

UPPERROOM BIBLE CHURCH
PRESCHOOL AND ACADEMY, INC.



INVESTIGATIVE AUDIT
ISSUED MAY 2, 2016

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

DIRECTOR OF INVESTIGATIVE AUDIT
ROGER W. HARRIS, J.D., CCEP

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

May 2, 2016

DR. CAROL ROWE, EXECUTIVE DIRECTOR
UPPERROOM BIBLE CHURCH PRESCHOOL AND ACADEMY, INC.
AND MEMBERS OF THE BOARD
New Orleans, Louisiana

We have audited certain transactions of the Upperroom Bible Church Preschool and Academy, Inc. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of allegations we received.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*.

The accompanying report presents our findings and recommendations, as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the Orleans Judicial District of Louisiana and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

UPPERROOM 2016

TABLE OF CONTENTS

	Page
Executive Summary	2
Background and Methodology.....	3
Finding:	
UBCA Received Public Funds It Was Not Entitled to Receive	5
Legal Provisions.....	9
Management's Response	Appendix A

EXECUTIVE SUMMARY

UBCA Received Public Funds It Was Not Entitled to Receive

During the first two quarters of the 2014-15 school year, Upperroom Bible Church Preschool and Academy, Inc. (UBCA) submitted quarterly reports to the Louisiana Department of Education (LDOE) stating that 16 scholarship students were enrolled and attended classes when, in fact, these students were neither properly enrolled nor attending classes. Based on information contained in UBCA's first two quarterly reports, LDOE paid UBCA \$61,698 in scholarship payments that it was not entitled to receive. By submitting incorrect quarterly reports and receiving payments it was not entitled to receive, UBCA may have violated state laws.

BACKGROUND AND METHODOLOGY

Louisiana Revised Statute (La. R.S.) 17:4014 created the Student Scholarships for Educational Excellence Program, commonly referred to as the “scholarship program.” The scholarship program allows students from low-income families the opportunity to attend private schools. The Louisiana Department of Education (LDOE) administers the scholarship program.

Each school year, LDOE issues quarterly scholarship payments for students attending non-public schools during the months of September, December, February, and May. Payments are based on the school’s enrollment and attendance records of students participating in the scholarship program and are disbursed to the school in four equal installments.

In 2008, LDOE qualified Upperroom Bible Church Preschool and Academy, Inc.’s (UBCA) elementary school located in New Orleans East to participate in the scholarship program. In 2012, LDOE qualified UBCA’s Slidell-based preschool to participate in the scholarship program.

In October 2014, LDOE contracted with two independent certified public accounting (CPA) firms to conduct agreed-upon procedures (an “audit”) on all of Louisiana’s scholarship schools, including UBCA. In December 2014, LDOE increased the scope of UBCA’s audit as a result of information LDOE obtained indicating that a number of UBCA’s students may be attending other schools. In February 2015, LDOE received an audit report from the independent CPA firm questioning costs associated with 16 students enrolled at UBCA during the first and second quarters of the 2014-15 school year. Specifically, the February 19, 2015, audit report found:

1. Three students UBCA reported as enrolled at the preschool were attending other schools.
2. Three students UBCA reported as enrolled at the preschool did not attend classes.
3. Nine UBCA students reported as enrolled at the elementary school were attending other schools.
4. One UBCA student reported as enrolled at the elementary school did not attend classes.
5. Scholarship payments given to UBCA for these 16 students totaled \$61,698.

In response to the independent CPA report, LDOE informed us that it withheld \$61,698 from UBCA’s scholarship payments for the third and fourth quarters of the 2014-15 school year. On February 19, 2015, LDOE submitted the audit report to the Louisiana Legislative Auditor for review and investigation in accordance with La. R.S. 17:4022(3).

This audit was initiated as a result of the February 19, 2015, audit report. The procedures performed during this audit included:

- (1) interviewing school employees;
- (2) interviewing other persons as appropriate;
- (3) examining selected school documents and records;
- (4) gathering and examining external parties' documents and records; and
- (5) reviewing applicable state laws and regulations.

FINDING

UBCA Received Public Funds It Was Not Entitled to Receive

During the first two quarters of the 2014-15 school year, Upperroom Bible Church Preschool and Academy, Inc. (UBCA) submitted quarterly reports to the Louisiana Department of Education (LDOE) stating that 16 scholarship students were enrolled and attended classes when, in fact, these students were neither properly enrolled nor attending classes. Based on information contained in UBCA's first two quarterly reports, LDOE paid UBCA \$61,698 in scholarship payments that it was not entitled to receive. By submitting incorrect quarterly reports and receiving payments it was not entitled to receive, UBCA may have violated state laws.¹

Scholarship Program Requirements

During the course of our investigative audit, we questioned both LDOE and UBCA about their understanding of the scholarship program requirements. Their understandings differed considerably.

LDOE representatives told us that the department educates non-public schools on the laws, policies, and procedures non-public schools participating in the scholarship program are required to follow, including:

- LDOE determines which students qualify to participate in the scholarship program.
- LDOE notifies scholarship schools and parents/guardians each school year by way of award letters of the students that qualify for the program and provides them with the names of available schools to which they may enroll.
- The parents/guardians then notify the schools of the students' intent to enroll into a particular school and acknowledge, in writing, the policies, rules, and procedures of the schools.
- The schools then enroll the scholarship students. The schools are to submit to LDOE, by way of an Internet-based enrollment form, the enrollment status of each scholarship student. The students' enrollment statuses are reported quarterly during each school year. The quarterly reporting periods are commonly referred to as "count dates." In determining the enrollment status of students on the four count dates, schools are to ensure that the individual students are properly enrolled and have a pattern of attendance on school days. A lack of attendance is to be reported to LDOE.

- When the school notifies LDOE that a student no longer attends his or her approved school, or who transferred to another school, LDOE issues a withdrawal notice to participating school.

UBCA Executive Director Dr. Carol Rowe agrees that LDOE determines which students qualify for the scholarship program and which schools are available for the students to attend. However, Dr. Rowe stated that there is a lack of communication between LDOE and UBCA and told us:

- UBCA does not enroll students; LDOE has sole authority to enroll students into a particular school. This is communicated to UBCA each school year by letter from LDOE, which lists the names of students that will be attending UBCA.
- UBCA is not required to have parents/guardians notify the school in writing of the students' intent to enroll into UBCA.
- Since LDOE is solely responsible for students' enrollment, on quarterly count dates, UBCA is only required to complete the online enrollment form stating that the students are enrolled. There is no requirement for UBCA to report on students' attendance.
- Since LDOE has sole authority to enroll students, it has sole authority to withdraw students from a particular school. Because of this, UBCA has no responsibility to report students for lack of attendance.

Dr. Rowe further stated that it has been LDOE's practice to withdraw students without notifying UBCA. She further stated that, because LDOE discourages UBCA from having any contact with parents/guardians, she does not know when students withdraw from UBCA. Therefore, it is not her responsibility to notify LDOE when a student does not attend or withdraws from the school.

Results of Our Audit

During our audit, we interviewed UBCA administrators, LDOE officials, other public and non-public school administrators, parents/guardians, and obtained documents from the interviewees. The following addresses the results of our audit:

UBCA

We made numerous requests to UBCA for school records, including student enrollment forms, attendance records, parent/guardian contact information, and standard LDOE forms signed by parents/guardians during the enrollment process. UBCA did not provide us with all of the records we requested. In some instances, the records we were provided with had been redacted. In other instances, we were provided with contradicting records. In yet other instances, UBCA representatives told us the school did not retain the records we requested. Some of those records are required by law. For example, Paragraph A of the Louisiana Administrative Code (LAC) 28:LXXIX.505 mandates non-public schools to "keep records which provide for the registration and attendance of students..." and "an up-to-date permanent

record of individual students showing personal data....” Below is a list of issues for each set of record requests:

- *Student Enrollment Forms* – As of the date of this report, UBCA has not provided any student enrollment forms. According to Dr. Rowe, students are required to enroll at UBCA during the student’s first year and not in subsequent years. This, however, contradicts Dr. Rowe’s earlier statement that LDOE has sole authority to enroll a scholarship program student.
- *Attendance Records* – UBCA provided two different sets of student attendance records for school year 2014-15. One set showed that eight students attended school a cumulative total of 45 days during the entire school year (an average of 5.625 days per school year); another set showed that the same students were not present on any days during the year.
- *Parent/Guardians Contact Information* – We requested contact information, such as, a list of Parents/Guardians’ names, addresses, and phone numbers.
- *Forms Signed by Parents/Guardians* – Subparagraph (D)(1)(d) of LAC 28:153.303 (“BESE Bulletin 133”) provides, in part, that “...the parent/legal guardian shall acknowledge, in writing, the policies, rules, and procedures that have been provided.” According to BESE Bulletin 133, it is incumbent upon the school to have the parents/guardians sign the forms during the school’s enrollment of the students. According to Dr. Rowe, UBCA neither has nor requires these forms.

LDOE

LDOE records indicate that it consistently requests from the scholarship schools the names of students that are returning each school year. In an email directed to all scholarship schools, LDOE requests that each school complete an online form indicating how many students will be returning to the school the following school year. LDOE then confirms the students’ enrollment prior to the beginning of school.

LDOE records indicate that LDOE also consistently instructs scholarship schools through online presentations and newsletters as to how to properly document student enrollment on a quarterly count date. According to these records, schools are required to report to LDOE on a quarterly basis (on each count date) if a student is properly enrolled and has a pattern of attendance. If the school responds “Y,” the student is considered to be an active student and LDOE then forwards the scholarship payment to the school.

Public/Non-Public Schools

To determine if the 16 scholarship students attended other schools during the 2014-15 school year, we visited nine schools in the New Orleans and Slidell area. Administrators for each of the nine schools confirmed through school records that 14 students were enrolled and attended their schools for the 2014-15 year. The remaining two students were not enrolled in the

schools we visited; however, according to UBCA's attendance records, the two students either did not attend or did not show a pattern of attending the first two quarters of the school year. In addition, one of the 14 students was enrolled in a non-public school; therefore, LDOE was paying two scholarship payments, one to UBCA and the other to the school the student was actually attending.

Parents/Guardians

We called the parents/guardians of all 16 students, but were only able to speak with the parents/guardians of seven of the students. Those parents/guardians confirmed that their children were enrolled in and attended schools other than UBCA during the 2014-15 school year. One parent/guardian of three children stated that she did not enroll her children in UBCA because UBCA informed her that it was not going to have an eighth grade during the 2014-15 school year. According to LDOE's "Non-Public School Data Collection System" records, UBCA reported only one student as enrolled in eighth grade in October 2014. This, however, contradicts the quarterly reporting records for September and December 2014, in which UBCA reported to LDOE that four scholarship students were enrolled in eighth grade.

Based on our audit results, it appears that UBCA had access to the laws, rules, and policies that govern the scholarship program. In addition, it appears that UBCA knew that 16 scholarship students were neither properly enrolled nor attending UBCA during the 2014-15 school year. Therefore, it appears that UBCA incorrectly reported student enrollment/attendance information to LDOE on its quarterly reports during the 2014-15 school year and may have received \$61,698 in student scholarship payments that it was not entitled to in possible violation of state law.¹ LDOE withheld \$61,698 in UBCA scholarship payments for the third and fourth quarters of the 2014-15 school year to repay the amount improperly received in the first and second quarters.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:67(A)** states, in part, that “theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential.”

La R.S. 14:133(A) provides, in part, that “filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) any forged document; (2) any wrongfully altered document; or (3) any document containing a false statement or false representation of a material fact.”

APPENDIX A

Management's Response



UPPERROOM BIBLE CHURCH PRESCHOOL & ACADEMY



March 7, 2016

Mr. Roger Harris
Assistant Legislative Auditor
And Director of Investigative Audit
Post Office Box 94397
Baton Rouge, LA 70804

Re: Louisiana Legislative Auditor Draft Report dated February 17, 2016

Dear Mr. Harris:

We, Rev. Herbert and Carol Rowe, in our capacity as administrators of Upperroom Bible Church Academy and Preschool (UBCAP) hereby request and formally appoint our counsel of record, Nina S. Hunter of Rowe V. LLA Suit Number 645552 Sec. 27 to prepare the response to the Louisiana Legislative Audit Report dated February 17, 2016.

Respectfully,

Rev. Herbert and Carol Rowe
Upperroom Bible Church Academy and Preschool

Pastor,
DR. HERBERT H. ROWE

Administrator

DR. CAROL G. ROWE

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Law Office of Nina S. Hunter, LLC.

March 7, 2016

Mr. Roger Harris
Assistant Legislative Auditor
And Director of Investigative Audit
Post Office Box 94397
Baton Rouge, LA 70804

Re: Louisiana Legislative Auditor Draft Report dated February 17, 2016

Rev. Hebert and Carol Rowe as administrators of Upperroom Bible Church Academy and Preschool (UBCAP) vehemently disagrees with the findings of the Louisiana Legislative Auditor's draft report for the following reasons:

- I. The Louisiana Legislative Auditor lacks the statutory authority to audit UBCAP. Louisiana Revised Statute 17:4022 provides in part that the independent audit "shall be submitted to the Legislative auditor for review and investigation of any irregularities or audit findings." Thusly, LLA lacks the statutory authority to audit a scholarship school unless there were findings or irregularities from the annual independent audit. LLA is acting outside of its statutory authority because the final report issued by the independent auditor included no findings or irregularities. UBCAP filed a petition for injunctive relief asserting the illegality of the audit on January 28, 2016. The Honorable Judge Todd Hernandez declined to grant UBCAP a preliminary injunction on March 2, 2016. UBCAP has filed a motion appealing this ruling to the First Circuit Court of Appeal.
- II. The Louisiana Legislative Auditor erroneously cites provisions and failed to cite other provisions that are applicable to schools in Orleans Parish.

The enrollment process for participating schools in Orleans Parish is different from participating schools in other parishes. UBCAP has locations in Orleans and in St. Tammany Parish. Dr. Rowe provided LLA with pertinent information regarding the enrollment process for Orleans Parish but it was excluded from the report. Additionally, the report only includes selected comments or statements made by Dr. Rowe.

Most significantly, the centralized enrollment process called OneApp, which is the required mechanism for parents to use to enroll students in the scholarship program in Orleans Parish, is not mentioned in the report. "The Orleans Parish School Board and the Recovery

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School District are partnering together to provide students and families with the opportunity to choose a school that suits their interests and needs. The annual New Orleans Public School Enrollment Process offers students the opportunity to easily apply to all participating schools using one application.”ⁱ

Further, an audio recording of the Committee as a whole of the Recovery School District (RSD) which occurred May 27, 2015 detailing the OneApp process and responsibilities of participating schools was submitted to LLA. Speaking on behalf of RSD is Kristen Illarmo, the Associate Director of Early Childhood Enrollment. Ms. Illarmo’s comments during this committee hearing provide the applicable guidelines LLA failed to include or consider in preparing this report or making a recommendation.

The LLA specifically provides in their report:

- LDOE determines which students qualify to participate in the scholarship program.
- LDOE notifies scholarship schools and parents/guardians each school year by way of award letters of the students that qualify for the program and provides them with the names of available schools to which they may enroll.
- The parents/guardians then notify the schools of the students’ intent to enroll into a particular school and acknowledge, in writing, the policies, rules, and procedures of the schools.
- The schools then enroll the scholarship students. The schools are to submit to LDOE, by way of an internet based enrollment form, the enrollment status of each scholarship student. The students’ enrollment statuses are reported quarterly during each school year. The quarterly reporting periods are commonly referred to as “count dates.” In determining the enrollment status of students on the four count dates, schools are to ensure that the individual students are properly enrolled and have a pattern of attendance on school days. A lack of attendance is to be reported to LDOE.
- When the school notifies LDOE that a student no longer attends his or her approved school, or who transferred to another school, LDOE issues a withdrawal notice to participating school.

However, Ms. Illarmo provides that “OneApp and our office is the one that collects all the applications, processes them and sends the results to the schools”. When asked by Carolyn Hill, a BESE Member “the school receives the roster from RSD/LDOE?”; Ms. Illarmo stated “correct, from my team”. LLA did not include this process in their report. Ms. Illarmo further expounds on the withdrawal and transfer process. She specifically provides that parents are to reach out to the current school to notify them of a transfer and the current school is to sign off on transfers of their students. She also provides that the new school is to request records from the current school and that they are to be submitted within 10 days. This information is excluded from the report as well. All of which are essential in preparing a participating school to properly account for enrollment on count dates.

LLA did not speak with Ms. Illarmo or any program administrator in Orleans Parish regarding the applicability of OneApp. The audio file had been transcribed and is attached and hereby incorporated into this response.

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- III. The audit report does not include all of the information relevant to the documents requested.

Student Enrollment Forms: Dr. Rowe communicated to LLA that enrollment forms are not applicable for students that enroll through OneApp. This information was excluded from the report.

Attendance Records: Dr. Rowe communicated to LLA that the records showing all students present was a default setting in her computer system and was submitted in error. This information was excluded from the report.

Parent/Guardian Contact Information: This information was submitted to LLA. This information was excluded from the report.

Forms Signed by Parents/Guardians: These forms were submitted to LLA. This information was excluded from the report.

- IV. The final recommendation is flawed and incorrect because LLA failed to take in consideration all of the applicable provisions regarding tracking enrollment and attendance. The report concludes that UBCAP has access to the laws, rules and policies that govern scholarship payment. It further stated that UBCAP knew that the students were not properly enrolled or not attending UBCAP. However, the report fails to take into consideration of the withdrawal and transfer process and the obligation of parents to notify participating schools of their intent to transfer or withdraw their child. Further, the audit report also fails to include the requirement of the school receiving a transfer student to request records from the current school and for the current school to sign off on the transfer of student. All of these requirements are directly applicable to the facts presented in this audit and speak to whether UBCAP intended to misappropriate funds from the state of Louisiana. On more than one occasion, UBCAP informed LDOE and LLA that it never received any notice from a parent, the receiving school or LDOE itself that a student was transferring or withdrawing prior to reporting enrollment on the first or second count dates. UBCAP never received a request from a receiving school for any student records. The question remains how students were able to transfer to another school without their current school records being forwarded to the new school.

Furthermore, the Louisiana Legislative Auditor has not presented any evidence to support their assertion that UBCAP intentionally misrepresented themselves or intended to misappropriate funds. UBCAP has never has any prior issues with dual enrollment or any other findings in any audit report. UBCAP cooperated completely with the Louisiana Department of Education in addressing issues regarding dual enrollment of some of their students including submitting records to LLA and the Department of Education. Additionally, all funds were recouped from UBCAP prior to the beginning of the LLA audit with the consent of UBCAP. This notion is even further supported by the fact that there

were ultimately no findings at the conclusion of the annual independent audit of UBCAP. A copy of the independent audit is attached and is incorporated into this response.

- V. LLA is aware of LDOE's inadequate process for handling withdrawals and transfers. The Louisiana Legislative Auditor in their 2015 financial audit report of the Louisiana Department of Education issued December 21, 2015 stated that "For the second consecutive year, DOE did not have an effective internal audit function, increasing the risk that errors and/or fraud could occur and remain undetected." The Louisiana Legislative Auditor in its own audit of LDOE stated that LDOE internal audit functions were inadequate. This includes their ability to keep track of where students are enrolled, scholarship payments, transfers and withdrawal. The report further provided that:

Although DOE maintains a Bureau of Internal Audit (BIA) section consisting of a director, a staff auditor, and a student worker, our procedures disclosed that no internal audit reports were issued during fiscal year 2015, and no external quality assurance assessments have been performed on the BIA since 2006. *** DOE management did not provide sufficient oversight of the BIA to ensure that adequate internal audit activities were performed and documented. DOE management should ensure that internal audit activities are performed in accordance with the completed risk assessment and established audit plan in efforts to improve the effectiveness and efficiency of DOE operations. Management partially concurred with the finding and provided a plan of corrective action.

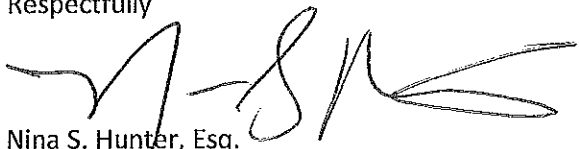
Despite, LLA's own report, in this instance, they attribute the cause of the overpayments to the failure of UBCAP to follow program guidelines. However, students were allowed to transfer or withdraw from UBCAP without any notice to UBCAP. This is a fallacy of LDOE, not UBCAP. This instance is an example of the failure of LDOE to ensure that all students are withdrawing and transferring properly.

LDOE's failure to provide sufficient documentation to support the withdrawal of students was reported to the Legislative Audit Advisory Council on July 18, 2013 when reporting on LDOE's monitoring of charter schools. Ms. Theresa Chatelain, LLA Performance Auditor stated "that 11 out of 150 students in their sample did not have sufficient documentation to support the withdrawal". John White, superintendent of LDOE further stated that "across America the issue of dropouts is the same of tracking down kids when they leave schools" This is obviously a systemic issue that LDOE has been fraught with for years.

The findings of this audit report are not inconsistent with other reports or testimony provided by LLA regarding LDOE. Because the February 17, 2016 report contradicts, the previous performance audit reports of LDOE and testimony regarding reviews of LDOE, the merit of the entire report is questionable.

Based on the above mentioned, it is UBCAP's position that the audit report is in its entirety ill-founded and lacks substantial merit.

Respectfully

A handwritten signature in black ink, appearing to read 'N-S Hunter', written over the printed name.

Nina S. Hunter, Esq.
Attorney for UBCAP

¹ Recovery School District <http://enrollnola.org/> Retrieved March 8, 2015

Schedule B

**STATE OF LOUISIANA, DEPARTMENT OF EDUCATION
SCHOLARSHIPS FOR EDUCATIONAL EXCELLENCE PROGRAM AGREED-UPON PROCEDURES**

UPPERROOM BIBLE CHURCH ACADEMY

Site Code:

938001

Questioned Costs
(Overpayments)

I. Tuition and Fees for Scholarship Students

Scope and Selection

A sample of 7 non-scholarship students was selected for procedures in accordance with Schedule A.

Exceptions, if any, included differences where tuition and fees charged to and paid by non-scholarship students were less than amounts charged to scholarship students. While we report these as exceptions, the cost is only questioned if the dollar effect of these exceptions for non-scholarship students can be directly correlated to the scholarship payments. Any questioned costs are presented under additional observations below.

Results:

No exceptions noted.

\$ -

II. Use of Funds

A) Verification of Educational Purpose

Scope and Selections:

The school provided an allocation of its general operating expenditures to the Program.

A sample of transactions was selected for the procedures in accordance with Schedule A.

Results:

No exceptions noted.

\$ -

B.1) Budget – Actual Expenditures

Scope and Selection:

A budget to actual expenditures schedule was provided by the school with a cut-off date of January 31, 2015.

Results:

The school expended 61% of their budget according to the schedule provided. Reserve category is used for any unusual or unexpected expenses.

No exceptions noted.

\$ -

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION
SCHOLARSHIPS FOR EDUCATIONAL EXCELLENCE PROGRAM AGREED-UPON PROCEDURES

UPPERROOM BIBLE CHURCH ACADEMY

Site Code:

938001

Questioned Costs
(Overpayments)

B.2) Enrichment

Scope and Selection:

We reviewed salaries for key personnel to determine whether the salaries have increased by 15% or greater.

Results:

No exceptions noted.

\$ -

III. Payment Verification (Attendance and Residency)

The procedure was not applicable as the school did not have any new scholarship students for the year.

\$ -

IV. Income Eligibility

The procedure was not applicable as the school did not have any new scholarship students for the year.

\$ -

V. Special Education Tuition

The procedure was not applicable as the school did not receive special education tuition through the Scholarship for Educational Excellence Program.

Total Overpayment Identified Through These Procedures:

\$ _____

Maximum Overpayment Adjusted for Duplicate Overpayments:

\$ _____

**STATE OF LOUISIANA, DEPARTMENT OF EDUCATION
SCHOLARSHIPS FOR EDUCATIONAL EXCELLENCE PROGRAM AGREED-UPON PROCEDURES**

UPPERROOM BIBLE CHURCH PRESCHOOL & ACADEMY

Site Code:

938003

Questioned Costs
(Overpayments)

I. Tuition and Fees for Scholarship Students*Scope and Selection*

A sample of 3 non-scholarship students was selected for procedures in accordance with Schedule A.

Exceptions, if any, included differences where tuition and fees charged to and paid by non-scholarship students were less than amounts charged to scholarship students. While we report these as exceptions, the cost is only questioned if the dollar effect of these exceptions for non-scholarship students can be directly correlated to the scholarship payments. Any questioned costs are presented under additional observations below.

Results:

No exceptions noted.

\$

II. Use of Funds**A) Verification of Educational Purpose***Scope and Selections:*

The school provided an allocation of its general operating expenditures to the Program.

A sample of transactions was selected for the procedures in accordance with Schedule A.

Results:

No exceptions noted.

\$

B.1) Budget -- Actual Expenditures*Scope and Selection:*

A budget to actual expenditures schedule was provided by the school with a cut-off date of January 31, 2015.

Results:

The school expended 64% of their budget according to the schedule provided. Reserve category is used for any unusual or unexpected expenses.

No exceptions noted.

\$

**STATE OF LOUISIANA, DEPARTMENT OF EDUCATION
SCHOLARSHIPS FOR EDUCATIONAL EXCELLENCE PROGRAM AGREED-UPON PROCEDURES**

UPPERROOM BIBLE CHURCH PRESCHOOL & ACADEMY

Site Code:

938003

Questioned Costs
(Overpayments)

B.2) Enrichment

Scope and Selection:

We reviewed salaries for key personnel to determine whether the salaries have increased by 15% or greater.

Results:

No exceptions noted.

\$

III. Payment Verification (Attendance and Residency)

Scope and Selection:

A sample of 5 new scholarship students was selected for procedures in accordance with Schedule A.

Results:

No exceptions noted.

\$

IV. Income Eligibility

Scope and Selection:

A sample of 5 new scholarship students was selected for procedures in accordance with Schedule A.

Results:

No exceptions noted.

\$

V. Special Education Tuition

The procedure was not applicable as the school did not receive special education tuition through the Scholarship for Educational Excellence Program.

Total Overpayment Identified Through These Procedures:

\$

Maximum Overpayment Adjusted for Duplicate Overpayments:

\$

TRANSCRIBED AUDIO OF THE COMMITTEE OF THE WHOLE (RSD) 5/27/15

Kristen Illarmo.... something that we give to siblings who are applying to go to school where their sibling already attends. In those cases, where you already have a sibling attending the school you are applying to 97% of the time you are matched to that school you are looking to attend. Last year it was 96% so overall we are seeing that priority is working. We have a second sibling category called Family Link and Family Link is when we have multiple sibling in a family trying to go to school together but none of those siblings currently attend the school that they are applying to. Through Family Link this year 82% of those families that were Family Linked were able to be matched together and stay together, which is what the family was telling us was the most important thing for that family. That's an 11% increase verses what we were able to do last year with Family Link. So, through One App, we are seeing more siblings are being able to be matched either together or with their sibling at the schools of their choice. We hope that we are able to prioritize siblings in a way that works for families and so far we believe that this is showing that it is working.

The second priority that families have communicated to us is around Geography. We want to maintain the ability for schools to be open access to be citywide, but there is a subset of families that are really strongly prioritizing proximity and geography in their school choice decisions. And so for those families, we want to make sure that if they are prioritizing geography they are able to get a school that is near their house and based on our data, we're showing that families who strongly prioritize wanting to attend a school in their geographic zone, tat 93% of the time they are able to get a school match that is in their zone. The data is also showing that a large majority of our families are still applying to schools outside of their current zone. So we want to make sure we create a system that maintains the ability to apply to schools outside of their zone if they so choose and if they really strongly prioritize in their zone they are able to do that as well.

We want to highlight a few more patterns and trends that we are seeing in terms of school choice in the One App data as students or applicants list more choices on their application, as they list more schools their match rate increases. For applicants who listed 4 or more choices, on the application, they can list up to a total of 8 their match rate was 95% that means they were able to receive a school placement. That means they were able to receive a school placement at one of the schools they listed on their application. For applicants that only listed 1 choice, the match rate is only 68%. But if you list close to 8 at 7 choices its nearly 100% so that match rate steadily climbs as you list more choices. So for families who do not have a current school assignment and need a school to go to, we really strongly encourage they list as many school choices as they are comfortable going to, because the more choices they list they more likely they are to get something that they are asking for.

This year we did see a huge spike in high demand schools receiving more applications to our top 5 in demand schools. Meaning they received the most applications there was a 34% increase in how many applications that they received. We also saw that for many of our applicants they were seeing more applicants actually ranking one school and many times that one school is a high demand school with a very low acceptance rate. They don't have many seats available and a lot of applicants want those few seats. So, this year we saw over 1400 applicants rank just one choice at a very high demand school so we believe that as we see more applicants ranking fewer choices in really high demand schools, that our match rate will decrease slightly because we are not able to give everybody their first choice. If a lot of people are applying to high demand schools, with few seats available, overall we did see 75% match rate to one of their top 3 choices and an 80% match rate to one of the choices that they listed on their application. However, where we have the most seats available are our transition grades for Kindergarten and 9th grade, that's where most people are switching schools are starting school for the first time and a lot of seats are available and that match rate is up to 90%. This year we did close two schools and those schools, we wanted to provide some data for you as well. So, the first one is Lagniappe Academy, they currently have 179 students enrolled and while we closed them in March, we did open up the main round for them to be able to send in an application for an extra week to ensure they would be able to process through the main round when they have great likelihood of getting what they want. 79% of those

students submitted one applications and 88% of those applicants were matched to one their top three choices. So by large they are able to go to the school ranked on their application with those 88% they were matched to schools that were of the same SPS quality of the school of Lagniappe's SPS high quality school so they are not going to a lower performing school, they are staying about the same.

For the students at _____McCoy, we have about 288 of them overall and 94% did submit One Apps. We were able to confirm that the additional 6% getting to that 100% had other plans and were going to be overall in school but they were not participating in the One App system. So, by large, we know where all these kids were going of the 94% that submitted applications 87% were able to be matched to one of their top 3 choices and overall they were matched at schools that have high SPS scores than McCoy did. We do have some students who remain unmatched after the One App main round. For those students, we reach out to them and make sure they submit a round 2 application if they do need a seat. If they are happy with their current school, they can remain at their current school and they will not lose that seat unless they really need our application to transfer. So, those students are invited to apply for either round 2 with closes on this Friday and so far we have seen about a 40% increase in round 2 applications. Again, many of them due to high demand low acceptance schools. Many who are not ranking huge numbers of schools because they may be very happy at the school they currently attend and just want one or two other schools more than what they already have.

If a student is unmatched after round two or chooses at that point during the summer a new school or move to the city for the first time and needs a school placement, they can come to late enrollment and that will begin July 8 and this year we made a lot of changes of what the structure of what late enrollment will be and we are committed to making sure the family experience is much improved over what happened last year. So, with them I just want to emphasize the 4 key points that we've seen through the first round data.

First, is that we see New Orleans, that there is an increasing number of families in New Orleans that are considering public schools as an option. That's a really great thing for our system of schools and I think it's in large part because of the increasing diversity and academic performance of our schools citywide.

Secondly, for a lot of the same reasons, parents are overwhelmingly pleased with the schools they're in as we see that over 92% of families decided to stay with their current schools.

Thirdly, when parents do apply, those things that we have heard from them as priorities, that they value most we are seeing to it that they receive that, and so we're talking about keeping siblings together, making certain that they are staying closer to home, as well as making certain that it's a system that is easily accessible for those families. I think the Family Link and seeing how that's worked, again that's been the progress we've made over the last years to constantly improve the system. And the fourth thing I think that just One App overall really provides families as a way to exercise their rights to choice and it just shows that we do have a fair and transparent process in place that is constantly evolving and I think every year we continue to improve so Kudos to families and Kudos to our teams, OPSP and RSD in working so close together to ensure that one again our parents have had a really strong and positive experience and we're going to continue to work through that the subsequent rounds. I also want to point out and really congratulate Psi Hi, on their board recently an OPSB Charter, and their Board recently approved for them to come in One App actually several years earlier than anticipated and so they're going to participate in the central enrollment process this fall which is truly exciting. So again, along with OPSB we're pleased with the progress and we're going to continue to make certain that families understand the system and we always welcome feedback to continuously improve upon it. So thank everybody for your indulgence and I am more than happy to answer any questions.

Questions

(Ms Hill... BESE BOARD MEMBER)

1. I have a couple of questions: I guess your staff can answer these questions? Regarding the One App, the enrollment, so, because I'm trying to get an understanding, so RSD/LDOE are the overseers in regards to enrollment meaning the rosters that are presented to the schools. So in other words the school students will apply and you guys will send a roster to the students, I mean to the school?

Facilitator Answer, Kristen Illarmo: Correct. Response, so RSD manages the enrollment system.

Facilitator Answer, Kristen Illarmo: OneApp and our office is the one that collects all the applications, processes them and then sends out the results to schools.

Ms Hill/Question: OK, so, if a student in other words, the school receives the roster from RSD/LDOE.

Facilitator Answer/Kristen Illarmo: Correct, from my team.

2. Ms Hill, BESE Member: Question: If a student is currently there and wants to transfer, what is the transfer process?

Facilitator's Answer/Kristen Illarmo: It depends on the time of year, Um, from July 8th when late enrollment opens for the summer through October 1st families can come and get a new seat from the seats that are available at our resource centers. They don't need a reason to transfer. They can come transfer for whatever reason they would like and choose from a list of schools that have seat availability at that point. After October 1st, we recognize that its best for schools and families to limit transfers mid-year and so, we have a transfer process in place called the Hardship transfer process, where families complete an application explaining to us why they need a transfer. We communicate with the family, take both sides of the story and make a decision as to whether or not it would be better to transfer this kid to a new school.

Ms Hill BESE member response/Question: OK, um, so if a student, parent wants to transfer her child, can it go through the school or do they have to come to the Office?

Facilitator/Kristen Illarmo Answer: we ask all families to talk to the school first, before they submit a transfer request. We want to make sure the school and the family have had a conversation and in many cases encouraging them to do that actually solves whatever concerns prior to putting a transfer process in place. Certainly, there were families that would just stop showing up for school and the school had no idea there was a concern where they could have otherwise addressed with the family, maybe it was around transportation and something that the school didn't actually know they could help resolve. So, this way we allow the school and the family to have that conversation. The school signs off that they have had the chance to talk to the family and the school submits that paper work to S. UBCA NEVER signed off on the transfers/withdrawals in question.

Ms Hill, BESE Member: So, does the school submit the paper work or does the parent submit the paper work to the Central Office?

Facilitator Answer/Kristen Illarmo: Currently the parent submits the paper work to the school and the school submits it to us. Now if the parent has not heard back, they often reach out to our family resource centers for an update.

Ms Hill, BESE Member: My next question is the Withdrawal process; if a student decides to withdraw from a school, what is that process? What does that require?

Facilitator Answer/Kristen Illarmo: A student should not be withdrawing from a school unless, they are attending another school outside of our participating set of schools. If they are looking to attend another One App participating school, they should be using the transferring process to do that not just withdrawing from the school. The only reason they would be withdrawing, all together would be if they're attending a private school or moving out of the parish or a non-participating One App.

Ms Hill, BESE Member: and do they go through the school or parent.

Facilitator Answer/Kristen Illarmo: They would go directly through the school. The school is responsible for keeping those records and ensuring that they are enrolled in a different school, moving forward and that school notifies us to drop them from the roster and provides the reason for them being dropped.

Ms Hill, BESE Member Question: OK, so how do the Central office manage when a student wants to withdraw or transfer? How do they, the central office manage to ensure that the other school is receiving those records in a timely manner and things of that nature?

Facilitator/Kristen Illarmo Answer: BESE's policy actually outlines that upon a transfer when a school sends a record request to the new school, they have 10 days to provide those records for that new school so that should be done from school to school and is not done through our office. Um, we would like to help and communicate with schools if their having a hard time getting records from other schools, so that we can be a support in that process, but ultimately the new school needs to submit a record request to the old school and they have 10 days to provide those records.

Ms Hill BESE Member Question: And that's any public school in the state?

Facilitator/Kristen Illarmo Answer: Yes, that's correct, so that's a BESE's policy. Per our digital system they can see what school the kid is coming from to be able to request the record. (both parties talking and can't make out what is being said).

Ms Hill BESE Member Question: Because in a traditional setting, if I'm transferring to school A and school B and it's in the same district the district (Interruption). Because New Orleans have the independent Charters. I'm just trying to figure out how is each charter able to manage when students leave, come back, because students move around a lot, so I'm just trying to identify how these schools are able to get the records, because I have a situation now, where a student came from RSD and now in East Jefferson Parish and now we're trying to get records and it's been crazy and hard for us to get these records.

Facilitator/Kristen Illarmo Answer: We will try to get in contact with enrollment points of contact of those schools and see if we can help you get those records.

Ms Hill BESE Member Question: My next question is in regards to non-public schools and charter programs; just correct me if I'm wrong. You stated currently that the non-public school Early Childhood program is under the governing of RSD/LDOE in regards to the enrollment. Have they made that transition?

Facilitator/Kristen Illarmo Answer: All but one of the programs participated in the main round for the One App process in terms of how they wanted to enroll their students. All of them are participating in Round 2.

Ms Hill BESE Member Response/Question: OK, all of them are participating in Round 2.

Facilitator/Kristen Illarmo Answer: We're not managing the program just the enrollment of that.

Add'l BESE Committee Member Question: Did I hear you correctly that there is a 40% increase in Round 2, because parents are wanting their children enrolled in high demand Charter schools. End of Tape....