schools. A charter school, as defined by the statute or Board policy, is a public school created by contract that shall (a) be exempt from the provisions of chapters 115 to 121 of the Wisconsin statutes, except as otherwise explicitly provided; (b) be nonsectarian in its programs, admission policies, employment practices and all other operations; (c) be free from tuition and without mandatory fees, unless such fees are consistent with MPS policies; (d) not discriminate in admission or deny participation in any program or activity; (e) enroll students in the school on a purely voluntary basis; (f) give preference in admission to any pupil who resides within the attendance area; and (g) administer, at minimum, the same proficiency and performance measures and assessments that are applied to other MPS schools. State statute 118.40 also defines an instrumentality charter school as a charter school in which the personnel are employed by the school district.

On November 28, 2000 the Board granted the petition of Individualized Developmental Educational Approaches to Learning (IDEAL) to operate as a MPS instrumentality charter school. The five-year contract for school years 2016-17 through 2020-21 was approved by the Board on April 21, 2016. On February 23, 2017 the Board voted to increase enrollment to a maximum of 350 FTE pupils for the duration of the contract.

State statute requires that a charter school must annually have a programmatic audit performed. To comply with statute, IDEAL engaged the MPS Office of Board Governance – Audit Services (Audit Services) to conduct a performance and compliance audit.

II. SCOPE AND OBJECTIVES

The objective of this performance and compliance audit was to determine whether 1) IDEAL met the academic performance criteria and 2) complied with the administrative provisions set forth in the charter school contract between IDEAL and MPS for the 2016-17 school year. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our review included interviews and written confirmations with school and district staff along with an examination of evidence relating to contract academic and administrative performance requirements for the 2016-17 school year. Specific contract provisions examined included, but were not limited to, governance council membership and activities, methods of instruction and educational programs, parent involvement, student disciplinary and admission policies, special education, staff licensing, and health and safety. In addition, the internal controls used at IDEAL were reviewed to determine whether the controls were sufficient to ensure (a) the integrity of student data, (b) compliance with the non-financial provisions of the contract, and (c) pupil membership audit results are fairly stated.

III. ACADEMIC PERFORMANCE

Academic Performance Conclusion

IDEAL submitted its annual Pupil Academic Achievement Report, attached as Exhibit I, in February 2018. This report included all of the related school assessment data for the 11 *performance* criteria and four *other* criteria that the school is mandated by the contract to report. Of these assessments, five *performance* and four *other* assessments were applicable to IDEAL. The MPS Department of Innovation Development: Research and Evaluation provided the school's results for attendance, mobility, stability, graduation, and local measures, as well as the district results for all criteria. The data supplied by the MPS Department of Innovation Development: Research and Evaluation was not evaluated for accuracy by Audit Services. As such, we have not expressed an opinion on the accuracy of this data. Our evaluation of IDEAL's academic performance results was limited to examining on a test basis, the evidence that supports the reported outcomes for IDEAL's Grade 4 and Grade 8 promotion rates and Grade 3 through Grade 8 Wisconsin Forward Test.

According to the charter contract, schools are required to (1) demonstrate sufficient progress toward attaining the educational goals under sec. 118.01 or the academic performance criteria established by the Board by achieving at least 75% of the applicable *performance* criteria and (2) achieve all *other* applicable criteria.

IDEAL achieved one of the above requirements. With respect to achieving 75% of the applicable performance assessment criteria, our examination determined that IDEAL achieved five or 100%, of the five applicable assessments. With respect to achieving the criteria for all four other applicable criteria, our examination determined that IDEAL achieved three, or 75% of the other criteria. Specific information for each criterion is summarized below.

III. ACADEMIC PERFORMANCE

**Contract Performance Measures
Grades K4 through 8
2016-17**

Contract Measures	Additional-Early Childhood	Achieved		
		Yes	No	NA
1	Early Childhood Reading			X
2	Early Childhood Writing			X
3	Early Childhood Math			X
	Additional- WKCE-CRT			
4	Wisconsin Forward Reading (1)	X		
5	Wisconsin Forward Math (2)	X		
6	Wisconsin Forward English/language Arts (1)	X		
7	WKCE-CRT Writing			X
8	Wisconsin Forward Science	X		
9	Wisconsin Forward Social Studies	X		
10	Growth in Student Achievement			X
11	High School Graduation			X
	Overall Summary- 5 of 5 or 100%			
	Other Criteria			
12	Attendance		X	
13	Mobility	X		
14	Promotion	X		
15	Stability	X		
	Overall Summary- 3 of 4 or 75%			

NA- Indicates that performance measures are not applicable to the school.

Notes:

(1) The Wisconsin State Assessment System (WSAS) replaced the Badger ELA assessments in the 2015-16 school year with the Wisconsin Forward ELA and it is reported as one assessment. This assessment was administered at Grades 3 through 8.

(2) The Wisconsin State Assessment System (WSAS) replaced the Badger Math assessment in the 2015-16 school year with the Wisconsin Forward Math and this assessment was administered at Grades 3 through 8.

IV. ADMINISTRATIVE AND FISCAL PERFORMANCE

Contract Compliance Conclusion

The audit examination of IDEAL’s compliance with the non-financial provisions of the contract dated February 23, 2017 between MPS and IDEAL for the 2016-17 school year disclosed one instance of material noncompliance with the provisions of the contract. IDEAL was found to be noncompliant with the contract provision requiring 99% of the students meet immunization requirements.

Our examination also included a review of the internal controls designed to ensure compliance with the provisions of the contract. We noted no matters involving controls over compliance that would be considered material in relation to contract compliance. In our opinion, except for the material non-compliance issue described in the above paragraph, IDEAL has complied, in all material respects, with the non-financial provisions of the contract, and the pupil membership audit for the 2016-17 school year.

Table 1 reports the detailed results of our examination of IDEAL’s compliance with the various provisions of the contract. Specific details including recommendations for those areas where compliance was not met are presented in the report section following the table.

Table 1
Summary Schedule of Contract Compliance and Performance

Contract Section	Contract Provision	Level of Compliance		
		Compliant	Non-Compliant ⁽¹⁾	
			Material	Non-Material
I. B	<ul style="list-style-type: none"> • Ensure person in charge of school is the same as in contract. 	X		
I. C	<ul style="list-style-type: none"> • Adhere to the educational program described in the petition. 	X		
I. D	<ul style="list-style-type: none"> • Adhere to the methods of instruction described in the petition. 	X		
I. E	<ul style="list-style-type: none"> • Administer the district-wide performance assessments. • Ensure all pupils participated in the district-wide assessments. • Ensure annual pupil academic achievement report is submitted to the Charter School Office within 30 days of the receipt of data. 	X X X		
I. F	<ul style="list-style-type: none"> • Comply with the governance structure membership as described in the petition. • Comply with the governance body authority and activities as described in the petition. • Employs methods described in Appendix A to ensure parental involvement. • Comply with Title I requirements concerning: <ul style="list-style-type: none"> ➤ Educational Plan requirements. ➤ Expending 2% on parental involvement. 	X X X X X		

IV. ADMINISTRATIVE AND FISCAL PERFORMANCE

Contract Section	Contract Provision	Level of Compliance		
		Compliant	Non-Compliant ⁽¹⁾	
			Material	Non-Material
I. G	<ul style="list-style-type: none"> • Ensure all instructional staff hold a current and appropriate license or permit to teach. • Adhere to MPS Administrative Policy 3.09(7) (a) regarding Livable Wage. 	X		
I. H	<ul style="list-style-type: none"> • Comply with Board policies and local, state and federal laws, regulations and codes that pertain to health and safety, specifically: <ul style="list-style-type: none"> ➤ Immunization requirements. 		X	
I. I	<ul style="list-style-type: none"> • Comply with the contract regarding racial and ethnic balance. 	X		
I. J	<ul style="list-style-type: none"> • Comply with Board policies and guidelines for pupil admission. • Comply with the contract regarding all of the requirements of IDEA. • Comply with the contract requirement to maintain a pupil database. 	X X X		
I.K	<ul style="list-style-type: none"> • Auditor’s examination of student membership count found count to be fairly stated in all material respects. 	X		
I. L	<ul style="list-style-type: none"> • Comply with MPS disciplinary and expulsion guidelines or comply with disciplinary guidelines approved by the Board. 	X		
I. N	<ul style="list-style-type: none"> • Adhere to Board’s policy regarding: <ul style="list-style-type: none"> ➤ School facilities. ➤ Types and limits of liability insurance. 	X X		
I. O	<ul style="list-style-type: none"> • Adhere to Board’s policy concerning: <ul style="list-style-type: none"> ➤ Code of Ethics and Gifts and Solicitations. ➤ Local, state, and federal laws, codes, rules, and regulations. 	X X		
I. P	<ul style="list-style-type: none"> • Adhere to nonsectarian requirements. 	X		
I. Q	<ul style="list-style-type: none"> • Adhere to no tuition charge requirement. • Did not prohibit an eligible pupil from attending the charter school, expel or otherwise discipline the pupil, or withhold or reduce the pupil’s grades because the pupil or pupil’s family cannot pay or has not paid fees that are permissible to be charged under this contract. 	X X		
I. R	<ul style="list-style-type: none"> • Adhere to non-discrimination policy. 	X		
I. S	<ul style="list-style-type: none"> • Adhere to Board’s policy concerning background checks performed on all full- and part-time employees and volunteers. 	X		
I. W	<ul style="list-style-type: none"> • Complied with MPS’s transportation policy or complied with the transportation policy that was approved by the Board. • Complied with MPS’s nutrition services policy or complied with the nutrition services policy that was approved by the Board. 	X X		

IV. ADMINISTRATIVE AND FISCAL PERFORMANCE

Contract Section	Contract Provision	Level of Compliance		
		Compliant	Non-Compliant ⁽¹⁾	
			Material	Non-Material
II. B	<ul style="list-style-type: none">Maintain an average daily membership as specified in the contract.	X		
Appendix B	<ul style="list-style-type: none">Complied with MPS policies, procedures, and requirements	X		

(1) Material and non-material compliance determined in accordance with MPS Audit Service's Schedule of Materiality Limits for Determining Contract Compliance.

Material Issues of Noncompliance

Immunization Requirements

1. Audit Finding

According to contract requirements and Wisconsin statutes, sections 120.12(16)(b) and 252.04, all school-age children are to have all required shots or parental waivers in order to be in compliance with the program requirements. Each school should be in complete compliance with these requirements or within 99% of the total student population. At IDEAL, there were forty-four students, or 13.2% of those students reported to the Department of Public Instruction as enrolled, who did not have all of the required immunizations or appropriate waivers from the parents on file. As a result, IDEAL was not in full compliance with contract requirements and Wisconsin statutes.

Recommendation

To ensure that the school is in compliance with the contract and Wisconsin statutes concerning student immunization, it is recommended that the Principal ensure that all non-compliant students are immunized or waivers are obtained from the parents in accordance with the MPS immunization calendar.

School Response

As of March 2018 I have already met with the school secretary and nurse to ensure all students at IDEAL School are immunized or waivers have been obtained from families regarding immunizations. Families will continue to be educated on the importance of complying with the given MPS immunization expectations. Both the secretary and the school nurse will continue to monitor and update all student immunization records in accordance with the MPS immunization calendar.

State Accountability Assessment (1-6)

Achieve a percentage of pupils in Charter School scoring proficient or advanced on the Wisconsin State Assessment System tests (WSAS) in **reading, mathematics, English Language Arts, writing, science, and social studies** that is the same as, or higher than, the percentage of pupils scoring proficient or advanced in corresponding grades in all MPS schools.

Subject	Year	Population Type	Tested	No. Proficient	Prof. Rate	Dist. Prof. Rate	Met Goal
Forward Mathematics	2016-2017	FAY	203	37	18.2%	15.9%	Yes
Forward ELA	2016-2017	FAY	203	49	24.1%	20.9%	Yes
Forward Science	2016-2017	FAY	74	22	29.7%	21.2%	Yes
Forward Social Studies	2016-2017	FAY	74	28	37.8%	24.0%	Yes

*English Language Arts and reading and writing are now one test called ELA. The results are reported as one assessment.

Attendance Rate (7)

Achieve a daily attendance rate of pupils in Charter School that is the same as, or higher than, the average daily attendance rate of pupils in corresponding grades in all MPS schools.

Year	Attendance Rate	Dist. Rate	Met Goal
2016-2017	91.0%	91.1%	No

Mobility Rate (8)

Achieve a mobility rate of pupils in Charter School that is the same as, or lower than, the mobility rate of pupils in corresponding grades in all MPS schools.

Year	Mobility Rate	Dist. Rate	Met
2016-2017	6.5%	11.3%	Yes

Stability Rate (9)

Achieve a stability rate of pupils in Charter School that is the same as, or higher than, the stability rate of pupils in corresponding grades in all MPS schools.

Year	Stability Rate	Dist. Rate	Met
2016-2017	87.0%	77.4%	Yes

Promotion Rate (10)

Achieve a percentage of pupils promoted from grades 4 and 8 in Charter School that is the same as, or higher than, the percentage of pupils being promoted from the corresponding grades in all MPS schools.

Year	Enrolled 4th	Promoted 4th	School Pct. 4th	District Pct. 4th	Met 4th Goal
2016-2017	35	35	100.0%	99.6%	Yes

Year	Enrolled 8th	Promoted 8th	School Pct. 8th	District Pct. 8th	Met 8th Goal
2016-2017	28	28	100.0%	99.7%	Yes

AMO Not Applicable (11)

Meet or exceed the state's minimum annual measurable objective requirements