

# **SOUTH LOUISIANA CHARTER FOUNDATION, INC.**

INVESTIGATIVE AUDIT SERVICES

**Issued September 11, 2025**

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September 11, 2025

**DR. JOHN PIERRE, BOARD PRESIDENT  
AND MEMBERS OF THE BOARD OF TRUSTEES OF THE  
SOUTH LOUISIANA CHARTER FOUNDATION, INC.**

Baton Rouge, Louisiana

We are providing this report for your information and use. This investigative audit was performed in accordance with Louisiana Revised Statutes 24:513, *et seq.* to determine the validity of complaints we received. The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents.

The accompanying report presents our findings and recommendations as well as management's response. This is a public report. Copies of this report were delivered to the District Attorney for the 19<sup>th</sup> Judicial District of Louisiana and others as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

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SLCF-ICA







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## **EXECUTIVE SUMMARY**

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### **Charter School Management Organization Paid Its Related Parties Without Foundation Board Approval, Written Contracts, or Adequate Documentation**

Charter Schools USA at Iberville, LLC, the South Louisiana Charter Foundation's (Foundation) management organization, paid its affiliated companies \$6,961,965 without board approval, written contracts, or adequate documentation between June 2019 and April 2023.

### **Improper Operation of Charter School Off-Site Locations**

Blended & Online School Solutions, LLC of Florida (BOSS LLC) opened two off-site locations to operate as learning pods without complying with the requirements of state law and the applicable Louisiana Board of Elementary and Secondary Education (BESE) bulletin governing the establishment of learning pods. These locations operated independently from the Iberville Charter Academy (ICA) campus in Plaquemine and did not utilize the same curriculum or instructional staff used by ICA.

### **Learning Pods Charged Fees to Students**

Three of ICA's learning pods collected \$511,538 from the parents of enrolled students between February 2019 and April 2023. Records from these pods described the payments as "program fees," "registration fees," "technology fees," and "tuition." The collection of those fees may violate state law and the Foundation's charter contract with BESE, as charter schools are public schools and are prohibited from charging certain fees to students.

### **Related Party Leases of Iberville Charter Academy and Learning Pod Facilities**

The Foundation leased its school facility from a related party of its charter management organization but does not have documentation demonstrating the lease represented fair market value. Over the 20-year lease term, total lease payments will exceed the cost of the property by \$13,897,828. BOSS LLC is also leasing two additional facilities from related parties for the operation of learning pods. These related-party lease arrangements raise concerns regarding transparency, lease payments exceeding the fair market value of the leased property, and compliance with state requirements for prudent use of public funds.

**Cash Transfers Between Charter School's Operating Bank Account and the Management Organization Were Made Without Adequate Documentation or Board Approval**

Charter Schools USA at Iberville, LLC (CSUSA-ICA) made net transfers totaling \$681,895 between ICA's bank account and CSUSA-ICA's own bank account between June 2019 and April 2023. CSUSA-ICA also transferred \$250,000 from ICA's bank account to BOSS LLC's bank account in February 2020. Some of these transfers were made without adequate supporting documentation, and none were approved by the Foundation board, which could result in improper payments.

**Charter Management Organization Did Not Produce Records in a Timely Manner**

CSUSA-ICA failed to provide requested Foundation records in a timely manner, with delays extending to 184 days. As the designated custodian of records for the Foundation and ICA, CSUSA-ICA is contractually responsible for ensuring timely and complete access to records. CSUSA-ICA's significant delays and the submission of redacted, incomplete, or inadequate documentation impeded the Louisiana Legislative Auditor's ability to perform its oversight function. These actions appear to violate CSUSA's management agreement, the Foundation's charter contract with BESE, and state law.

## BACKGROUND AND METHODOLOGY

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The South Louisiana Charter Foundation, Inc. (Foundation) is a nonprofit corporation located in Baton Rouge, Louisiana. The Foundation adopted its bylaws on July 23, 2012, and currently operates two charter schools in Louisiana: South Baton Rouge Charter Academy (SOBA), located in Baton Rouge, and Iberville Charter Academy (ICA), located in Plaquemine. The Foundation also operated Baton Rouge Charter Academy at Mid-City until it closed in June 2017.

A charter school is a publicly-funded, independently-operated public school that receives financial support through the state's Minimum Foundation Program (MFP). The amount of financial support each public school receives from MFP is primarily based on the school's student count in October and February of each school year.<sup>1</sup>

There are five types of charter schools authorized by state law<sup>2</sup>:

**Type 1** – a new school operating pursuant to a charter between a nonprofit corporation and a local school board;

**Type 2** – a new or preexisting school converted operating pursuant to a charter between a nonprofit corporation and the State Board of Elementary and Secondary Education (BESE);

**Type 3** – a preexisting public school converted and operating pursuant to a charter between a nonprofit corporation and the local school board;

**Type 4** – a converted preexisting school or a new school operated pursuant to a charter between a local school board and BESE;

**Type 5** – a preexisting public school transferred to the Recovery School District (RSD).

Charter schools are authorized by either a local school board (Type 1 and 3) or BESE (Type 2, 4, and 5). Depending on their type, charter schools may be operated by local school boards, nonprofit corporations, or in rare legacy cases, overseen by RSD. Most RSD schools have since transitioned to local school board control or BESE oversight.

Charter school operations are governed by La. R.S. 17:3971, *et seq.*, and — specifically for types 2, 4, and 5 — regulated through BESE Bulletin 126. Bulletin 126 establishes the rules for charter schools, including application, authorization, renewal, and closure. Charter schools are also subject to Louisiana audit law,<sup>3</sup> Public Bid Law,<sup>4</sup> Open Meetings Law,<sup>4</sup> and public records law.<sup>4</sup>

The Foundation submitted a charter school application to the Louisiana Department of Education (LDE) on March 15, 2013, listing Charter Schools USA (CSUSA-FL) as its proposed management organization.<sup>A</sup> CSUSA-FL created Charter Schools at Iberville, LLC (CSUSA-ICA) in Florida on December 27, 2013, and registered with the Louisiana Secretary of State on April 9, 2014. The Foundation contracted with CSUSA-ICA on May 20, 2014, to operate and provide education services to ICA, contingent on the approval of the charter contract with BESE.

The Foundation entered into a charter school contract with BESE<sup>B</sup> authorizing the Foundation to open and operate ICA as a Type 2 charter school, effective July 1, 2014. The initial four-year contract terminated on June 30, 2018, unless extended, contingent upon BESE's review<sup>C</sup> of ICA's performance and operations. Following that review, the Foundation and BESE executed a charter school renewal contract dated July 1, 2019, and again on, July 1, 2022, to authorize the Foundation to continue to operate ICA.

CSUSA-FL is a for-profit charter school management organization based in Fort Lauderdale, Florida.<sup>D</sup> It also opened an office in Baton Rouge that operates the Foundation's charter schools, including staffing,<sup>E</sup> since the Foundation has no employees of its own. CSUSA-ICA opened ICA as a Foundation charter school in August 2014 to provide face-to-face (in-person) educational services for Kindergarten through eighth grade.

In 2019, CSUSA-ICA began using Blended and Online School Solutions (BOSS LLC), a related party,<sup>F</sup> to enroll students at off-site locations, also called "learning pods." These students were counted as part of ICA's student population in 2019, even though the legal framework to operate learning pods at a public school was not yet in place.

In June 2021, the Louisiana Legislature enacted legislation<sup>5</sup> authorizing a public school's governing authority to establish learning pods as an extension of any school under its jurisdiction. This law provided a statutory basis for the creation and operation of learning pods by public schools, including charter schools.

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<sup>A</sup> Bulletin 126 defines a management organization as a for-profit company that manages academic, fiscal, and operational services on behalf of boards of directors of BESE-authorized charter schools through contractual agreements.

<sup>B</sup> The charter contract also gave LDE jurisdiction over ICA.

<sup>C</sup> Per the contract, BESE will review ICA's academic, financial, and organization standards against the standards set forth in BESE Bulletin 126.

<sup>D</sup> Charter Schools USA, Inc. is listed on the Louisiana Secretary of State's site as the corporate officer of Charter Schools USA at Iberville, LLC and Charter Schools USA at South Baton Rouge, LLC, the management companies of both the Foundation's schools, SOBA and ICA.

<sup>E</sup> ICA school staff are Charter Schools USA at Iberville, LLC employees.

<sup>F</sup> The President of BOSS LLC is the CEO of CSUSA-FL. The CSUSA-FL Louisiana State Superintendent is also the Executive Director of BOSS LLC. Additionally, CSUSA-FL and BOSS LLC share common office space in Baton Rouge and at their headquarters in Fort Lauderdale, Florida.

BESE Bulletin 126 (LAC 28:CXXXIX §2721, "Learning Pods") requires that Type 2, 4, and 5 charter schools intending to open a learning pod must:

1. provide written notice to LDE prior to the scheduled opening date;
2. complete all pre-opening requirements, including a checklist specific to learning pods, before students may enter the designated pod location; and
3. receive written approval from LDE before opening the learning pod location. LDE must issue approval within 60 days of receiving the request, or the request is deemed approved by default.

LDE identified areas of concern regarding Free and Appropriate Public Education, student enrollment practices, and unauthorized operation of a virtual education program at ICA. LDE engaged an outside consultant, TenSquare, to complete an audit of ICA. As a result of TenSquare's report, LDE issued a notice of concern<sup>6</sup> to the Foundation. The Louisiana Legislative Auditor also received complaints regarding CSUSA-ICA's business practices and the collection of program fees at Red Stick Academy, a learning pod of ICA.

We initiated this audit to determine the validity of complaints we received regarding BOSS LLC and its operation of ICA learning pods. The procedures performed during this audit included:

- (1) interviewing employees and others, as appropriate;
- (2) examining selected Foundation documents and records;
- (3) gathering and examining third parties' documents and records; and
- (4) reviewing applicable state and federal laws and regulations.

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<sup>6</sup> Notices of Concern are given to schools in instances of less significant non-compliance of law or policy, as determined by LDE staff.





## FINDINGS AND RECOMMENDATIONS

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### **Charter School Management Organization Paid Its Related Parties Without Foundation Board Approval, Written Contracts, or Adequate Documentation**

**Charter Schools USA at Iberville, LLC, the South Louisiana Charter Foundation's management organization, paid its affiliated companies \$6,961,965 without board approval, written contracts, or adequate documentation between June 2019 and April 2023.**

The South Louisiana Charter Foundation, Inc. (Foundation) was founded on July 23, 2012, to provide educational services for students and families in Louisiana. The Foundation submitted a charter school application to the Louisiana Department of Education (LDE) on March 15, 2013. Charter Schools USA (CSUSA-FL) was listed as the Foundation's proposed management<sup>H</sup> organization. On May 20, 2014, the Foundation contracted with Charter Schools USA at Iberville, LLC<sup>I</sup> (CSUSA-ICA) to operate and manage Iberville Charter Academy (ICA).

CSUSA-ICA is responsible for all administrative functions, accounting, and education programs at ICA. Under the terms of the management contract, CSUSA-ICA is entitled to receive up to 15% of ICA's revenue. The largest component of ICA's revenue is the Minimum Foundation Program (MFP).<sup>J</sup> MFP funding is based on student enrollment counts reported by the schools in October and February of each academic year.

In 2019, CSUSA-ICA began using an affiliated non-profit, Blended and Online School Solutions, Inc. (BOSS Inc.)<sup>K</sup>, to enroll students at off-site locations — referred to as "learning pods"<sup>L</sup> — and report the students as ICA's enrolled students. In addition to BOSS Inc. and BOSS LLC, CSUSA-ICA also used other affiliated companies as vendors to ICA. ICA's records show that CSUSA-ICA's affiliates were paid \$6,961,965 between June 2019 and April 2023. The payments, grouped by vendor, are summarized in the table below:

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<sup>H</sup> Bulletin 126 defines a "management organization" as a for-profit company that manages academic, fiscal, and operational services on behalf of boards of directors of BESE-authorized charter schools through contractual agreements.

<sup>I</sup> CSUSA-ICA is a subsidiary of CSUSA-FL.

<sup>J</sup> MFP is a formula that determines the cost of a minimum program of education in all public elementary and secondary schools. The resulting MFP calculation is used to help distribute funds among parish, city, and other local school systems.

<sup>K</sup> Blended & Online School Solutions began operations in 2019 as "Blended & Online School Solutions, Inc.," a not-for-profit. CSUSA-FL purchased BOSS Inc.'s assets in 2021 then created "Blended & Online School Solutions, LLC of Florida," a Florida limited liability company, and transferred the assets to it.

<sup>L</sup> Students were enrolled at locations that BOSS LLC's Vice President referred to as "learning pods," "testing sites," and/or "pod extensions." These locations will be referred to hereinafter as "learning pods" for purposes of this report.

<b>Payments from ICA to CSUSA's Related Parties</b> <b>June 26, 2019 to April 28, 2023</b>		
<b>Related Party Company</b>	<b>Number of Payments</b>	<b>Total Payments</b>
Blended and Online Solutions, Inc./LLC	22	\$6,766,761
10Jin	45	136,954
Red Apple Services, LLC	3	34,829
Noble Education Initiative	5	13,291
Altitude Education USA, LLC	4	10,130
<b>Total</b>		<b>\$6,961,965</b>

### *Blended and Online School Solutions*

BOSS Inc. began operations as a nonprofit organization in 2019. In 2021, its assets were acquired by CSUSA-FL. BOSS LLC was created by CSUSA-FL in 2021. Louisiana Secretary of State records show the Chief Executive Officer (CEO) of CSUSA-FL signed BOSS Inc.'s March 2020 annual report, indicating he was involved with BOSS Inc. before CSUSA-FL purchased its assets. Additionally, the CSUSA-FL<sup>M</sup> Louisiana State Superintendent (CSUSA-FL Superintendent) also serves as BOSS LLC's Executive Director. Further, CSUSA-ICA and BOSS LLC share common office space in Baton Rouge and at their headquarters in Fort Lauderdale, Florida, reinforcing the close operational relationship between the two entities.

In 2019, BOSS Inc. began enrolling students and delivering instruction at multiple off-site learning pods, two years before the learning pod law<sup>5</sup> took effect. Although these students physically attended the pod locations, they were reported as part of ICA's official student counts. This resulted in increased MFP funding for ICA, despite the fact that the students did not attend the ICA's school site in Plaquemine. The structure and implications of the arrangements with these learning pods will be discussed in the next finding.

LDE engaged a consultant to review the operations of the Foundation and its associated learning pods. The consultant's 2022 report found the Foundation had not submitted a "request to the LDE to operate a virtual program as part of the Iberville Charter Academy charter contract nor have they requested to operate ICA programs at any locations other than the facility on Enterprise Blvd. in Plaquemines [sic], LA."

The consultant's report also stated that BOSS LLC's Vice President (BOSS LLC VP) "repeatedly noted that everything was allowed according to 'the POD law.'" However, the Louisiana Legislature did not enact legislation authorizing learning pods (La. R.S. 17:4036.1)<sup>5</sup> until 2021, meaning this law was not in effect when the initial pods began operating in 2019.

<sup>M</sup> Charter Schools USA, Inc., located in Fort Lauderdale, Florida, is the corporate office of Charter Schools USA at Iberville, LLC.

State law<sup>6</sup> grants the Louisiana Legislative Auditor (LLA) the authority to review the records of auditees. While BOSS LLC performs functions similar to CSUSA-ICA — including the management and operations of ICA’s learning pods — its relationship to the Foundation differs in form. By using BOSS LLC to operate ICA’s learning pods, CSUSA-ICA created a vendor relationship, which may place BOSS LLC outside the scope of LLA’s oversight authority under current state law.<sup>3</sup>

Since the Foundation receives state and federal funding to operate a public charter school, state law<sup>7</sup> requires an annual audit of ICA’s records and its use of public funds. The Financial Accounting Standards Board (FASB)<sup>8</sup> requires that management disclose material related-party<sup>9</sup> transactions in the financial statements. These disclosures should include the nature of the relationship, a description of the transactions, the dollar amounts involved, and any amounts due from or to the related parties.

To support these disclosures, the Foundation’s auditor obtained written management representation letters as part of the annual audit process. These letters are intended to confirm, among other things, whether management is aware of any related-party relationships that require disclosure. However, the management representation letters for the fiscal years ending June 30, 2020, and June 30, 2021, did not identify related parties.

Further, the financial statements for those years only noted that the Foundation’s two school leases (ICA and South Baton Rouge Charter Academy) are held by an affiliate (related party) of CSUSA-FL. Other potentially relevant related-party relationships — such as fees paid to BOSS LLC and shared executive leadership of CSUSA-FL and BOSS LLC — were not disclosed in the financial statements for those years.

During fieldwork for the fiscal year June 30, 2022 audit, the Foundation’s auditor requested documentation for a post-year-end adjustment to reduce professional fee expense. This transaction created an asset, Prepaid Expense, in the amount of \$499,830. CSUSA-FL provided a \$499,830 credit memo<sup>N</sup> from BOSS LLC to ICA for 60 students who were invoiced to ICA in fiscal year 2022. The credit memo listed the same Fort Lauderdale, Florida address for BOSS LLC as CSUSA-FL and CSUSA-ICA’s headquarters, prompting the auditor to further examine the nature of the relationship between the two parties. The auditor determined that BOSS LLC, CSUSA-ICA, and CSUSA-FL were related parties that shared common ownership and management and physical office locations in Baton Rouge, Louisiana and Fort Lauderdale, Florida. Further, CSUSA-FL<sup>O</sup> did not provide an explanation about who approved the BOSS LLC invoices and why the miscoding was not detected during routine comparisons of budgeted versus actual revenues and expenses.

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<sup>N</sup> The auditor received a version of BOSS LLC’s credit memo, which included the BOSS LLC logo, then subsequently received another BOSS LLC credit memo that did not include the BOSS LLC logo.

<sup>O</sup> CSUSA-ICA’s invoice processing and accounting is performed by CSUSA-FL in Fort Lauderdale, Florida.

Rather than requesting reimbursement, ICA's accounting records reflect the \$499,830 overpayment as a Prepaid Expense, suggesting that the Foundation treated the overpayment as an advance rather than an error requiring correction or recovery.

This accounting treatment, combined with the lack of explanation and non-disclosure of related parties, raises concerns about internal control deficiencies, vendor oversight, and transparency in related-party financial transactions.

The Foundation's June 30, 2020, financial statements did not include any disclosure identifying BOSS LLC as a CSUSA-FL or CSUSA-ICA affiliate, despite evidence of overlapping leadership and shared operations. Notably, the Controller for CSUSA-FL signed the audit management representation letter, which affirmed that "related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP."<sup>p</sup> The omission of BOSS LLC as a related party in the financial statements raises concerns about the accuracy of financial disclosures and the adequacy of internal review procedures for identifying and reporting related party transactions, as required under generally-accepted accounting principles (GAAP) and the FASB.

The Foundation's June 30, 2021, financial statements also did not disclose that BOSS LLC was a related party again, despite its operational and leadership ties to CSUSA-FL and CSUSA-ICA. The management representation letter for that year was signed by CSUSA-FL's State Financial Director (SFD). He also affirmed "all related party relationships were disclosed as required by U.S. GAAP."<sup>p</sup> However, the auditor told us the relationship between BOSS LLC and CSUSA-ICA (or CSUSA-FL) was not disclosed to them during the engagement. The SFD said he believed the auditor was already aware of the relationship between the two entities.

The Foundation board's Secretary-Treasurer also signed the management representation letter, dated June 30, 2021, which affirmed that related-party relationships and transactions were properly disclosed in accordance with GAAP. However, during our inquiry, he told us that he was unaware that the relationship between CSUSA and BOSS LLC was not disclosed to the auditors. The Foundation's board president similarly told us the board assumed BOSS LLC was a related party to CSUSA, and that CSUSA had informed the auditor about the related-party relationship.

CSUSA-FL's Superintendent, who also serves as BOSS LLC's Executive Director, told us the Foundation discussed and approved the arrangement with BOSS LLC when the Foundation approved its annual budget. He also said it was understood BOSS LLC would perform duties similar to those of CSUSA. Further, he told us the management agreement between CSUSA and the Foundation authorized

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<sup>p</sup> U.S. GAAP (United States Generally Accepted Accounting Principles) is a set of common accounting rules, requirements, and practices which ensure consistency, accuracy, and transparency in financial reporting.

CSUSA to subcontract learning pod operations to BOSS LLC without requiring a separate contract between the Foundation and BOSS LLC.

He also told us the Foundation's budget included specific income and expense line items for BOSS LLC and its learning pod operations, suggesting the arrangement was financially documented as part of the Foundation's planning process. However, CSUSA-ICA's contract with the Foundation appears to contradict his statements since it states "CSUSA shall not subcontract the management, oversight, or operation of the teaching and instructional program, except as specifically permitted in this Agreement or with approval of the Board."

BOSS LLC was first mentioned in the Foundation's board minutes on June 26, 2019, during a meeting in which CSUSA-FL's Superintendent presented "BOSS initiatives for ICA" to the board at a public meeting. However, the minutes do not show the Foundation's board voted to approve BOSS LLC as a vendor. The absence of an explicit board approval raises questions about the transparency and formality of the decision-making process regarding related-party arrangements and vendor oversight.

ICA budgets for the fiscal years ending June 30, 2019 through June 30, 2023, include a general line item labeled "Professional Fees – Other," but did not specifically identify or disclose budgeted expenses related to BOSS LLC. As a result, financial commitments to BOSS LLC were not clearly presented to the board or public as part of the Foundation's budgeting presentation or approval process during those years.

BOSS LLC was first mentioned in ICA's budget for the fiscal year ended June 30, 2023, but only as a revenue line item for MFP funding, not as an expense. It was not until the June 30, 2024, budget that an expense item labeled "Blended On Line Student Expense" appeared, reflecting costs associated with BOSS LLC's services.

The table below summarizes the amounts budgeted under "Professional Fees – Other" alongside the actual payments made by ICA to BOSS LLC, highlighting the lack of clear budget-to-expenditure transparency regarding BOSS LLC over the multi-year period:

<b>Fiscal Year</b>	<b>Budgeted "Professional Fees – Other"</b>	<b>Amount ICA Paid to BOSS LLC<sup>Q</sup></b>
July 1, 2019 – June 30, 2020	\$1,986	\$676,667
July 1, 2020 – June 30, 2021	1,637,379	2,206,973
July 1, 2021 – June 30, 2022	2,864,858	2,639,443
July 1, 2022 – June 30, 2023	2,613,945	1,243,678 <sup>R</sup>
<b>Total Paid to BOSS Inc./LLC</b>		<b>\$6,766,761</b>

The Foundation's board president told us he was aware that BOSS LLC and CSUSA were related parties but confirmed the board never voted to approve BOSS LLC as a vendor. Additionally, no contract existed between the Foundation and BOSS LLC to authorize BOSS LLC's role to operate as a vendor until July 2023.

Interviews with board members further revealed gaps in awareness and oversight. Two former board members and one current board member told us they were unfamiliar with BOSS LLC, and two current board members told us they were unaware of the physical locations of ICA's learning pods. There is no record of any discussion or approval concerning the payment rate per student that ICA paid to BOSS LLC for students enrolled at learning pod locations before the contract in July 2023. Furthermore, board minutes show the board neither discussed, nor voted on off-site learning pod locations.

Since no contract existed to define the scope of services, payment terms, performance expectation, or per student rate until July 2023, the Foundation lacked a basis to determine whether BOSS LLC was adequately performing its duties or whether the amounts invoiced and paid were reasonable or appropriate. This absence of formal approval, documentation, and board oversight raises significant concerns about governance, internal controls, and fiscal accountability.

CSUSA-FL's Superintendent told us that the per student rate BOSS LLC charged ICA was based on the approximate cost to operate as a learning pod. However, the invoices submitted by BOSS LLC to ICA did not include any documentation or breakdown of those costs, making it impossible to verify the accuracy or reasonableness of the rate. According to CSUSA-FL's SFD, the initial per student rate charged by BOSS LLC in its first year was \$8,000, with an annual increase of 2%.

Invoice processing and accounting for both CSUSA-ICA and BOSS LLC are conducted at their shared headquarters in Fort Lauderdale, Florida. ICA paid BOSS LLC \$6,766,761 between March 2020 and April 2023. BOSS LLC invoiced ICA monthly with a description of services as "state capitation" for operating learning

<sup>Q</sup> Blended & Online School Solutions began operations in 2019 as "Blended & Online School Solutions, Inc.," a not-for-profit. CSUSA-FL purchased BOSS Inc.'s assets in 2021, then created "Blended & Online School Solutions, LLC of Florida," a Florida limited liability company, and transferred the assets to it in 2021. The CSUSA-FL CEO signed the nonprofit's March 2020 annual report, indicating he was involved with BOSS, Inc. before it was sold to a for-profit company.

<sup>R</sup> Financial documents for ICA, BOSS Inc., and BOSS LLC were provided up until April 28, 2023.



Pods. However, none of the invoices contained itemized details such as payroll, rent, or curriculum cost.

The BOSS LLC invoices ICA paid are inconsistent in their format and lacking in detail. Of the 48 BOSS LLC invoices paid by ICA, 44 do not contain a “per student” rate or number of students. All 48 invoices did not identify which learning pods the ICA students attended. The monthly invoices (each in excess of \$90,000 a month) contained only a single line item labeled “state capitation,” with no breakdown of services or associated costs. In 22 instances, the BOSS LLC invoices listed the “quantity” of students as “1.” In 32 instances, the invoice listed BOSS LLC’s address as “Baton Rouge FL,” a nonexistent location (see Attachment A on page 37).

CSUSA-FL’s Chief Financial Officer (CFO) told us he was uncertain who prepares BOSS LLC invoices. He was also unable to tell us who was responsible for approving the invoices, but stated it was “probably...the people at the state team” in Louisiana. In contrast, CSUSA-FL’s SFD stated that BOSS LLC’s accounting and invoicing are handled by someone at CSUSA’s corporate office in Fort Lauderdale, Florida, and that all BOSS LLC invoices were approved by ICA’s principal. The SFD further explained that the accountants in BOSS LLC’s Baton Rouge office are considered “school-based accountants” and are not involved in the preparation or processing of BOSS LLC’s invoices.

We interviewed two former ICA principals to understand the invoicing and oversight process related to BOSS LLC.<sup>5</sup> One former principal stated that she never saw any BOSS LLC invoices and that BOSS LLC-related expenses were not sent to ICA for review and approval. She further noted that she was unaware that ICA had learning pods until a recent news article on ICA, which confirm her lack of involvement with ICA learning pods.

The second former principal told us that he may have approved some BOSS LLC invoices but did not recall approving BOSS LLC invoices on a monthly basis. He also stated that, to his knowledge, ICA paid BOSS LLC a flat fee for its services, but was unable to provide further details regarding the rate structure or approval process.

Both former ICA principal’s statements contradict CSUSA-FL’s claim that ICA principals approved all BOSS LLC invoices and further underscore the lack of transparency, documentation, and clarity surrounding the financial and operational relationship between ICA and BOSS LLC. The lack of transparency and supporting documentation also limits the Foundation’s ability to evaluate whether the amounts paid to BOSS LLC were reasonable, contractually justified, or aligned with actual service delivery costs.

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<sup>5</sup> One of the former ICA principals worked at the school from December 2016 through January 2021. Another former ICA principal worked at the school from 2022 – 2023.

*Other Related Parties*

ICA paid a total of \$195,204 without written contracts to the following four companies affiliated with CSUSA-ICA between June 2019 to April 2023<sup>T</sup>:

- 10Jin,
- Noble Education Initiative<sup>U</sup>,
- Altitude Education USA, LLC, and
- Red Apple Services, LLC.

Most invoices associated with these payments lacked sufficient detail to determine the nature of the goods and/or services provided. Eleven of 59 10Jin invoices had a one-line item description with either a month or year and "PROF SVC" with no additional information (see Attachment B on page 38).

CSUSA-ICA, serving as the ICA's management organization, paid a total of \$6,961,965 to related-party vendors between June 26, 2019 and April 28, 2023, without written contracts, adequate supporting documentation, or Foundation board approval. In the absence of written agreements, the Foundation cannot determine if the rates paid were reasonable, competitive, or reflective of arms-length transactions.<sup>V</sup>

Neither CSUSA-FL, CSUSA-ICA, nor the Foundation disclosed these related-party relationships or the associated financial transactions in their audited financial statements for the fiscal years ended June 30, 2019 to June 30, 2021, as required by GAAP and the FASB.<sup>8</sup>

The absence of written agreements, detailed invoices, board oversight, and proper financial disclosures significantly undermines the Foundation's ability to demonstrate fiscal accountability, ensure transparency, and comply with public fund stewardship obligations.

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<sup>T</sup> CSUSA-FL's CFO told us that CSUSA-FL's CEO owns 10Jin; Altitude Education USA, LLC; and Red Apple Services.

<sup>U</sup> The wife of CSUSA-FL's CEO is the founder and CEO of Noble Education Initiative. CSUSA-FL's attorney also told us that the CSUSA-FL's CEO's wife is also on Noble Education Initiative's board of directors.

<sup>V</sup> U.S. GAAP Accounting Standards Codification 850-10-50-5 states that transactions involving related parties cannot be presumed to be carried out on an arm's length basis. An arm's length transaction is a transaction between unrelated parties where each party acts independently and in their own best interests.



### **Improper Operation of Charter School Off-Site Locations**

**Blended & Online School Solutions, LLC opened two off-site locations to operate as learning pods without complying with the requirements of state law and the applicable Louisiana Board of Elementary and Secondary Education (BESE) bulletin governing the establishment of learning pods. These locations operated independently from the Iberville Charter Academy (ICA) campus in Plaquemine and did not utilize the same curriculum or instructional staff used by ICA.**

The statutory authority to operate learning pods was not established until June 2021 with the enactment of La. R.S. 17:4036.1, and the regulatory process was not formalized until BESE's addition of learning pods to Bulletin 126 in April 2023. These provisions collectively set forth the conditions under which learning pods could be lawfully created and operated by Type 2, 4, and 5 charter schools. The existence of learning pods prior to this legal framework indicates that they were established without the authority granted by state law or regulation.

Beginning June 16, 2021, state law<sup>5</sup> authorized public school governing authorities to establish learning pods as an extension of any school under its jurisdiction, subject to the following:

- (1) small instructional groups of at least 10 students;
- (2) students may be assigned to learning pods only at the request of a parent or with parental authorization following a school official's recommendation; and
- (3) all instruction must be provided by teachers on the staff of the school.

In addition, the Louisiana Department of Education (LDE) Assistant Superintendent of the Office of School Choice told us that learning pods must use the same curriculum as the school, and teachers must be employed by the school.

BESE<sup>W</sup> adopted additional regulatory guidance<sup>X</sup> in April 2023 through Bulletin 126, establishing the formal process by which a charter school may open a learning pod. Under this guidance, any public school seeking to operate a learning pod must submit written notice to LDE prior to the scheduled opening date of the learning pod and complete a pre-opening checklist before students can enter the designated learning pod location.

Although no legal requirement of notification existed at the time, Charter Schools USA at Iberville, LLC (CSUSA-ICA) did not notify the LDE in 2019, 2020, or

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<sup>W</sup> BESE was established by the Louisiana Constitution with the responsibility for governing all Louisiana public elementary schools, public secondary schools, and educational units in the state's correctional institutions and mental facilities.

<sup>X</sup> BESE Bulletin 126 applies to charter school types 2, 4, and 5.

2021 when students began attending school at off-site locations (learning pods), rather than ICA's main campus in Plaquemine. It was not until early 2023, in response to an LDE learning pod survey, that CSUSA-ICA disclosed three learning pods: IBER Flexible Learning (eLearning Academy),<sup>Y</sup> Red Stick Academy (RSA), and Sugarcane Learning Academy (Sugarcane). Blended and Online Schools Solutions (BOSS LLC) also operated an off-site location in Pierre Part with students that were included in ICA's student count; however, the Pierre Part location was not disclosed to LDE on the 2023 survey.

Following BESE's April 2023 revision to Bulletin 126, LDE received two undated learning pod pre-opening checklists from ICA — one for RSA and one for Sugarcane. RSA's checklist identified its main campus in Baton Rouge but did not disclose a location in Pierre Part or three service sites operated by eLearning, a private school contracted by BOSS LLC to deliver blended instruction (on-site and online) to RSA students.

BOSS LLC's VP initially described the Pierre Part location as an "extension" but subsequently referred to it as a "testing site" in a later interview. According to LDE, a "testing site" is defined as a location used solely for periodic student assessments and testing, and students should not attend class at such locations.

Charter Schools USA, Inc.'s (CSUSA-FL's) Louisiana State Superintendent (CSUSA-FL Superintendent) told us that CSUSA did not seek approval from, or notify, LDE that the ICA students were enrolled at locations other than the main school campus in Plaquemine that was approved in the charter agreement with BESE. He stated that when RSA and Sugarcane were opened, no notification requirements existed, and that pod law did not need to exist for charter schools to open pods. He said he met with the former Louisiana Superintendent of Education and that CSUSA participated in quarterly meetings with an LDE group to address Diversity, Equity, and Inclusion that allowed him to also have conversations regarding learning pods. He further asserted that he spoke to the current LDE Chief of Staff almost every day on the way to and from work and that they (LDE) knew everything CSUSA-FL and BOSS LLC were doing. He also claimed there were no requirements to notify BESE or LDE since no learning pod rules existed, and LDE told him they did not have the authority to make rules or authority over learning pods.

In contrast, the current LDE Chief of Staff told us that he was not involved in matters relating to learning pods, did not discuss opening learning pods with the CSUSA Superintendent, and did not provide any counsel regarding their operation.

CSUSA-ICA, BOSS LLC, and the Foundation signed an undated agreement, effective July 1, 2023, in which CSUSA-ICA engaged BOSS LLC to provide educational support services to establish and operate learning pods. The agreement identified two learning pods by name: RSA in Baton Rouge and Sugarcane in

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<sup>Y</sup> "IBER Flexible Learning" lists three locations: Thibodaux, Houma, and Metairie. The addresses provided on the survey are the same as eLearning's locations.

Prairieville. However, the contract made no reference to eLearning Academy (eLearning) or Pierre Part Christian Church (PPCC), both of which had started operating as learning pods before July 1, 2023.

Through a review of ICA records, interviews with CSUSA-ICA, CSUSA-FL, and BOSS LLC staff, and complaints received related to ICA's pod operations, we identified the following ICA learning pods between February 2019 and April 2023:

<b>ICA Learning PODS</b>			
<b>School Years in Operation</b>	<b>Learning Pod / Location</b>	<b>Curriculum</b>	<b>At Least 10 Students</b>
2019 – 2020 2020 – 2021 2021 – 2022 2022 – 2023 2023 – 2024	eLearning Academy (private school) Houma, Thibodaux, and Metairie, LA	eLearning proprietary curriculum	Yes
2020 – 2021	Little Prairie Learning (later Red Stick Academy) Baton Rouge, LA	Curriculum purchased by site leader	Yes
2021 – 2022 2022 – 2023 2023 – 2024	Red Stick Academy (formerly Little Prairie Learning) Baton Rouge, LA	ICA curriculum	Yes
2022 – 2023 <sup>Z</sup> 2023 – 2024	Sugarcane Learning Academy (formerly Sweet Magnolia Learning Pod) Gonzales, LA	ICA curriculum	Yes
2021 – 2022 2022 – 2023 <sup>Z</sup>	Sweet Magnolia Learning Pod (name change in 2023 to Sugarcane Learning Academy) Prairieville, LA	Prenda curriculum	Yes
2020 – 2021 2021 – 2022 2022 – 2023 <sup>AA</sup>	New Beginning Christian Academy (NBCA) (private school) Lafayette, LA	NBCA curriculum	Yes
2020 – 2021 2021 – 2022 2022 – 2023 2023 – 2024	Pierre Part Christian Church Pierre Part, LA	Common Core Aligned and Florida Virtual curriculum	No

<sup>Z</sup> Sweet Magnolia Learning Pod transitioned into Sugarcane Learning Academy in February 2023.

<sup>AA</sup> BOSS Inc. and NBCA ended their partnership in December 2022; however, BOSS Inc. continued to pay NCBA through the end of the 2022 – 2023 school year.

*Little Prairie Learning/Red Stick Academy*

Little Prairie Learning, LLC (LPL) contracted with BOSS Inc. in August 2020 and began operating a learning pod with 32 students in the 2020–2021 school year. According to LPL’s site leader, she implemented a homeschool curriculum<sup>BB</sup> by purchasing and developing the curriculum despite having access to a curriculum purchased by BOSS Inc.

LPL was rebranded as Red Stick Academy (RSA) in the 2021–2022 school year. ICA’s principal informed us that RSA uses the same curriculum as the main ICA campus, and RSA’s site leader confirmed instruction is delivered on-site at RSA. BOSS LCC’s VP told us that RSA staff are employed by BOSS LLC.

RSA’s pre-opening checklist, submitted to LDE, indicated that students would receive instruction in-person at its Baton Rouge location, hybrid, and fully online beginning August 2023. However, LDE’s list of learning pods for the 2023–2024 school year reflected not only the Baton Rouge site, but also three additional virtual service sites located in Houma, Thibodaux, and Metairie were not disclosed on RSA’s pre-opening checklist. These three sites are owned and operated by eLearning and are discussed below. In addition, a fifth RSA location in Pierre Part was neither submitted to LDE on the pre-opening checklist nor included on LDE’s list of learning pods for the 2023–2024 school year. The Pierre Part site is discussed later in this finding.

*eLearning Academy*

eLearning<sup>CC</sup> began enrolling ICA students through a contract with BOSS Inc. beginning in the 2019–2020 school year. Under this arrangement, ICA students attended school at an eLearning location between one and three times per week, receiving four-hour sessions of on-site instruction. Students were offered either a morning session (8:30 a.m. through 12:00 p.m.) or an afternoon session (12:30 p.m. through 4:30 p.m.). For the remainder of the week, students participated in virtual instruction.

According to LDE’s records, the eLearning locations in Houma, Thibodaux, and Metairie are noted as virtual modalities of RSA, one of ICA’s two current learning pods. However, neither CSUSA-ICA nor BOSS Inc. disclosed to LDE that eLearning is a private school, or that students were attending on-site classes at those locations for part of the week. The Assistant Superintendent of LDE’s Office of School Choice told us that students included in the student count at public schools are not allowed to enroll at a private school.

LDE’s 2023–2024 list of learning pods identified three eLearning locations as “service sites” of RSA. The owners of eLearning told us students attending

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<sup>BB</sup> LPL’s site leader purchased Saxon Math, Saxon Grammar, History of the World, Middle School MBA, and other curriculums for her students.

<sup>CC</sup> LDE’s list of learning pods for the 2023–2024 school year shows three eLearning locations (Metairie, Houma, and Thibodaux) as virtual service sites of RSA students.

eLearning were taught using eLearning's proprietary curriculum, which combined on-site instruction delivered by eLearning staff with virtual asynchronous<sup>DD</sup> learning.

### *Pierre Part Christian Church*

Pierre Part Christian Church (PPCC) has a private school located on its campus in Pierre Part that began enrolling RSA students in August 2020 after an oral agreement with BOSS Inc. The site leader received a monthly stipend ranging from \$1,000 to \$1,500 for all students, but there was no contract in place for the use of the church facility, where students received daily virtual instruction.

Since there was no written contract between PPCC and BOSS Inc., no audit clause existed, and we were unable to audit PPCC's records. Further, since PPCC is treated as a vendor and the location was not disclosed to the Foundation's auditors, it was not considered during the Foundation's annual audit.

CSUSA-ICA did not submit a pre-opening checklist to LDE for the PPCC site, nor was the location disclosed on RSA's pre-opening checklist. BOSS LLC's VP told us the students used some curriculum provided by BOSS Inc. and the site leader said she purchased some additional curriculum herself. As a result, PPCC students did not receive the same instructional content as other RSA students, raising questions about curriculum consistency and compliance with applicable charter school standards.

State law<sup>5</sup> also requires that learning pods have at least 10 students; however, the site leader told us PPCC has never enrolled at least 10 students at any time. BOSS LLC's VP told us that PPCC was not considered a "learning pod" since the learning pods are required to have 10 or more students and described PPCC as an "extension."

In a subsequent interview, he said PPCC was a "testing site," further noting that families voluntarily chose to attend at PPCC. His answers raise concerns about compliance with state law<sup>5</sup> and BESE Bulletin 126.

LDE's Assistant Superintendent of the Office of the School Choice told us she was not familiar with the concept of a "pod extension." Regarding the arrangement with PPCC, she said in addition to the 10-student minimum, "This is permissible if the following are true:

- (1) The Pierre Part location has been listed as a pod location in the Learning Pod Pre-Opening Checklist<sup>EE</sup>

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<sup>DD</sup> Asynchronous instruction is an instruction method where students access course materials at their leisure and learn at their own pace.

<sup>EE</sup> Pierre Part was not listed in Red Stick Academy's pre-opening checklist.

- (2) Parents have requested and signed the students up for the learning pod.
- (3) The site leader is employed by ICA.”

In addition, LDE clarified that a testing site is a location where students may go only for periodic testing, but not for daily classroom instruction.

#### *Sweet Magnolia Learning Pod / Sugarcane Learning Academy*

BOSS Inc. contracted with Prenda, Inc. (Prenda) in 2021 to operate Sweet Magnolia Learning Pod (Sweet Magnolia), a microschool.<sup>FF</sup> Under the terms of the contract, each student was to participate in Prenda’s Empowered Learning Program and receive educational instruction using Prenda’s curriculum. Sweet Magnolia students received instruction from a Prenda employee, and the students were counted as part of ICA for purposes of receiving MFP funding.

Sweet Magnolia was opened after the pod law took effect but before BESE adopted rules requiring charter schools to submit written notice, a pre-opening checklist, and obtaining LDE approval to operate a learning pod. Neither CSUSA-ICA nor BOSS LLC notified LDE of the pod’s existence. The Sweet Magnolia site leader was not employed by BOSS LLC but was instead a Prenda employee. Despite attempts to contact her, she did not respond to our requests to meet, and we were unable to review any records related to the pod’s operations.

Sweet Magnolia transitioned into Sugarcane and moved from Gonzales to Prairieville in February 2023. Sugarcane’s teachers and staff are BOSS LLC employees. According to ICA’s principal, Sugarcane follows the same curriculum as ICA with onsite instruction.

#### *New Beginning Christian Academy*

Beginning with the 2020-2021 school year, BOSS Inc. began enrolling students at New Beginning Christian Academy (NBCA), a private school, in Breaux Bridge prior to the enactment of the pod law. The relationship between BOSS Inc. and NBCA continued after the law came into effect. According to the contract between the two entities, both parties agreed to “cooperate towards developing a rigorous, grade-level curriculum, with benchmark and practice test performance standards, in support of a virtual and blended education for students participating in the BOSS Program.” The contract also required NBCA to provide educational services for BOSS Inc. students. BOSS LLC’s VP told us that BOSS LLC assigned one of its employees to act as a liaison to the site, providing mediation, tutoring, and instructional support for NBCA staff.

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<sup>FF</sup> Prenda’s website states that a microschool must have no less than five students and no more than 10 students.

The relationship concluded prior to the implementation of Bulletin 126, which required charter schools to submit written notice and a learning pod pre-opening checklist to LDE. However, at no time did BOSS LLC or CSUSA-ICA inform LDE of its intent to operate NBCA as a learning pod, nor was a pre-opening checklist submitted. NBCA's operation as a pod was discovered by LDE's independent consultant during the audit of ICA's learning pods. We emailed the administrator listed on the contract between NBCA and BOSS Inc., but he was no longer employed at the NBCA and now resided out of state. NBCA did not respond to our attempts to discuss their operations, and we were unable to review any records related to the pod's operations.

### **Learning Pods Charged Fees to Students**

**Three of Iberville Charter Academy's (ICA's) learning pods collected \$511,538 from the parents of enrolled students between February 2019 and April 2023. Records from these pods described the payments as "program fees," "registration fees," "technology fees," and "tuition." The collection of those fees may violate state law<sup>10</sup> and the Foundation's charter contract with BESE, as charter schools are public schools and are prohibited from charging certain fees to students.**

Charter schools are independent public schools that provide elementary and/or secondary education. State law<sup>10</sup> prohibits charter schools from charging any pupil tuition or an attendance fee of any kind. Additionally, Louisiana Board of Elementary and Secondary Education (BESE) Bulletin 126, which governs charter schools authorized by BESE, reinforces the requirement by stating: "a charter school shall not charge any student any tuition or an attendance fee of any kind."

The charter contracts in effect from July 1, 2014 through June 30, 2025, between the Foundation and BESE state: "The Charter Operator shall not charge any student tuition, an attendance fee, or a fine of any kind. Any other fee shall be subject to a waiver process that considers individual family circumstances. The Charter Operator shall not condition the enrollment, registration, earning of credit, or receipt of grades of any student on the payment or nonpayment of fees."

As noted in the first finding, Blended & Online School Solutions, LLC of Florida (BOSS LLC), a related party to Charter Schools USA at Iberville, LLC (CSUSA-ICA), enrolled ICA students at five learning pods or private schools between February 2019 and April 2023. The five locations were: eLearning Academy, Red Stick Academy (formerly Little Prairie Learning), Sugarcane Learning Academy (formerly Sweet Magnolia), New Beginning Christian Academy, and Pierre Part Christian School.



*eLearning Academy*

eLearning Academy (eLearning) is a private school with locations across Louisiana<sup>GG</sup> that offer onsite, online, and blended learning options. In addition to serving its own student body, eLearning also provides curriculum and other services to private, public, and home schools.

BOSS Inc. entered into a one-year contract with eLearning on April 1, 2019, for the delivery of services and curriculum to ICA students enrolled at eLearning.<sup>HH</sup> eLearning was also responsible for providing a physical location and trained proctors to support testing and blended learning of ICA students enrolled at eLearning.<sup>II</sup>

The program provided a minimum of one four-hour day<sup>JJ</sup> of onsite instruction per week<sup>KK</sup> for \$2,625 per student for each school year. For the rest of the week, students were off-site and used an online curriculum to complete their coursework. In addition, parents could also pay eLearning directly for additional hours outside of the maximum three four-hour days of service per week offered by the BOSS Inc. partnership.

eLearning and BOSS Inc. entered into a new one-year contract on July 1, 2020, that increased the minimum per-student payment from \$2,625 to \$3,000<sup>LL</sup> per school year, with BOSS Inc. paying eLearning up to \$3,700 per student. According to eLearning management, they later reached a verbal agreement with BOSS Inc. to continue operations beyond the contract period. However, beginning with the 2023-2024 school year, services for pod students transitioned to a fully-virtual model. In addition to receiving between \$2,625 and \$3,700 in MFP funds per charter school student from BOSS Inc., eLearning also charged parents a registration fee<sup>MM</sup> ranging between \$125 and \$275.

Neither of the contracts between eLearning and BOSS Inc. included an annual audit requirement or granted the Louisiana Department of Education (LDE) or the Louisiana Legislative Auditor (LLA) access to eLearning's records, even though eLearning was paid to educate public school students. In addition, the

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<sup>GG</sup> eLearning has locations in Thibodaux, Houma, Baton Rouge, and Metairie (called the eLearning New Orleans location), as well as relationships with affiliate learning pods in Golden Meadow, Breaux Bridge, and a virtual learning pod servicing the Lafayette/Morgan City area.

<sup>HH</sup> ICA students enrolled at eLearning locations in Houma, Thibodaux, Golden Meadow, and Metairie (called the eLearning New Orleans location).

<sup>II</sup> The agreement also required eLearning to provide space for testing up to 35 non-eLearning students at their normal building rental rate.

<sup>JJ</sup> The program provided a maximum of three four-hour days of onsite instruction per week.

<sup>KK</sup> BOSS Inc. paid eLearning for ICA students to take up to six courses. Parents can pay for additional courses and services in addition to the six courses offered through BOSS Inc.

<sup>LL</sup> BOSS Inc. paid eLearning \$300 per month for students attending three or more four-hour sessions per week. eLearning received \$370 per month for K-8 students attending two four-hour sessions per week.

<sup>MM</sup> eLearning's registration fee varied depending on when a student registered and if the student was a new or returning student.



contracts did not require record retention in accordance with state law,<sup>11</sup> nor did they prohibit eLearning from charging fees to enrolled ICA students.

Since the contracts lacked an audit clause, we were unable to audit eLearning's records. However, eLearning voluntarily provided documentation indicating it collected \$119,375 in registration fees from ICA students between July 2019 and March 2023. Further, since eLearning was treated as a vendor, their records were not considered during the Foundation's annual audit.

eLearning management told us that they charge a registration fee<sup>NN</sup> for all students at the beginning of the school year. They also told us they never received any complaints from parents regarding these fees. In addition, eLearning management noted the school has a foundation that assists families who are unable to afford the fees, allowing those costs to be covered when necessary.

BOSS LLC's VP told us he became aware eLearning was charging fees to ICA charter school students only after the audit initiated by LDE. He stated eLearning stopped charging registration fees after it was brought to his attention.

#### *Little Prairie Learning/Red Stick Academy*

Little Prairie Learning, LLC (LPL) began operations during the 2020-2021 school year at the Parkview Baptist Church facilities in Baton Rouge when public schools were closed due to the COVID-19 pandemic. The school leader opened LPL following the closure of Runnels School, a private school in Baton Rouge, in May 2020. LPL entered into a one-year contract with BOSS Inc. on August 21, 2020, where LPL would provide instructional services, curriculum, a physical location, and trained proctors to support testing and blended learning for LPL students.

The contract between LPL and BOSS Inc. did not contain an audit clause to allow LLA to audit records. In addition, the contract lacked provisions regarding records retention, ownership of records, and fee restrictions. Since LPL was treated as a vendor, their records were not considered during the Foundation's annual audit.

The LPL school leader told us BOSS Inc. paid \$2,500 per student per year for each student she enrolled in what was referred to as a "charter seat." These students were reported as enrolled at ICA but physically attended classes at LPL.

In addition to the per-student funding provided by BOSS Inc., each student's parents were asked to pay a \$2,500 activity fee for to support enrichment activity (i.e. art). According to LPL's site leader, some parents paid the activity fee, and some did not.

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<sup>NN</sup> eLearning's registration fee includes a technology fee, an enrichment fee, a supplies fee, and a science fee. The total registration fee depends on whether the student is new or returning and is reduced for early registration.

Since the contract between BOSS Inc. and LPL did not include an audit clause, we were unable to access LPL's financial records. However, LPL voluntarily provided us with a list of payments made by parents and some supporting bank records, which showed that parents paid \$13,868 in fees between January and May 2021. LPL ceased operations in May 2021.

Red Apple at Jefferson LA, LLC (Red Apple), another CSUSA-related party,<sup>OO</sup> purchased the former Runnels School located on Jefferson Highway in Baton Rouge on June 24, 2021. Red Apple then leased the facility to BOSS LLC for the operation of Red Stick Academy (RSA) as a learning pod of ICA for the 2021-2022 school year. Students previously attending LPL at Parkview Baptist Church transitioned to this new location.

RSA records indicate that parents were charged a \$3,500 "program fee/supplemental fee" and a \$200 "registration/technology" fee per student. In total, records show BOSS LLC collected \$378,295 from RSA parents between June 2021 and December 2022.

CSUSA-FL's Superintendent and BOSS LLC's VP told us that the \$3,500 "program fee" charged to parents was intended to cover before- and after-school care<sup>PP</sup> as well as an optional Strings class.<sup>QQ</sup> He said the \$200 fee was a technology fee.<sup>RR</sup> However, parents provided conflicting accounts: some reported that before- and after-school care was an additional fee, while others were not charged an additional fee. An RSA flyer for that school year advertises that before- and after-school care services were an additional \$20 per week, further indicating inconsistency in how these fees were communicated or applied (see Attachment C on page 39).

CSUSA-FL's Superintendent explained that many parents had previously enrolled their children at Runnels and "probably wrote tuition [on their checks] because they were all used to paying three times or five times that amount of money." He also told us many parents wanted supplemental services such as Strings and before and after school programs, and that they preferred the convenience of paying a one-time fee for those services.

According to the CSUSA-FL Superintendent, those fees were optional, as fewer than half of the parents paid them. He emphasized that the additional services requested by parents required extra funding, but parents who did not wish to participate were not obligated to pay.

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<sup>OO</sup> Red Apple Development LLC designs and builds charter school facilities. The President of CSUSA-FL is the founder of Red Apple Development LLC, the authorized manager of Red Apple at Jefferson LA, LLC.

<sup>PP</sup> CSUSA-FL's Louisiana State Superintendent and BOSS LLC's Vice President both told us parents paid \$3,500 whether or not they wanted before and after school care.

<sup>QQ</sup> "Strings" was a violin and cello program for RSA students taught by Grace Notes School of Music.

<sup>RR</sup> BOSS LLC's Vice President told us the technology fee paid for a Chromebook for each student.

The Strings class offered at RSA was conducted during the school day. CSUSA-FL's Superintendent told us that, due to the nature of the blended learning model used at RSA, there were no fixed school hours and, therefore, it was acceptable for Strings to be optional and offered during the school day. He further explained that the class was not considered part of the required instructional hours. However, the parents of six students told us that the Strings class was mandatory, and that no alternative option was offered. A former RSA employee corroborated this, stating that there was no other elective offering available, and that teachers had no designated space to put students who did not pay or did not wish to participate in the Strings class.

Two parents told us that they did not receive a receipt for their payments to BOSS LLC. Additionally, two other parents told us that when RSA first opened, the administration would not provide paper invoices to parents. RSA began sending invoices and tracking payments through QuickBooks in June 2022. For payments made prior to June 2022, we relied on receipts, bank statements, and deposit information provided by BOSS LLC in order to determine amounts paid by parents. Further, since BOSS LLC is treated as a vendor, their records were not considered during the Foundation's annual audit.

A parent of a former RSA student provided us with an email received from RSA in July 2022 asking for a \$200 registration fee to secure their child's enrollment at RSA (see Attachment D on page 40). Additionally, a letter sent to parents by RSA Administration for the 2022-2023 school year stated that a \$200 registration fee was required for students, regardless of whether they selected the on-campus or off-campus learning model (see Attachment E on page 41).

### *Sweet Magnolia Learning Pod*

Prenda, Inc. (Prenda) is a private educational provider that partners with charter schools, school districts, and philanthropic organization to operate and manage microschools.<sup>FF</sup> Prenda entered into a service agreement on March 5, 2021, with BOSS Inc. to operate a learning pod using Prenda's curriculum, and staff. BOSS Inc. paid Prenda \$5,000 per student per school year.

Although the pod was operated independently by Prenda — using its own curriculum and staff — the students were counted as ICA students, and ICA received additional MFP funding. We left voicemails for the former site leader, a former Prenda employee, and spoke to her mother, but she did not respond to our calls or schedule a meeting with us.

The contract between Prenda and BOSS Inc. required BOSS Inc. to maintain complete and accurate books and records and to comply with any request for records made by Prenda. However, the contract did not include an audit clause granting LLA access to school records, nor did it address records retention or ownership of records. As a result, the records related to this learning pod were not considered in the Foundation's annual audit, and we were unable to review them.

In addition, the contract did not include provisions relating to Sweet Magnolia collecting tuition. However, a parent of a former Sweet Magnolia student provided us with copies of invoices showing she paid tuition to Sweet Magnolia (see Attachment F on page 42).

CSUSA-FL's attorney informed us that BOSS Inc. received a complaint in May 2022 alleging a student was charged tuition at Sweet Magnolia. The complaint was escalated to CSUSA-FL's Superintendent and Prenda management. According to the attorney, Prenda management told the CSUSA-FL Superintendent that Sweet Magnolia was not allowed to charge tuition, and the money was refunded to the parent. The attorney also said that CSUSA received no other complaints regarding tuition.

CSUSA-FL's Superintendent told us the relationship with Prenda was terminated due to the former site leader's unauthorized collection of tuition. However, because there was no audit clause in the contract between BOSS Inc. and Prenda, we were unable to review the school's records to determine whether other student fees were collected.

#### *New Beginning Christian Academy*

New Beginning Christian Academy (NBCA) and BOSS Inc. entered into an agreement on September 16, 2020, for NBCA to provide educational services (a learning pod) in Breaux Bridge to ICA students. Under the agreement, BOSS Inc. paid NBCA \$250 per month for each student enrolled in the BOSS Inc. program. These students were counted as ICA students for purposes of attendance reporting and MFP funding.

The agreement also included a provision that stated, beginning January 1, 2021, the parties would assess student performance and available resources to determine whether to increase the payment from \$250 to \$300 per student per month. However, records indicate that BOSS Inc. continued paying \$250 per month per enrolled student through May 2023.

The contract between NBCA and BOSS Inc. did not include a clause granting LLA the authority to audit NBCA's records. In addition, the contract lacked provisions requiring compliance with state recordkeeping laws, including records retention and ownership of records. As a result, those records were not considered during the Foundation's annual audit. Furthermore, the contract did not include provisions prohibiting the collection of fees from students, resulting in the possibility that such fees could be charged without oversight.

The NBCA board notified BOSS LLC's VP of their decision to end the partnership on December 19, 2022. The BOSS LLC VP offered students the opportunity to continue enrollment as ICA students, but none chose to stay.

Despite the termination notice, BOSS Inc. honored the agreement with NBCA and continued to pay the school until April 2023.<sup>SS</sup>

BOSS LLC's VP told us he was unaware of NBCA charging unauthorized fees to students. However, he acknowledged that the school did collect fees for a Bible study program. We called and emailed NBCA to schedule an interview, but did not receive a response.

### *Fees Collected*

Revenue collected from registration and tuition paid by parents was not included in ICA's budget or financial statements, as the fees were paid directly to BOSS LLC, eLearning, LPL, or Sweet Magnolia. The registration fees and tuition collected were neither deposited nor transferred into ICA's bank accounts.

The Foundation's board president told us he did not recall voting to approve the collection of fees from parents and acknowledged that the Foundation's board should have adopted a resolution authorizing any student fees to be charged or collected. The Foundation's board meeting minutes revealed no discussion or vote authorizing ICA learning pods to collect fees.

Since the subcontracts between BOSS and the pod operators did not include an audit clause, we did not receive all the records from the pod operators and could not determine the extent of fees collected from students and their purpose. As a result, we relied on information voluntarily provided by eLearning, LPL, and BOSS LLC.

Based on records provided to us, eLearning Academy, Little Prairie Learning, and Red Stick Academy collectively received \$511,538 in student fees from ICA students between February 3, 2019 and April 17, 2023. The collection of these fees, summarized in the following table, may violate state law<sup>10</sup> and the charter contract between the Foundation and BESE.

<b>Off-Site Location</b>	<b>Total fees collected between February 3, 2019 to April 17, 2023</b>
eLearning Academy	\$119,375
Little Prairie Learning	13,868
Red Stick Academy	378,295
<b>Total Fees</b>	<b>\$511,538</b>

<sup>SS</sup> The final payment to NBCA was payment for students enrolled until May 2023.

### **Related Party Leases of Iberville Charter Academy and Learning Pod Facilities**

**The Foundation leased its school facility from a related party of its charter management organization but does not have documentation demonstrating the lease represented fair market value. Over the 20-year lease term, total lease payments will exceed the cost of the property by \$13,897,828. Blended & Online School Solutions, LLC (BOSS LLC) is also leasing two additional facilities from related parties for the operation of learning pods. These related-party lease arrangements raise concerns regarding transparency, lease payments exceeding the fair market value of the leased property, and compliance with state requirements<sup>12,13</sup> for prudent use of public funds.**

The Foundation does not own any real property and leases the Iberville Charter Academy (ICA) building in Plaquemine from Red Apple at Iberville, LLC (Red Apple at Iberville), a related party of its charter management organization, Charter Schools USA at Iberville, LLC (CSUSA-ICA), to conduct a K-8 charter school. Blended and Online Learning Solutions, LLC (BOSS LLC), an affiliate of CSUSA-ICA and Charter Schools USA, Inc. (CSUSA-FL), also leased properties to operate learning pods in Baton Rouge (2021) from Red Apple at Jefferson LA, LLC (a related party of CSUSA-ICA and CSUSA-FL) in Prairieville from a church where the pastor is the father of the CSUSA-FL Superintendent.

#### *Iberville Charter Academy Lease*

The Foundation entered into a lease agreement with Ryan Companies US, Inc. (Ryan Companies) for the ICA facility located in Plaquemine on December 30, 2013. On December 5, 2014, Ryan Companies assigned Red Apple at Iberville all rights, titles, and interests in the lease. CSUSA-FL's CEO signed the Assignment and Assumption Agreement as the President of Red Apple at Iberville, indicating the CEO of the Foundation's management organization is now also the Foundation's landlord.<sup>TT</sup>

According to Iberville Parish Assessor records, Ryan Companies sold both the real estate and building to Red Apple at Iberville for \$9,455,625 in December 2014.

The 20-year lease agreement between Red Apple at Iberville and the Foundation requires the Foundation to pay annual rent beginning at \$661,894, increasing 57.3% in year two, and 1.5% each year afterward, until the end of the lease term. The Foundation's lease does not provide ownership rights or a purchase option at the end of the 20-year lease term. In addition, the lease terms require the Foundation to pay all costs of operation, maintenance, repair, insurance, and taxes. The table below shows the annual lease payments over the life of the lease.

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<sup>TT</sup> Florida Secretary of State records show the CEO of CSUSA-FL is also the President of Red Apple at Iberville, LLC.

<b>Lease Payment Schedule for Iberville Charter Campus</b>		
<b>Lease Year</b>	<b>Monthly Rent</b>	<b>Annual Rent</b>
1	\$55,158	\$661,894
2	86,755	1,041,054
3	88,056	1,056,670
4	89,377	1,072,520
5	90,717	1,088,608
6	92,078	1,104,937
7	93,459	1,121,511
8	94,861	1,138,333
9	96,284	1,155,408
10	97,728	1,172,740
11	99,194	1,190,331
12	100,682	1,208,186
13	102,192	1,226,308
14	103,725	1,244,703
15	105,281	1,263,374
16	106,860	1,282,324
17	108,463	1,301,559
18	110,090	1,321,082
19	111,742	1,340,899
20	113,418	1,361,012
<b>Total Lease Payments over 20 Years</b>		<b>\$23,353,453</b>

We obtained a copy of an August 8, 2022, appraisal prepared for a different charter school in Louisiana. The appraisal included lease rate comparisons for four comparable charter schools in Louisiana<sup>UU</sup> and ICA. The lease rates for the four charter schools ranged from \$15.39 to \$20.65 per square foot, with the average lease rate of \$18.33 per square foot. In comparison, the Foundation's lease rate of \$27.07 per square foot is significantly higher.

The Foundation also signed a three-year lease with Red Apple at Iberville on July 1, 2016, for equipment such as laptops, smart boards, cameras, chairs, lab tables, and other classroom items. The Foundation paid \$3,095.47 per month, with possession of the equipment converting to the Foundation upon payment of a \$1.00 transfer fee.

The Foundation board's president told us the board had discussions regarding the lease payments for the ICA campus and performed a present value analysis to determine the reasonableness of the lease terms. He also stated the Foundation's

<sup>UU</sup> Two of the schools were located in Baton Rouge, one was in Shreveport, and one was in Terrytown.



Secretary -Treasurer reviewed the financial implications of leasing the ICA building and concluded that leasing the property was the best option available to the Foundation at the time.

However, the Foundation's Secretary-Treasurer told us he does not know how the lease payments were negotiated and does not recall any board deliberations regarding the lease amounts. He also told us he does not possess any documentation on how the lease payments were determined.

The Foundation's board president told us CSUSA determined the size of ICA's building based on student enrollment projections. The management agreement between CSUSA-ICA and the Foundation stipulated that CSUSA-ICA was to develop and manage ongoing recruitment of students. However, the charter contracts between the Foundation and BESE stipulated that educational services, including delivery of instruction, shall be provided at ICA in Plaquemine. The contracts did not include other locations where the Foundation and its management company could provide educational services.

<b>ICA Campus Student Count</b>		
<b>School Year</b>	<b>Students at Physical ICA Location Per CSUSA-ICA Count</b>	<b>Expected Student Enrollment Per Charter Contracts with BESE</b>
2019 - 2020	285	630
2020 - 2021	326	630
2021 - 2022	284	630
2022 - 2023	317	630

#### *Red Stick Academy Lease*

BOSS LLC entered into a lease agreement with Red Apple at Jefferson LA, LLC (Red Apple at Jefferson) on August 1, 2021, for the facility where Red Stick Academy (RSA) operates as a learning pod. This lease also reflects related-party involvement since the CEO of CSUSA-FL signed as the President of Red Apple at Jefferson, while CSUSA-FL's CFO signed the lease on behalf of Launched Ed, Inc., (BOSS LLC's parent company) in his role as Chairman.

Red Apple at Jefferson purchased the building and land used by RSA in 2021 for \$1,101,000 and then made improvements and upgrades to the campus. Under the lease agreement between Red Apple at Jefferson and Launched Ed, Inc. (BOSS LLC's parent company), Red Apple at Jefferson was entitled to receive an \$80,000 developer's fee upon lease commencement.

The initial lease terms set annual rent at \$165,000, with a 3% annual increase over 20 years. However, the lease was amended on October 27, 2021, to increase the starting rent to \$181,000 per year, with a 3% annual increase for 20 years. The total lease payments over the 20-year period will amount to



\$4,863,538. The lease was not approved by the Foundation's board, nor was it discussed in any board meeting minutes.

### *Sugarcane Learning Academy Lease*

In February 2023, Sweet Magnolia Learning Pod (Sweet Magnolia) changed its name to Sugarcane Learning Academy (Sugarcane) around the time it separated from Prenda and relocated from Gonzales to the annex building of a church. The pastor of the church is the father of CSUSA-FL's Superintendent, who also serves as BOSS LLC's Executive Director.

According to the pastor, the lease agreement set monthly rent as \$4,000 plus utilities. In addition, BOSS LLC was required to cover the costs of ceiling and roof repairs. The monthly rent was to be temporarily reduced to \$1,000 per month until BOSS LLC recouped its repair costs. However, neither the pastor nor BOSS LLC was able to provide a signed copy of the lease agreement.

BOSS LLC provided an unsigned lease agreement with the church, effective June 1, 2022, which outlined terms for operating a learning pod in the church's annex building. Under the lease, BOSS LLC agreed to pay \$1,000 per month plus utilities for a three-year term. The agreement also required BOSS LLC to cover the cost of necessary alterations, up to \$60,000, which were stated as material consideration in determining the monthly rental rate.

The unsigned lease also named the site leader of Sweet Magnolia as a permissible sub-lessee. BOSS LLC's VP provided a copy of an unsigned sub-lease of the church annex to the Sweet Magnolia site leader for \$2,500 per month. However, the sub-lease did not occur since BOSS LLC took over operation of the learning pod and renamed it to Sugarcane Learning Academy.

BOSS LLC's financial records show \$65,932 of improvements to the church annex in 2022 and an additional \$23,448 of improvements in 2024. The total cost of improvements was \$89,380, which exceeded the original amount in the unsigned lease.

CSUSA-FL's Superintendent told us he disclosed his potential conflict of interest to CSUSA-FL, as his father was the pastor of the church leasing the annex building to BOSS LLC. However, he did not notify the Foundation's board of the conflict. He also told us he was not involved in the lease negotiation, which he said was handled by a real estate broker from Red Apple Development.<sup>W</sup> In contrast, his father (the pastor) told us he had a three-way discussion with his son (CSUSA-FL's Superintendent and BOSS LLC's executive director) and Sweet Magnolia's site leader to negotiate the lease terms.

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<sup>W</sup> Records show the real estate broker is an employee of Red Apple Development, an affiliate of CSUSA-FL.

CSUSA-FL's Superintendent told us BOSS LLC funded improvements to the church facility and structured rent payments to include cost recovery. Specifically, BOSS LLC reduced the \$2,500 monthly lease payment to \$1,000 and credited \$1,500 per month to recover the amount they spent in improvement and repairs to the church annex building. Once the cost of the improvements was recovered, rent payments to the church would increase to \$2,500 per month.

The Foundation's board president told us he was not aware of the familial relationship between CSUSA-FL's Superintendent and the pastor of the church leasing space to Sugarcane, and that this relationship was never disclosed to the Foundation's board. Further, he was not aware that BOSS LLC paid for improvements to the church's school facilities. The Foundation's board meeting minutes contained no record of a discussion of Sugarcane Learning Academy, the lease agreement, or the relationship between the CSUSA-FL Superintendent and his father, the church's pastor.

### **Cash Transfers Between Charter School's Operating Bank Account and the Management Organization Were Made Without Adequate Documentation or Board Approval**

**Charter Schools USA at Iberville, LLC (CSUSA-ICA) made net transfers totaling \$681,895 between Iberville Charter Academy's (ICA's) bank account and CSUSA-ICA's own bank account between June 2019 and April 2023. CSUSA-ICA also transferred \$250,000 from ICA's bank account to Blended and Online School Solution's (BOSS LLC's) bank account in February 2020. Some of these transfers were made without adequate supporting documentation, and none were approved by the Foundation board, which could result in improper payments.**

Charter Schools USA at Iberville, LLC (CSUSA-ICA), the Foundation's management organization, is responsible for managing ICA's bank accounts, accounting functions, and school operations. CSUSA-ICA transferred \$681,895 in 39 transactions between its own operating bank account and ICA's operating bank account between June 2019 and April 2023.

Fifteen of the 39 transactions were either short-term loans to ICA from Charter Schools USA, Inc. (CSUSA-FL) or a repayment of a short-term loan. While the management agreement between the Foundation and CSUSA-ICA permits CSUSA-ICA to provide operating advances to the Foundation, the Foundation's board president told us that neither he nor the Foundation board was aware of any short-term loans between CSUSA-ICA and ICA.

Fifteen transfers appear to be E-rate<sup>WW</sup> transfers from CSUSA-ICA to ICA. One transfer was the payment of the principal from CSUSA-FL to ICA for a promissory note, which was approved by the Foundation board. The remaining eight transfers during this period were payments to CSUSA-ICA from ICA for allocated costs incurred by CSUSA-FL or its related parties. However, most of the invoices were redacted (in part or in whole) and had no explanation or supporting documentation for the percentage of the total invoice allocated to ICA.

For example, ICA paid \$437,249 to CSUSA-FL in January 2020. The records provided by CSUSA-FL to support this payment show there were 419 transactions dated between July 15, 2017 and January 2, 2020. CSUSA-FL provided no documentation for 318 of the 419 transactions. One hundred and one transactions consisted of invoices billed to CSUSA-FL or one of its related parties, but the invoices were either redacted, lacked information detailing ICA's portion of the expense, did not include enough information to determine if ICA was the recipient, or the allocation method used was not explained.

In addition, BOSS LLC received a \$250,000 transfer from ICA's operating bank account in February 2020. BOSS LLC provided documentation that indicates the transfer was a payment for three BOSS LLC invoices; however, no request for the transfer or approval was provided. The documentation also included an email from CSUSA-FL's Accounting Supervisor requesting support from CSUSA-FL's Cash Management Administrator for the transfer. The Cash Management Administrator stated the transfer was "partial payment to BOSS LLC for their students" but did not provide any documentation or support.

The documentation provided by CSUSA-ICA indicates some of the transfers between ICA's and CSUSA-ICA's bank accounts may be related to the allocation of shared costs with other CSUSA-ICA affiliates, including charter schools located in other states. However, the documentation does not identify the allocation methodology used, nor does it include sufficient information to determine if the charges allocated to ICA were accurate, equitable, and legitimate.

CSUSA-FL's CFO explained he would "prefer to have more record keeping because it never hurts," but did not provide an explanation as to why there was little to no documentation for transfers or for the approval to move the funds between CSUSA-ICA's and ICA's bank accounts.

CSUSA-FL's SFD and CSUSA-FL's legal counsel informed us that some of the transfers represented short-term loans to ICA to cover school expenses while awaiting state funding. The SFD told us that these loans were approved by the Foundation's board and board president, and that the school's budget was not adjusted to reflect the loans due to their short duration. Additionally, CSUSA-FL's CFO told us that CSUSA does not charge interest on these short-term loans.

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<sup>WW</sup> E-rate is a federal program that provides eligible schools with discounts on telecommunications, telecommunication services, and internet access. Schools may receive reimbursements for approved discounts.

However, a review of the Foundation's board meeting minutes found no documentation or discussion reflecting board approval of short-term loans from CSUSA-ICA for cash flow shortages.

### **Charter Management Organization Did Not Produce Records in a Timely Manner**

**Charter Schools USA at Iberville, LLC (CSUSA-ICA) failed to provide requested Foundation records in a timely manner, with delays extending to 184 days. As the designated custodian of records for the Foundation and Iberville Charter Academy (ICA), CSUSA-ICA is contractually responsible for ensuring timely and complete access to records. CSUSA-ICA's significant delays and the submission of redacted, incomplete, or inadequate documentation impeded the Louisiana Legislative Auditor's (LLA's) ability to perform its oversight function. These actions appear to violate CSUSA's management agreement, the Foundation's charter contract with BESE, and state law.<sup>14</sup>**

State law<sup>4</sup> specifies that charter schools are subject to audit requirements to ensure transparency and accountability in the use of public funds. The management agreement between the Foundation and CSUSA-ICA states that CSUSA-ICA is responsible for operating and managing ICA in accordance with the charter contract with BESE.

The charter contract between the Foundation and BESE requires that representatives of the Charter Operator (in this case, CSUSA-ICA) shall produce all documentation and information requested by representatives or authorized contractors from BESE; LDE; the LLA; law enforcement officials; contracted evaluators; or any other federal, state, or local regulatory agency within three days of a request.

BOSS LLC's VP and CSUSA-FL's SFD both told us that accounting and record keeping functions are performed at CSUSA's headquarters in Fort Lauderdale, Florida. However, the management agreement between CSUSA-ICA and the Foundation states that the financial, educational, and student records pertaining to ICA are Foundation property and are subject to public records requests.

CSUSA-ICA, the designated custodian of records for the Foundation, did not provide us with records in a timely manner. Of the 45 records requests submitted by LLA, 40 exceeded three days, and 18 out of 45 requests exceeded one working month, with one request taking as long as 184<sup>xx</sup> business days. We requested a meeting with the owner of CSUSA-FL and relevant accounting staff at the CSUSA-FL office in Florida, but CSUSA did not agree and sent the CSUSA-FL CFO and an attorney to Baton Rouge to explain the records issues. The CSUSA-FL CFO told us their delay in providing records were due to staffing shortages.

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<sup>xx</sup> This number also excludes Louisiana holidays declared by the Governor.

BOSS LLC's VP told us CSUSA-FL's old electronic recordkeeping system had an end-of-life issue and abruptly shut down. He further explained the sudden shutdown is why the CSUSA team had delays providing the records. CSUSA-FL's attorney told us that CSUSA-FL brought in an IT team to access the unavailable data and retrieve older invoices that we requested.

The consulting firm engaged by LDE to audit ICA also reported it did not receive records in a timely manner or, in some cases, did not receive the records at all. Similarly, the Foundation's June 30, 2022, independent financial audit also included a finding that "the Foundation did not provide requested documentation necessary for audit completion within the deadline." As a result, the Foundation's audit for fiscal years ending June 30, 2022 and June 30, 2023, was not completed within the six-month deadline required by state law,<sup>15</sup> further indicating ongoing deficiencies in record management and compliance with financial reporting requirements.

By failing to provide documents in a timely manner, CSUSA-ICA may have violated its management agreement and the Foundation's charter contract. In addition, the consistently slow responses to records requests raises concerns regarding compliance with state public records requirements, particularly when key documents are stored and managed out of state by a third-party operator.

### **Recommendations**

We recommend that the Foundation consult with its legal counsel to determine the appropriate actions to take. In addition, the Foundation should:

- (1) Ensure that all payments to related parties, including affiliates of CSUSA, have signed, written contracts that clearly define the scope of services, pricing terms, and performance expectations;
- (2) Adopt policies requiring that all related-party transactions be identified and evaluated for arm's-length fairness, reviewed and approved by the Foundation's board prior to payment, and disclosed in accordance with GAAP and FASB, including the nature of the relationship, a description of the transactions, amounts paid, and balances due;
- (3) Ensure that all vendor invoices, especially those from related parties, include detailed descriptions of services rendered and itemized charges;
- (4) Conduct a retrospective review of all related-party payments made without contracts or board approval to determine whether any were unsupported, excessive, or in need of corrective action or recovery;
- (5) Implement written requirements that board members and senior management receive regular training on fiduciary responsibilities,

- related-party transaction risks, Louisiana procurement laws, and charter school governance standards;
- (6) Consult with LDE to implement a correction plan on instructional sites that were not authorized in accordance with La. R.S 17:4036.1 and BESE Bulletin 126;
  - (7) Implement written policies and procedures requiring board approval and detailed budgets for all learning pods;
  - (8) Seek public proposals for educational services;
  - (9) Develop and adopt a board-approved student fee policy that complies with La. R.S 17:177, BESE Bulletin 126, and the Foundation's charter agreement;
  - (10) Consult with LDE on corrective actions to be taken with regards to past fee collection;
  - (11) Ensure that all current and future agreements with related parties and learning pod operators include an audit clause granting access to records by the LLA, LDE, and BESE, as well as record retention provisions in accordance with Louisiana law;
  - (12) Obtain signed, written leases for all learning pod locations;
  - (13) Amend Foundation policy and/or the CSUSA management agreement to require Foundation board approval for all loans or advances between CSUSA and ICA;
  - (14) Enforce the Foundation's charter contract with regards to the three-day document response requirement and amend the CSUSA management agreement to include specific penalties for delays in providing requested records;
  - (15) Implement written policies and procedures that require CSUSA to notify the board of all records requests and the timeliness of the production of records; and
  - (16) Require that all financial, educational, and operational records related to the Foundation's schools and learning pods be stored in Louisiana and accessible by Foundation staff.

# ATTACHMENTS

## Attachment A

## Invoice

#INV-BOSS-06

9/1/2020

Blended and Online School Solutions  
800 Corporate Drive  
Suite 700  
Baton Rouge FL 33334  
United States

**Bill To**

Iberville Charter Academy  
24360 Enterprise Blvd  
Plaquemine LA 70764  
United States

**Ship To**

Iberville Charter Academy  
24360 Enterprise Blvd  
Plaquemine LA 70764  
United States

**TOTAL**

**\$92,666.67**

Due Date: 9/1/2020

Terms	Due Date	PO #	Sales Rep	Shipping Method
Due on receipt	9/1/2020			

Quantity	Item	Rate	Amount
1	September State Capitation		\$92,666.67

**Total** \$92,666.67



INV-BOSS-06

1 of 1

Attachment B

# 10JIN, LLC

**10JIN, LLC**  
800 Corporate Drive  
Suite 700  
Ft. Lauderdale, FL 33334  
(954) 202-3500

**INVOICE****BILL TO:**

Iberville Charter Academy  
24360 Enterprise Blvd  
Plaquemine, LA 70764

Document Date: 6/1/2019  
Invoice Number: 124269  
Customer ID: 971  
Terms: Due upon receipt

Page 1 of 1

Description	Amount
2019 PROF SVC	1,843.33
For additional information regarding this invoice please contact your AP Specialist.	
TOTAL:	<b>1,843.33</b>



## Attachment C

Attachment E

# Red Stick Academy

*Student Built Success*

Welcome Red Stick Academy Family!


Thanks to our overwhelming community support, we are pleased to announce the founding of Red Stick Academy (RSA) and we are so excited to share a little bit about our school so that you can prepare for the upcoming school year. If you have any questions, need help with registration, or want to refer a friend, please reach out and we will respond as soon as possible. Have a wonderful summer and stay safe!

Candice Ortlieb  
School Leader, Red Stick Academy  
[cortlieb@bossolutions.org](mailto:cortlieb@bossolutions.org)

**Red Stick Academy**

Quick Facts:

- **Technology** - 1:1 Chromebooks provided by RSA
- **Project Based Learning Program** - Fully integrated and grade-level appropriate student created products that add interest and relevance to learning
- **Dress Code** - School appropriate attire, no uniforms required
- **Attendance** - 100% Face-to-Face
- **Informational Updates** - Available on the transition RSA website <https://redstickacademy.godaddysites.com/>



*small classes  
personalized learning  
family atmosphere  
project based learning*

Daily Schedule:

- 7:00-8:00 Before Care Services for an additional \$20 per week
- 8:00-8:15 Drop-Off
- 8:15-2:30 School Day
- 2:30-4:00 Enrichment Courses (Spanish/Art/TBD) \$50 per week
- 4:00-5:00 After Care Services for an additional \$20 per week

**Payment Schedule**

Due Date	Amount
July 30th	\$400.00
August 15th	\$400.00
September 15th	\$400.00
October 15th	\$400.00
November 15th	\$400.00
December 15th	\$400.00
January 15th	\$400.00
February 15th	\$400.00
March 15th	\$400.00
April 15th	\$400.00

Payable to: Blended & Online School Solutions

**Program Fee**

Prior to August 1st	Full refund
Between August 1st and September 30th	Amount paid less \$400 per calendar month
Between October 1st and December 31st	Amount paid less \$2000
Between January 1st and the end of school	No refund

**The Environment & you**  
Limited Resources - Shared Space - Global Economy

**Non-Refundable Registration and Technology Fee: \$200**

**Attachment D**

Page 1 of 2



Fwd: July Payment Reminder [REDACTED] 04/25/2023 09:18 AM

----- Forwarded message -----

From: [REDACTED]@redstick.academy>  
Date: Fri, Jul 15, 2022 at 12:02 PM  
Subject: July Payment Reminder  
To: [REDACTED]

Hi RSA Parents,

We hope you are having a great summer and we are excited to see you all in just a few short weeks!

If you have not yet paid the \$200 Registration Fee, please reach out to me so that we can save your child a spot for the upcoming 2022-2023 school year. We are excited that we have a waitlist in some of our grade levels!

If you selected to pay your program fee in installments, July's payment is due today, 7/15. We are excited to officially announce that we have an online payment option. You can now pay with 1) cash, 2) a check made out to BOSS, or 3) online. If you would like to take advantage of our online option, please email me at [REDACTED]@redstick.academy. If you have chosen the monthly payment plan, I will invoice you on the 15th of every month. If you would like to continue paying by way of cash or check you are welcome to mail your payment to [6455 Jefferson Hwy., Baton Rouge, LA 70806](#) or deliver it in person.

Please reach out if you have any questions!

Best wishes,

[REDACTED]

*Administrative Coordinator*

(225) 960-1370

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Charter Schools USA Louisiana would like to continue connecting with you via email. If you prefer to be removed from our list, please contact Charter Schools USA Louisiana directly. To stop receiving all email messages distributed through our SchoolMessenger service, follow this link and confirm: [Unsubscribe](#)

SchoolMessenger is a notification service used by the nation's leading school systems to connect with parents, students and staff through voice, SMS text, email, and social media.

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## Attachment E

Dear Red Stick Academy Parents,

We are excited to share the amazing opportunities in store for our students in the 2022-2023 school year. But first, we want to thank you for your patience as we have worked through startup and the legal requirements surrounding learning pods. As a groundbreaking partnership between public, private, and home learning models, Red Stick Academy operates as a leader in school choice while supporting the culture of the friendly neighborhood school. Thank you for making this year and next year possible.

### **RSA 2022-2023 Highlights and Anticipations**

- Staff – New School Leader and a new 8<sup>th</sup> Grade teaching position. Continued K-7, Intervention, Art, PE, Administrative Coordinator and Facility Manager positions
- Choice of two distinct learning models
  - Off-campus – will provide the opportunity for a completely virtual education experience with access to and participation in campus events while meeting all testing requirements. (Requires \$200 registration fee.)
  - On-campus – will include enhanced services offered through small class sizes onsite and additional opportunities to explore the arts through the enrichments listed below. (Requires a \$200 registration fee and a \$3500 supplemental fee.)
- Supplements – Strings, Art, Drama, PE, Intervention, Clubs/Activities, Before and Aftercare

### **Intent to Return**

Now is the time to secure your spot! Starting Friday, April 29<sup>th</sup> and continuing through Monday, May 9<sup>th</sup>, families will be able to reserve their students' seat at Red Stick Academy. Using the link to the Google Form below, families will indicate if their child/children will be returning and which learning model they will use (virtual or on-campus). Returning families should pay the registration fee by May 13<sup>th</sup>. (Please use cash or check made payable to BOSS.)

<https://forms.gle/bJKTuauCYrUG6e317>

Starting May 9<sup>th</sup>, we will be opening enrollment to the numerous families on our wait list. Please be sure to respond, either way, to the survey so that we know your student won't be left out!

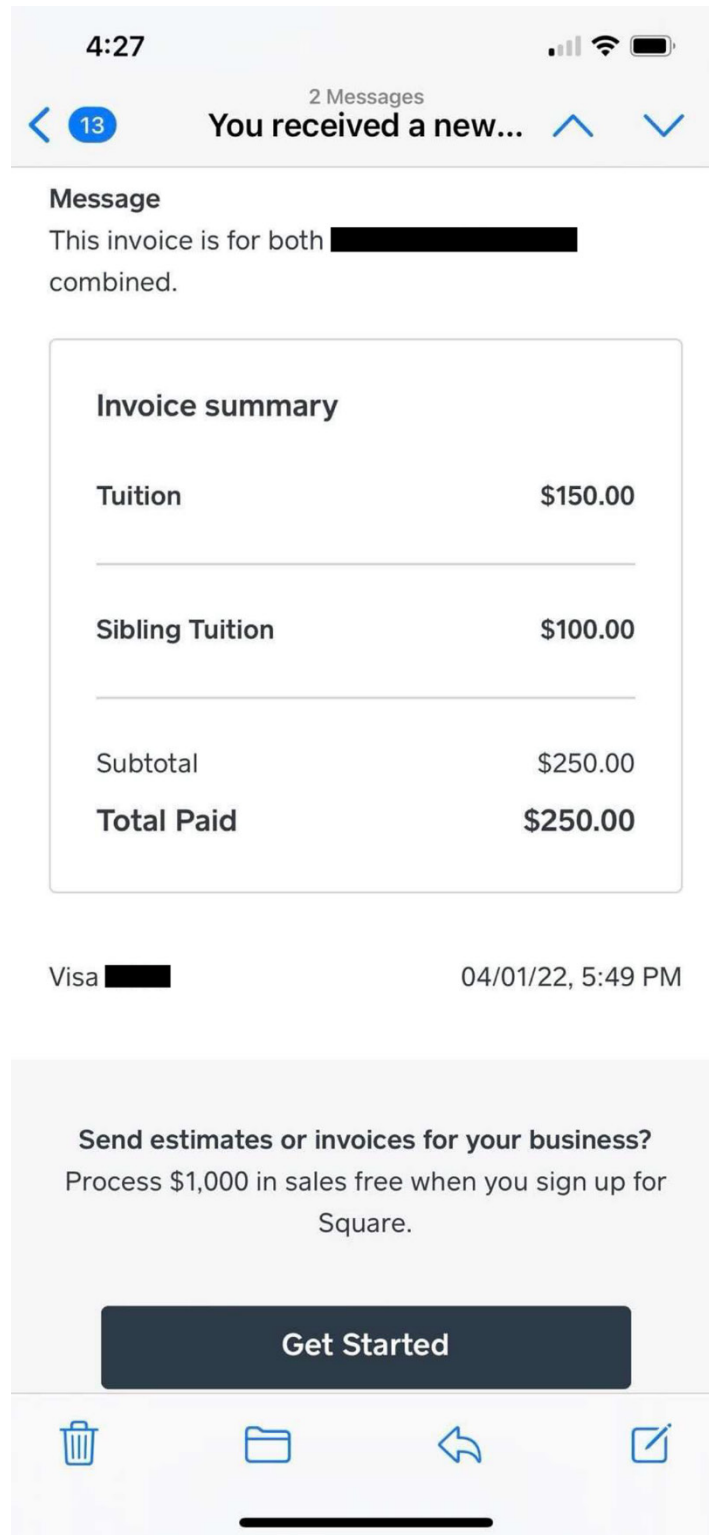
### **New School Leader**

We are pleased to announce that Ms. Anne Silburn has accepted the position of RSA School Leader. Ms. Silburn spent her early years in Acadiana and began her higher education journey at McNeese State University in Lake Charles, going on to complete her Bachelor's degree in Political Science and Sociology from the University of Houston. After September 11<sup>th</sup>, she felt called to leave the corporate sector and serve as an educator. Ms. Silburn went to earn a Master of Education from the University of Houston and mastered her ability to lead staff, inspire students, and support families as principal of various divisions of Houston's First Baptist Academy. Most recently, she served as the Upper School Principal of the Opelousas Campus of Westminster Christian Academy while simultaneously supporting curriculum across both campuses as the Director of Academics.

Red Stick Academy will continue to provide academic focus while embracing whole child learning. Our new leader, Ms. Silburn, shares this vision and will help guide us as we deliver more information to you within the next couple of weeks. We look forward to sharing details of our school calendar, schedule, curriculum, school policy, and extracurriculars.

Best wishes,

*Red Stick Academy Administration*

**Attachment F**



## LEGAL PROVISIONS

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<sup>1</sup> **Louisiana Revised Statute (La. R.S.) 17:3995** states, "(A)(1)(a) The state-funded per pupil allocation, based upon the weighted student membership count, received by the district pursuant to the most recent legislatively approved minimum foundation program formula, including all levels and allocation weights based upon student characteristics or needs as provided in the formula except any supplementary allocations for specific purposes. Supplementary allocations for specific purposes shall be provided to charter schools based solely on the funds generated by the charter school within each specific allocation. (b)(i) Local revenues received during the prior year by the school district from the following sources: (aa) Sales and use taxes, less any tax collection fee paid by the school district. (bb) Ad valorem taxes, less any tax collection fee paid by the school district. (cc) Earnings from sixteenth section lands owned by the school district. (ii) For the purposes of this Subparagraph, local revenues shall exclude any portion which has been specifically dedicated by the legislature or by voter approval to capital outlay or debt service. (iii) For the purposes of this Subparagraph, local revenues of the Orleans Parish School Board also shall exclude the amounts set forth in R.S. 17:1990(C)(2)(a)(iii) until such provisions relative to the specified amounts expire. (iv) For the purposes of this Subparagraph, local revenues of a school board also shall exclude the amount deposited into the fund created by R.S. 17:100.12(B)."

<sup>2</sup> **La. R.S. 17:3973(2)(b)** states, in part, "Charter schools shall be one of the following types:

(i) Type 1, which means a new school operated as the result of and pursuant to a charter between the nonprofit corporation created to operate the school and a local school board. Within such Type 1 charter schools, only pupils who would be eligible to attend a public school operated by the local school board within the same city or parish will be eligible to attend as provided in the charter.

(ii) Type 2, which means a new school or a preexisting public school converted and operated as the result of and pursuant to a charter between the nonprofit corporation created to operate the school and the State Board of Elementary and Secondary Education. Prior to the creation of such a charter to convert a preexisting school, it shall be approved by the professional faculty and staff of the preexisting school and by the parents or guardians of children enrolled in the school as provided in R.S. 17:3983(C). Within such Type 2 charter schools, pupils who reside within the state will be eligible to attend as provided in the charter. Creation of a Type 2 charter school shall comply with the provisions of R.S. 17:3983(A)(2)(a)(i).

(iii) Type 3, which means a preexisting public school converted and operated as the result of and pursuant to a charter between a nonprofit corporation and the local school board. Prior to the creation of such a charter, the local school board may require approval of a proposal to create such a charter by the members of the faculty and staff of the preexisting school who are certified by the state board and by the parents or guardians of children enrolled in the school as provided in R.S. 17:3983(C). Within such Type 3 schools, only pupils who would be eligible to attend a public school operated by the local school board granting the charter, or pupils from the same area as those permitted to attend the preexisting school will be eligible to attend as provided in the charter.

(iv) Type 4, which means a preexisting public school converted and operated or a new school operated as the result of and pursuant to a charter between a local school board and the State Board of Elementary and Secondary Education. Prior to the creation of such a charter to convert a preexisting school, the state board may require approval of a proposal to create such a charter by the professional faculty and staff of the preexisting school and by the parents or guardians of children enrolled in the school as provided in R.S. 17:3983(C). Within such Type 4 schools, unless an agreement with another city, parish, or other local public school board is reached to allow students to attend the charter school, only pupils who would be eligible to attend a public school operated by the local school board or pupils from the same areas as those permitted to attend the preexisting school will be eligible to attend as provided in the charter.

(v)(aa) Type 5, which means a preexisting public school transferred to the Recovery School District as a school determined to be failing pursuant to R.S. 17:10.5 or 10.7 and operated as the result of and pursuant to a charter between a nonprofit corporation and the State Board of Elementary and Secondary Education. The chartering authority shall review each Type 5 charter proposal in compliance with the Principles and Standards for Quality Charter School Authorizing as promulgated by the National Association of Charter School Authorizers. Except as otherwise provided in R.S. 17:10.7 or 1990, within such Type 5 charter school, only pupils who would have been eligible to enroll in or attend the preexisting school under the jurisdiction of the city, parish, or other local public school board or other public school entity prior to its transfer to the Recovery School District may attend. However, all such pupils shall be eligible to attend notwithstanding any other provision of this Chapter to the contrary..."

<sup>3</sup> **La. R.S. 17:3996(F)** states, in part, "...a charter school established and operated in accordance with the provisions of this Chapter shall be subject to appropriate financial audits in accordance with R.S. 24:513 et seq."

<sup>4</sup> **La. R.S. 17:3996(B)** states, in part, "Notwithstanding any state law, rule, or regulation to the contrary and except as may be otherwise specifically provided for in an approved charter, a charter school established and operated in accordance with the provisions of this Chapter and its approved charter and the school's officers and employees shall be exempt from all statutory mandates or other statutory requirements that are applicable to public schools and to public school officers and employees except for the following laws otherwise applicable to public schools with the same grades:...(9) Open meetings, R.S. 42:11 et seq...(10) Public records, R.S. 44:1 et seq...(19) Public bids for the erection, construction, alteration, improvement, or repair of a public facility or immovable property, Part II of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950..."

<sup>5</sup> **La. R.S. 17:4036.1(A)** states, "Each public school governing authority may establish learning pods as an extension of any school under its jurisdiction. For purposes of this Chapter, "learning pod" means a group of at least ten students enrolled in the school who receive instruction in a small group setting."

<sup>6</sup> **La. R.S. 24:513(E)** states, "In the performance of his duties as herein stated, the legislative auditor, or any member of his staff designated by him, shall have the power to inspect and to make copies of any books, records, instruments, documents, files, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, of the auditee. He may call upon the auditee and any of its officials and staff for assistance and advice, and such assistance shall be given through the assignment of personnel or in such other manner as necessity requires."

<sup>7</sup> **La. R.S. 24:513(J)(1)(c)(iv)** states, "Any local auditee that receives five hundred thousand dollars or more in revenues and other sources in any one fiscal year shall be audited annually."

<sup>8</sup> **FASB ASC paragraph 850-10-50-1** states, in part, "Financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include:

- a. The nature of the relationship(s) involved
- b. A description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements
- c. The dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period
- d. Amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement..."

<sup>9</sup> **FASB ASC paragraph 850-20** states, in part, "Related parties include:

- a) Affiliates of the entity
- b) Entities for which investments in their equity securities would be required, absent the election of the fair value option under the [Fair Value Option Subsection](#) of Section 825-10-15, to be accounted for by the equity method by the investing entity
- c) Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- d) Principal owners of the entity and members of their immediate families
- e) Management of the entity and members of their immediate families
- f) Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests
- g) Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests."

<sup>10</sup> **La. R.S. 17:3991(E)(3)** states, "A charter school shall not charge any pupil any tuition or an attendance fee of any kind."

<sup>11</sup> **La. R.S. 44:36(A)** states, in part, "All persons and public bodies having custody or control of any public record, other than conveyance, probate, mortgage, or other permanent records required by existing law to be kept for all time, shall exercise diligence and care in preserving the public record for the period or periods of time specified by law for public records. In all instances where the law does not specify a particular period, public records shall be preserved and maintained for a period of at least three years from the date on which the public record was made, except when an agency, as defined in R.S. 44:402, has an approved retention schedule pursuant to Subsection B of this Section..."

<sup>12</sup> **Louisiana Constitution Article VII, Section 14(A)** states, "Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

<sup>13</sup> **La. R.S. 42:1461(A)** states, "Officials, whether elected or appointed and whether compensated or not, and employees of any "public entity", which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish, municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed."

<sup>14</sup> **La. R.S. 24:513(E)** states, "In the performance of his duties as herein stated, the legislative auditor, or any member of his staff designated by him, shall have the power to inspect and to make copies of any books, records, instruments, documents, files, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, of the auditee. He may call upon the auditee and any of its officials and staff for assistance and advice, and such assistance shall be given through the assignment of personnel or in such other manner as necessity requires."

<sup>15</sup> **La. R.S. 24:513 (A)(5)(a)(i)** states, in part, "In lieu of examinations of the records and accounts of any office subject to audit or review by the legislative auditor, the legislative auditor may, at his discretion, accept an audit or review report prepared by a licensed certified public accountant, provided that such audit or review is performed in accordance with generally accepted governmental auditing standards and the Louisiana Governmental Audit Guide...Such audits shall be completed within six months of the close of the entity's fiscal year..."





## **APPENDIX A**

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### Management's Response





South Louisiana Charter  
**FOUNDATION, INC.**

Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397  
Email: [responses@lla.la.gov](mailto:responses@lla.la.gov)

September 11, 2025

***Re: Response to Draft Investigative Audit Report  
South Louisiana Charter Foundation, Inc.  
Dated September 2, 2025***

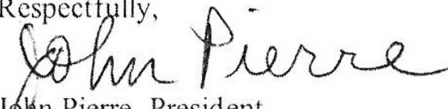
Dear Mr. Waguespack:

Thank you and your office for the courtesies extended through this process and the opportunity to discuss and respond to the report prepared by your office.

On behalf of the Foundation's Board of Trustees, we appreciate the audit report. We shall address the report's Findings and Recommendations in the detailed responses that are attached. We note there are no findings of failure to educate the students enrolled in our care, fraud, theft, misappropriation, malfeasance, or violation of generally accepted accounting principles.

We also note that the audit fact-finding time frame was July 1, 2019 through April 30, 2023. That necessarily omits progress made since that date in refining the "learning pods" concept, operations, documentation and policies. That progress and its evolution will be noted in the responses.

Respectfully,

  
John Pierre, President

## SLCF – LLA Findings Headlines

The LLA headline for each of the six Findings contained in its report are shown in *italics*. The Foundation’s response to each headline is shown in **bold** and will introduce the Foundation’s responses to each Finding in the sections that follow.

1. *Charter School Management Organization Paid Its Related Parties Without Foundation Board Approval, Written Contracts, or Adequate Documentation*

*Charter Schools USA at Iberville, LLC, the South Louisiana Charter Foundation’s management organization, paid its affiliated companies \$6,961,965 without board approval, written contracts, or adequate documentation from June 2019 through April 2023.*

**All funds paid to Boss from 2019-2023 (4-year period) were used for educating students in learning pods. Funds utilized for learning pods were approved by the Foundation’s board through its publicly noticed annual budget process. However, the Boss Superintendent was not fully transparent with the Foundation Board as to the specifics of the Learning Pod program being implemented. While the Foundation Board has taken affirmative steps in terminating the Boss Superintendent relationship, it remains confident in CSUSA’s executive leadership team. Additionally, all other funds were utilized to serve charter school students at Iberville Charter Academy.**

**In 2023, a written agreement was entered into between the Foundation, CSUSA and BOSS that codified the basic operational and pricing provisions of the Learning Pods utilized by the parties since 2019.**

2. *Improper Operation of Charter School Off-Site Locations Blended & Online School Solutions, LLC of Florida opened two off-site locations to operate as learning pods without complying with the requirements of state law and the applicable Board of Elementary and Secondary Education (BESE) bulletin governing the establishment of learning pods. These locations operated independently from the Iberville Charter Academy (ICA) campus in Plaquemine and did not utilize the same curriculum or instructional staff used by ICA.*

**The Louisiana Department of Education and BESE provide regulatory oversight to charter schools and learning pods. While the learning pod law R.S. 17:4036.1 was not adopted until 2021, it was simply a confirmation of the ability of LEA’s to establish learning pods. Additionally, learning pods were not only sanctioned by LDE but encouraged prior to adoption of the Learning Pod Law. See letter from Superintendent Brumley attached as Exhibit 4, SLCF response page 41, and LDOE’s legislative confirmation of the use of learning pods prior to adoption of RS 17:4036.1 at Exhibit 6, SLCF response page 50.**

### 3. *Learning Pods Charged Fees to Students*

*Three of Iberville Charter Academy's (ICA's) learning pods collected \$511,538 from the parents of enrolled students from February 2019 to April 2023. Records from these pods described the payments as "program fees," "registration fees," "technology fees," and "tuition." The collection of those fees may violate state law and the Foundation's charter contract with the Louisiana Board of Elementary and Secondary Education, as charter schools are public schools and are prohibited from charging certain fees to students.*

**In 2019, there was no promulgated guidance provided regarding the operation of learning pods prior to legislative enactment of RS 17:4036.1 in 2021 and BESE rules in 2023, particularly regarding student's fees. Additionally, the onset of Covid impacted operations of all public schools (and society as a whole) including learning pods. In an uncertain environment, learning pods provided continued educational alternatives and did collect fees for before/after school and extra services. However, in an abundance of caution, the \$511,538 in fees collected will be subject to return following a review with LDE.**

### 4. *Related Party Leases of Iberville Charter Academy and Learning Pod Facilities*

*The Foundation leased its school facility from a related party of its charter management organization but does not have documentation demonstrating the lease represented fair market value. Over the 20-year lease term, total lease payments will exceed the cost of the property by \$13,897,828. Blended & Online School Solutions, LLC (BOSS LLC) is also leasing two additional facilities from related parties for the operation of learning pods. These related-party lease arrangements raise concerns regarding transparency, lease payments exceeding the fair market value of the leased property, and compliance with state requirements for prudent use of public funds.*

**When evaluating the entire relationship between the Foundation and the Landlord, the cost of lease the Iberville Charter Academy facility is below market (particularly compared to similar situated public school facilities). The relationship with the Board and CSUSA is atypical, unique and goes beyond a normal landlord-tenant relationship. Additionally, the cost of leases of the learning pods were included in the lump sum fee per student paid to BOSS and was not the direct responsibility of or cost to the Foundation.**

### 5. *Cash Transfers Between Charter School's Operating Bank Account and the Management Organization Were Made Without Adequate Documentation or Board Approval*

*Charter Schools USA at Iberville, LLC (CSUSA-ICA) made net transfers totaling \$681,895 between Iberville Charter Academy's (ICA's) bank account and CSUSA-ICA's own bank*

*account from June 2019 through April 2023. CSUSA-ICA also transferred \$250,000 from ICA's bank account to Blended and Online School Solution's (BOSS LLC's) bank account in February 2020. Some of these transfers were made without adequate supporting documentation and none were approved by the Foundation board, which could result in improper payments*

**The annual school audits have rendered clean opinions that are filed with the Legislative Auditor's Office each year. CSUSA did advance certain funds to maintain orderly operation of Iberville Charter Academy (primarily payroll) when state funding was late. The Foundation is working with CSUSA to put in place a policy governing this process to assure notice to the Board whenever such an occasion may arise in the future.**

*6. Charter Management Organization Did Not Produce records in a Timely Manner*

*Charter Schools USA at Iberville, LLC (CSUSA-ICA) failed to provide requested Foundation records in a timely manner, with delays extending to 184 days. As the designated custodian of records for the Foundation and Iberville Charter Academy (ICA), CSUSA-ICA is contractually responsible for ensuring timely and complete access to records. CSUSA-ICA's significant delays and the submission of redacted, incomplete, or inadequate documentation impeded the Louisiana Legislative Auditor's (LLA's) ability to perform its oversight function. These actions appear to violate CSUSA's management agreement, the Foundation's charter contract with the Louisiana Board of Elementary and Secondary Education (BESE), and state law.*

**All documents requested by the LLA were provided by the Foundation/CSUSA. However, due to the volume and number of requests and other technical issues the requests did take longer than expected.**

# **SOUTH LOUISIANA CHARTER FOUNDATION, INC. (Foundation)**

Response to Louisiana Legislative Auditor (LLA)  
Investigative SLCF – ICA Exit Report (Report)  
Dated September 2, 2025

## **Introduction**

This introduction will provide a factual and historical context for the audit Findings and Recommendations which were not necessarily by the documents that were reviewed for the 2019-2023 audit period.

The South Louisiana Charter Foundation is a 501c3 nonprofit corporation. Its Board of Trustees is comprised of uncompensated volunteers who are subject to the Louisiana Ethics Code, Open Meetings Law, Public Records Law and Public Bid Law with annual audits submitted to the Louisiana Legislative Auditor.

The Foundation presently holds two public school charters. The South Baton Rouge Charter Academy (SOBA) is a Type 1 charter authorized by the East Baton Rouge School Board. No part of the SOBA operations is addressed in the LLA Report. The Iberville Charter Academy (ICA) is a Type 2 charter authorized by the Board of Elementary and Secondary Education (BESE). Its operations in connection with Learning Pods from July 1, 2019 through April 30, 2023 are the primary focus of the Report.

The Foundation has a management contract with Charter Schools USA (CSUSA) which contract was approved by BESE and the Louisiana Department of Education (LDOE) in the original charter review and approval process. The Foundation also has a contract with Blended and Online School Services (BOSS) for the operation of the Learning Pods discussed in the Report.

This response shall address the origin of the Foundation's Learning Pods program, its statutory and regulatory evolution, current status and prior audits. This will be followed by specific responses to each of the LLA Findings and Recommendations many of which have already been addressed since the April 30, 2023 cutoff date for the audit.

## ***Learning Pods***

The ICA Learning Pods have provided 1,628 student years of education since inception in 2019.

The Louisiana Public Charter School Law was enacted in 1995. Its intent and purpose is defined by RS 17:3972, effective June 14, 1995:

It is the intention of the legislature in enacting this Chapter to authorize school choice options for parents, teachers, and pupils through the creation of innovative

kinds of independent public charter schools. Further, it is the intention of the legislature to provide a framework of operational autonomy for such schools, a means for all persons with valid ideas and motivation to participate, and a mechanism by which results can be analyzed, considered, and repeated or replicated if appropriate.

The purposes of this Chapter shall be to increase school choice options throughout the state and to provide opportunities for parents, educators, and others interested in educating pupils to form, operate, or be employed within an operationally autonomous charter school with each such school designed to accomplish many objectives such as increased learning opportunities and access to quality education for pupils, and by encouraging the use of different and innovative teaching methods, educational models, and a variety of governance, management, and administrative structures.

While Learning Pods were first recognized by legislation in 2021<sup>1</sup> there was no prohibition to their use prior to that time. This was confirmed by the testimony of Ethan Melancon, the Executive Director of Governmental Affairs for the Department of Education, at the House Education Committee meeting considering the legislation on May 5, 2021:

*“Ethan Melancon with the Department of Education. Representing BESE. So BESE is supporting this position. To answer your question and to kind of give that 30,000 foot view, what this bill is trying to do is to define in law what a school system can do or an LEA can do to create small group instruction. It’s currently in law. **It is allowed for school systems to do this, but it’s not explained and carved out in law.** During the pandemic we saw a lot of school systems were hesitant and concerned that they don’t actually have the explicit power written out in law so the support behind it to do this. We see this as an opportunity to be able to provide special instruction. Also, like represent of [sic, Representative] Emerson said these, these are essentially Satellite campuses of existing schools. So in East Baton Rouge Parish there’s a career and technical education center. It does not have a site code of its own. It’s just a center that other schools come to to learn about career tech education. So this could be an option to provide early learning. It could be used to provide career and technical education, early college, English second language learning... So that’s the whole behind this is just give more opportunity to students and to school districts to utilize this and have the support behind it of law.”<sup>2</sup>*

*Representative Phelps – “**Thank you for answering the questions that they are allowed to do them now. Like some of the Higher Eds did them across the nation.**”*  
*Ethan Melancon – “**Yes.**”<sup>3</sup>*

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<sup>1</sup> RS 17:4036.1, Acts 2021, No. 400, effective June 16, 2021

<sup>2</sup> [https://house.louisiana.gov/H\\_Video/VideoArchivePlayer?v=house/2021/may/0505\\_21\\_ED](https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2021/may/0505_21_ED)  
Video time stamp 48:06

<sup>3</sup> [https://house.louisiana.gov/H\\_Video/VideoArchivePlayer?v=house/2021/may/0505\\_21\\_ED](https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2021/may/0505_21_ED)  
Video time stamp 49:45



*Ethan Melancon – “So there is currently EBR campus is the only one that I can think of off the top of my head essentially this would allow the governing body of the LEA, could be the school district, to find a campus. But say it is a rural campus. A kid has to ride a bus for 2 hours to get to school. The school, if there is 10 interested students, can actually create a campus at a church Sunday-school classroom that they can setup a school, like a smaller learning pod, not a school. It is still part of the same school.”*<sup>4</sup>

The LEA<sup>5</sup> referenced by Mr. Melancon in his testimony is the Foundation which is the charter holder for ICA. The referenced “governing body” is the Foundation Board of Trustees.

The Legislature enacted the Learning Pods statute effective June 16, 2021. On November 30, 2021, the Foundation submitted a Petition for Rulemaking to BESE with proposed rules to clarify implementation and operation of learning pods based upon the Foundation’s actual experience<sup>6</sup>.

In April 2023, the same month as the cutoff date for the LLA fact finding for this Report, BESE promulgated the first administrative rules for Learning Pods<sup>7</sup>.

Four months after the cutoff date for this Report’s fact finding, the LLA published a separate informational report to the Louisiana Senate and House addressing the *Structure and Use of Learning Pods in Louisiana Elementary and Secondary Public Schools*<sup>8</sup>. The Louisiana Superintendent of Education’s response was included with that report:

*LDOE believes that choice expands opportunities for children. With this belief, local communities and organizations should be able to implement learning pods. **Having gained momentum the last few years, learning pods offer a valuable option for students and families across Louisiana.** Increasingly, parents desire educational freedom, and learning pods are another way for parents to choose the educational opportunity that makes the most sense for their family.*<sup>9</sup>

The “momentum” referenced by the Superintendent was principally the product of Learning Pods operated by the Foundation which are the focus of this Report<sup>10</sup>. In May 2023, the LLA reported there were two Learning Pod operators with five locations totaling 285 students. Of those 285 students, ICA enrolled 266 or 93% of the state’s learning pod population.

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<sup>4</sup> [https://house.louisiana.gov/H\\_Video/VideoArchivePlayer?v=house/2021/may/0505\\_21\\_ED](https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2021/may/0505_21_ED)

Video time stamp 50:20

<sup>5</sup> Local Education Agency (LEA), BESE Bulletin 741, Glossary, 7-2025,

<sup>6</sup> BESE Petition for Rule Making (Exhibit 1)

<sup>7</sup> BESE Bulletin 126, Section 2721, promulgated April 2023 (Ex 2)

<sup>8</sup> LLA Informational Report dated August 2, 2023 (Ex 3)

<sup>9</sup> Superintendent Brumly letter dated July 28, 2023 attached as A.1 to the LLA Informational Report (Ex 4)

<sup>10</sup> LLA Informational Report dated August 2, 2023, at page 6, Exhibit 1 (Ex 5)

### ***Administrative Rules***

BESE Bulletin 126 contains the administrative rules for charter schools. These rules are adopted and promulgated pursuant to the Louisiana Administrative Procedures Act commencing with the General Provisions adopted in July 2008. Bulletin 126 was silent with regard to Learning Pods following the adoption of the RS 17.4036.1 legislation affirming their use in 2021.

On November 30, 2021, the Foundation filed its Petition for Rulemaking<sup>11</sup> with BESE to address fifteen issues that it identified in the first five months immediately following enactment of the Learning Pod law. One notable rule request was to confirm that “virtual instruction” does not constitute a “virtual school” as that term is defined by LRS 17:236.3(A). This rule request is relevant to the TenSquare discussion below.

The first Bulletin 126 rules for Learning Pods were promulgated by BESE in April 2023<sup>12</sup> which is the same month data collection for this Report concluded.

### ***Annual Audits***

The Foundation’s two schools have been audited by third-party auditors every year as required by state law<sup>13</sup>. The auditor’s have rendered a clean Opinion for the Foundation for each school-year including the years it has operated Learning Pods beginning with the 2019-2020 school year. Each annual audit contains the GAAP standard, boiler-plate opinion:

*In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30 [insert year<sup>14</sup>] and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

Complete copies of every South Louisiana Charter Foundation, Inc. audit report for school years beginning July 1, 2013 thru June 30, 2024 may be obtained via the Louisiana Legislative Auditor website at <https://lla.la.gov/reports/audit-reports>.

NOTE: The audit firms during this time frame, Postlethwaite & Netterville (2019, 2020, 2021, 2022), Keefe McCullough (2023) and Citrin Cooperman (2024), are successor firms due to the merger or acquisition of each of the predecessor firms.

### ***LDOE Administrative Audits***

In addition to the annual audits referenced above, ICA has been the subject of additional actions initiated by the LDOE from 2021-2023. These include the following:

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<sup>11</sup> Petition for Rulemaking (Ex. 1)

<sup>12</sup> BESE Bulletin 126, Section 2721 (Ex 2)

<sup>13</sup> RS 17:3996(F); RS 24:513; and BESE Bulletin 126, Section 2507

<sup>14</sup> Identical audit Opinions have been rendered from 2019-2024.

- 1) Request for Response regarding Free and Appropriate Education (FAPE), Student Enrollment Practices, an Unauthorized Operation of a Virtual Education Program dated 8-10-2021. ICA responded. No further action taken.
- 2) MFP Audit for the 2-1-21 enrollment. LDOE acknowledged receipt of the substantiation documentation.
- 3) Notice of Concern (NOC) issued 6-1-2022 for failure to provide audit documents (auditor stopped checking emails). Receipt of NOC documentation acknowledged on 2-6-2023.
- 4) IDEA audits initiated 11-15 & 16, 2021. The Corrective Action Plan (CAP) confirmed No Failures to Provide FAPE. LDOE accepted the ICA CAP response on 6-8-22. LDOE releases NO FINDINGS resulting from the 2022-2023 school year follow up monitoring.
- 5) Second IDEA Part B Program audit initiated 9-19-2023. No Noncompliance Findings confirmed 10-4-2023.
- 6) Third IDEA audit on ICA Pods initiated 12-4-2023. No Noncompliance findings issued 12-7-2023. Reported to BESE on 12-12-2023.

### ***TenSquare Audit***

The Ten Square audit referenced in the Report requires particular note due to its extreme taxing of the Foundation's resources and its outrageous conclusions in 2022, the immediate post-COVID recovery period. Per the explicit terms of its LDOE contract, TenSquare was to prepare its audit aligned with and referenced to BESE Bulletin 126 (BESE charter school rules) and to Act 400 (Learning Pod Law, RS 17:4036.1). According to its draft report, the three main areas of focus for the study included:

- Enrollment practices and student attendance
- Student access to Free and Appropriate Public Education (FAPE) in the Least Restrictive environment (LRE)
- Operation of a Virtual School without Prior Authorization

The draft report confirmed that TenSquare was oblivious to the provisions of the Learning Pod Law. Knowledge of that law was essential to TenSquare's ability to address each of the three areas of focus starting with its contention that ICA was operating a Virtual School without prior authorization.

Virtual Charter Schools are governed by Bulletin 126, Sections 3701, et seq. These rules were first promulgated in 2012 followed by amendments in 2018 and 2020. All were available to TenSquare for its purported study which concluded in 2022. TenSquare failed to understand the

distinction between Virtual Charter Schools and the provision of educational services via Learning Pods utilizing virtual means.

The FAPE and LRE questions were separately investigated by LDOE as detailed in the LDOE Administrative Audits outlined above.

TenSquare wildly exceeds its Scope in concluding its report with the statement that “The recommendation of the audit team is [for] the immediate closure of Iberville Charter Academy.” It ignored or was uninformed that BESE and ICA had only months before signed the *Type 2 Renewal Charter Contract* effective July 1, 2022. The premises of that contract includes the following provisions:

*Whereas, BESE has determined that the Charter School has satisfied the requirements pursuant to La.R.S 17:3791, et seq., for renewal of its Charter Contract,*<sup>15</sup>.

A comprehensive analysis of the TenSquare debacle was provided to the LDOE with the request that it be attached to any version of the TenSquare audit received by LDOE<sup>16</sup>.

### **COVID**

While a fading memory now, it is impossible to understate the impact of the COVID global pandemic since the enforced shut-down of society in Louisiana beginning March 17, 2020. Everyone, everywhere went into survival-mode.

Remarkably, CSUSA and the Foundation were prepared to deliver online services immediately due to its Learning Pod experience. They were rapidly able to establish online contact with its students and families that was measured in terms of one-two hours per day rather than the few minutes per day of the traditional school systems who were not similarly prepared. That momentum continued with the 2021-2022 school year to the present with implementation of the OWL Labs online, virtual, synchronous, interactive technology<sup>17</sup>.

Learning Pod students and their parents benefited from the small class-size and localized learning environments. School operations benefited as well in the face of the COVID imposed limitations on the administrators, faculty and staff’s ability to communicate, coordinate and plan.

Education took a giant step backward for the kids and for the adults (parents, family, faculty and staff) academically, socially and developmentally. Continuing to educate the kids was necessarily the focus each day with the ordinarily routine details to follow. Getting up and running was the priority over finishing the paperwork that was already stacked up before the pandemic. Staffing and logistics for both the academics and all the support systems was a full-time challenge.

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<sup>15</sup> Page 4 of 35 of the BESE Renewal Contract

<sup>16</sup> McGoffin letter to LDOE dated October 28, 2022 (Ex 6)

<sup>17</sup> 360-degree conference camera with auto-tracking, microphone, and speaker system for online immersive conferencing. <https://www.owlabs.com>

A fortunate bi-product of the COVID experience was a heightened awareness of importance of developing the whole child. From this sprang the *Strong Minds, Good Hearts* approach founded and adopted by the CSUSA school network. It is literally written on the school walls and forms a part of the everyday development of each person, student and adult.

### ***BESE Contract***

Following charter approval by BESE, the Foundation and BESE entered a written contract which is the essence of the Type 2 charter. Without that contract, the school may not open.

The most current version of the BESE approved CSUSA management agreement is for the Vermilion Charter Foundation (VCF) effective July 1, 2024. It is nearly identical in form to the Foundation's management agreement with CSUSA and affirms BESE acceptance of the similar contract provision for the Foundation. Section 2.2.8 requires that a Charter Operator such as the Foundation:

*"...shall submit a copy of the proposed contract to the LDE for approval by BESE...The Charter Operator shall not enter into a management contract without BESE approval. Prior to submission to BESE for approval, the management contract must be submitted to the LDE for review of compliance with BESE Bulletin 126 and LDE requirements. A copy of the of any management contract entered into by Charter Operator and approved by BESE shall be incorporated into this Agreement as Exhibit B."*

The Foundation's management agreement with CSUSA was approved by BESE. It defines the contracting relationship, the functions of CSUSA including subcontracting any and all aspects of its services, and the provision of technology, curriculum, instructional tools and school development services by itself, its affiliates or third-party entity. It even allows for CSUSA to provide funds for operating losses for the school.

These contracts define the clear roles of the Foundation and its management company, CSUSA, its affiliates and third-party contractors. The Foundation as Charter Holder and CSUSA as the management organization have relied upon that approval in their relationships in governing and operating the schools.

BOSS is an affiliate of CSUSA. Among other services, it manages the Learning Pods for the Foundation in cooperation with CSUSA.

BOSS charges a fixed fee for its services which are set by contract. The current BOSS contract essentially affirms and documents the original Learning Pod protocols that were internal to the CSUSA family.

CSUSA does not charge a management fee for the BOSS Learning Pod students. That difference is retained by the school as revenue to its budget. It is a way of increasing the student population and revenues without expensive expansion of its core physical facilities.

## LLA Findings

The LLA Report includes six Findings and sixteen Recommendations. The Foundation's responses to each follow.

### Finding 1:

**All funds paid to Boss from 2019-2023 (4-year period) were used for educating students in learning pods. Funds utilized for learning pods were approved by the Foundation's board through its publicly noticed annual budget process. However, the Boss Superintendent was not fully transparent with the Foundation Board as to the specifics of the Learning Pod program being implemented. While the Foundation Board has taken affirmative steps in terminating the Boss Superintendent relationship, it remains confident in CSUSA's executive leadership team. Additionally, all other funds were utilized to serve charter school students at Iberville Charter Academy.**

**In 2023, a written agreement was entered into between the Foundation, CSUSA and BOSS that codified the basic operational and pricing provisions of the Learning Pods utilized by the parties since 2019.**

### Foundation Response

The Louisiana Legislative Auditor's informational report to the Louisiana Senate and House addressing the *Structure and Use of Learning Pods in Louisiana Elementary and Secondary Public Schools* includes a letter from the Louisiana Superintendent of Education's endorsement of learning pods:

*LDOE believes that choice expands opportunities for children. With this belief, local communities and organizations should be able to implement learning pods. Having gained momentum the last few years, learning pods offer a valuable option for students and families across Louisiana. Increasingly, parents desire educational freedom, and learning pods are another way for parents to choose the educational opportunity that makes the most sense for their family.<sup>18</sup>*

The "momentum" referenced by the Superintendent was almost entirely the product of Learning Pods operated by the Foundation (the "Learning Pods")<sup>19</sup>. In May 2023, the LLA reported there were two Learning Pod operators with five locations totaling 285 students. Of those 285 students, ICA enrolled 266 or 93% of the state's learning pod population.

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<sup>18</sup> Superintendent Brumly letter dated July 28, 2023 attached as A.1 to the LLA Informational Report (Ex 4)

<sup>19</sup> LLA Informational Report dated August 2, 2023, at page 6 (Ex 5)

### ***Commitment to Improvement—Written Agreements***

The Foundation acknowledges that it had no written contracts for Learning Pods from July 1, 2019 through June 30, 2023.

Effective July 1, 2023 the Foundation, BOSS and Charter Schools USA at Iberville, LLC (“CSUSA”) entered into an Agreement for Educational Support Services (the “Agreement”) for Learning Pod services.<sup>20</sup>

The Agreement defines the scope of services, confirms the pricing structure, outlines performance expectations, and documents the operational framework that governs all learning pod activities. The terms of Agreement are a codification of the basic operational and pricing provisions used since the inception of the Learning Pods. The written agreements maintain the identical structure used since 2019 with the same cost structure and other pertinent terms with adjustments reflecting the changes in Minimum Foundation Program (“MFP”) funding levels.

The written agreement with BOSS, CSUSA and the Foundation memorializes the previous course and conduct of the parties since 2019 by providing:

8. CSUSA, by and through its management agreement with the Foundation, shall manage the BOSS relationship with the Foundation. Additionally, BOSS shall be subject to the requirements of the CSUSA management agreement with the Foundation. **CSUSA shall not receive management fees based upon the MFP funds for students served by BOSS.**

Paragraph 9 of the agreement with BOSS, CSUSA and Foundation provides:

9. The Foundation is the charter holder for which the Learning Pods may be established by BOSS subject to the oversight and management of CSUSA. The **Payment of Services shall be approved by the Foundation through the Foundation’s budget approval process as a distinct Foundation budget line item.** The addition of Learning Pod locations to those listed on Exhibit A shall be subject to specific Foundation Board approval.

The bolded portions above reflect a ratification of the accepted course and conduct of the parties and the operations of Learning Pods since their inception in 2019.<sup>21</sup>

### ***Beginning of Learning Pod Operations and COVID***

When the Foundation initiated learning pod operations in 2019, the concept of learning pods was innovative, and neither legislative nor regulatory standards had been established to

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<sup>20</sup> Agreement for Educational Support Services for Learning Pod Services, effective July 1, 2023

<sup>21</sup> While CSUSA began using BOSS to enroll students at their learning pod locations in 2019, BOSS was an unrelated entity separate and distinct from CSUSA until 2021. BOSS began operations in 2019 as “Blended & Online School Solutions, Inc.”, a not-for-profit. CSUSA purchased BOSS Inc.’s assets in 2021, then created BOSS, LLC, a Florida limited liability company, and transferred the assets to it.

provide clear guidance on documentation requirements or formal approval processes. During this phase, learning pod protocols focused primarily on educational service delivery and student outcomes.

It is impossible to understate the impact of the COVID global pandemic since the enforced shut-down of society on March 17, 2020. Everyone everywhere went into survival-mode. Learning Pod students and their parents benefited from the small class-size, localized learning environments.

The Foundation was prepared to deliver online services immediately due to its Learning Pod experience. It was ultimately able to establish online contact with its students and families (Pod and non-pod alike) that far exceeded that of its more traditional public school counterparts. That momentum continued with the 2021-2022 school year to the present with implementation of the OWL Labs online, virtual, synchronous, interactive technology.

Continuing to educate the students was necessarily the focus each day with the ordinarily routine details to follow. Getting up and running was the priority over finishing the paperwork that was already stacked up before the pandemic. Staffing and logistics for both the academics and all the support systems was a full-time challenge. The Learning Pod operations put students first, before paperwork. The formalization of contracts and documentation, which had already been accumulated prior to the pandemic, were a challenge.

### ***Board Approved Annual Budgets***

Formal written agreements were not utilized during the initial operational period. The Foundation received verbal reports on BOSS regarding enrollment and associated financial costs. The Foundation's oversight is exemplified in the Foundation's budget hearing materials from June 10, 2020, for the 2020-21 school year (the "Budget Hearing").<sup>22</sup> After the budget presentation, the Foundation unanimously approved the budget for Iberville Charter Academy.

In the Budget Hearing, the Foundation received a comprehensive presentation package that included detailed budget information and supporting documentation to consider and discuss. Pertinent portions of the presentation were as follows:

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<sup>22</sup> See excerpts from June 10, 2020 Budget Hearing Presentation Packet for the 2020-21 School Year above and on pages 10-12 of this Response



## Key Assumptions

Iberville Charter Academy		South Baton Rouge Charter Academy	
Revenues	<ul style="list-style-type: none"> <li>Assumes enrollment decrease of 17 for on campus students</li> <li>Assumes enrollment increase of 58 Blended On Line Students</li> <li>No Contribution needed in FY21</li> <li>This presentation does not include projected COVID-19 reductions</li> </ul>	Revenues	<ul style="list-style-type: none"> <li>Assumes enrollment increase</li> <li>Before and Aftercare revenue proportional to enrollment increase</li> <li>This presentation does not include projected COVID-19 reductions</li> </ul>
Expenditures	<ul style="list-style-type: none"> <li>Staffing derived by School Leadership and State Team</li> <li>Professional Fees increase for Blended On Line Students</li> <li>Instructional Grant Reduction and Capital expenses based on priorities of school</li> <li>Estimated 10% increase in Property &amp; Liability Insurance</li> </ul>	Expenditures	<ul style="list-style-type: none"> <li>Staffing derived by School Leadership and State Team</li> <li>Capital expense based on the priorities of the school</li> <li>Estimated 10% increase in Property &amp; Liability Insurance</li> </ul>

The highlighted *Key Assumptions* include “Assumes enrollment increase of 58 Blended On Line Students” and “Professional Fees increase for Blended On Line Students”. This underscores the additional impacts anticipated on the Iberville Charter Academy budget and makes it clear the students in the Learning Pod program were previously and continued to be an integral part of the Iberville Charter Academy.

## FY2020-2021 Financial Summary

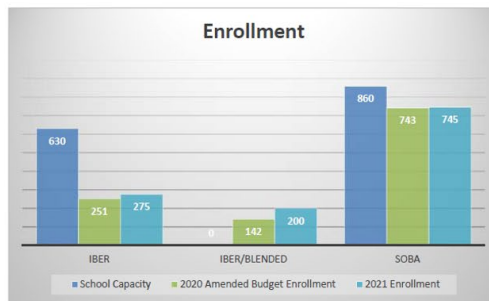
	Iberville Charter Academy		South Baton Rouge Charter Academy	
	Amended Budget 2019-20	Budget 2020-21	Amended Budget 2019-20	Budget 2020-21
<b>Total Number of Students Enrolled</b>	292	275	743	745
<b>Average FTE per Student</b>	15,339	15,319	11,523	11,737
<b>Revenues</b>				
State Capitalization / Student	\$3,850,066	\$4,212,725	\$8,561,610	\$8,743,879
Blended On Line	1,309,000	1,893,829	0	0
Title Grant Revenue	261,923	161,740	184,456	273,869
Fed/State/Local Grants	55,955	79,378	156,858	157,871
Private Grants / Contributions	499,542	0	0	0
Food Service Revenue	181,090	162,500	457,071	409,948
Before and Aftercare Revenue	10,684	23,790	4,772	13,822
Interest Revenue	135	2,161	0	6,711
<b>Revenue Total</b>	<b>\$6,168,395</b>	<b>\$6,536,123</b>	<b>\$9,364,767</b>	<b>\$9,606,100</b>
<b>Expenses</b>				
Compensation & Benefits	\$2,346,698	\$2,006,732	\$3,953,207	\$4,258,774
Professional Services	202,795	180,561	1,607,033	1,577,627
Blended On Line Fees	1,008,000	1,636,735	0	0
Vendor Services	588,898	552,140	1,053,883	1,143,940
Administrative Expenses	77,768	42,244	76,511	30,079
Instruction Expenses	249,036	273,059	316,635	254,890
Other Operating Expense	405,336	477,657	549,195	530,320
Fixed Expenses	55,029	59,521	90,409	99,490
<b>Total Expenses</b>	<b>\$4,933,560</b>	<b>\$5,228,650</b>	<b>\$7,646,872</b>	<b>\$7,895,120</b>
Capital Expenditures	51,038	91,785	70,342	55,640
<b>Surplus/(Deficit) After Capital Expenses</b>	<b>1,183,797</b>	<b>1,215,688</b>	<b>1,647,553</b>	<b>1,655,340</b>
Debt Repayments	1,183,798	1,200,370	1,647,553	1,655,340
<b>Net Change in Fund Balance</b>	<b>(\$0)</b>	<b>\$15,318</b>	<b>(\$0)</b>	<b>\$0</b>

The above Financial Summary shows the Blended On Line Revenue for two school years 2019-20 and 2020-21 expressing both revenues and expenses.

## Enrollment



IBER is at 44% utilization



SOBA is at 87% utilization

School	School Capacity	2020 Amended Budget Enrollment	2021 Enrollment	Change	% Utilization	% Increase / (Decrease)
IBER	630	251	275	24	44%	10%
IBER/BLENDED	0	142	200	58	0%	41%
SOBA	860	743	745	2	87%	0%

The above reflects enrollment breakdown in which an expressed line item can be found identifying Learning Pod students.

## Revenue Sources

	Iberville Charter Academy		South Baton Rouge Charter Academy		Budget Highlights
	Amended Budget	Budget	Amended Budget	Budget	
	2019-20	2020-21	2019-20	2020-21	
Total Number of Students Enrolled	292	275	743	745	<b>IBER</b> <ul style="list-style-type: none"> <li>275 On Campus Students</li> <li>200 Blended On Line Students</li> <li>Assumes no School Redesign Grant</li> <li>Assumes no Contribution</li> </ul> <b>SOBA</b> <ul style="list-style-type: none"> <li>Assumes increase in MFP</li> <li>Assumes increase in Before and Aftercare Revenue</li> </ul>
Average FTE per Student	15,339	15,319	11,523	11,737	
<b>Revenues</b>					
State Capitation / Student	\$3,850,066	\$4,212,725	\$8,561,610	\$8,743,879	
Blended On Line	1,309,000	1,893,829	0	0	
Title Grant Revenue	261,923	161,740	184,456	273,869	
Fed/State/Local Grants	55,955	79,378	156,858	157,871	
Private Grants / Contributions	499,542	0	0	0	
Food Service Revenue	181,090	162,500	457,071	409,948	
Before and Aftercare Revenue	10,684	23,790	4,772	13,822	
Interest Revenue	135	2,161	0	6,711	
Revenue Total	\$6,168,395	\$6,536,123	\$9,364,767	\$9,606,100	

The presentation also identified revenue source impacts and included an expressed “Budget Highlights” on the right column in which Learning Pod students are specifically mentioned.

## Professional Services

	Iberville Charter Academy		South Baton Rouge Charter Academy		Budget Highlights
	Amended Budget 2019-20	Budget 2020-21	Amended Budget 2019-20	Budget 2020-21	
Professional Services					
Legal Fees - Independent Counsel	\$3,272	\$3,540	\$3,961	\$12,303	IBER • Fees for Blended On Line Students
Accounting Services - Audit	23,175	20,500	24,342	24,342	• Support Center Cost Reimbursement lower than contractual levels
Outside Staff Development	96,416	71,259	6,846	3,500	
Personnel Management	130,796	126,382	280,943	288,183	
Finance & Accounting Services	87,197	84,255	187,295	191,642	
Educational Intellectual Property	174,394	168,509	374,590	384,724	
Procurement/Vendor Management	43,599	42,127	93,648	96,541	
Support Center General Overhead	217,993	210,636	468,238	479,825	
Sponsorship	-653,979	-631,909	-116,405	-188,772	
Computer Service Fees	25,351	27,775	76,558	75,245	SOBA • Support Center Cost Reimbursement lower than contractual levels
Fee to Authorizer	9,625	15,266	171,232	174,583	
Blended On Line Fees	1,008,000	1,636,735	0	0	
Professional Fees - Other	3,378	644	2,463	2,250	
Advertising/Marketing Exp	40,156	40,156	32,303	32,303	
Staff Recruitment	1,421	1,421	1,019	959	
<b>Total Professional Services</b>	<b>\$1,210,795</b>	<b>\$1,817,296</b>	<b>\$1,607,033</b>	<b>\$1,577,627</b>	

This Finding addresses the Professional Fees in a general sense, but the Foundation benefited from the above breakdown (with a separate BOSS line item) in the budget presentation. This line-item distinction is consistent with the provision of the Agreement subsequently put in place in 2023.

The BOSS-related revenue and expenses were incorporated into the school's annual operating budget. On June 10, 2020, the budget was unanimously approved by the Board based upon the information presented.<sup>23</sup>

While a formal agreement for the Learning Pods had not yet been executed, the Management Agreement between the Foundation and CSUSA expressly provided that CSUSA could subcontract certain school services and it exercised that authority to do so.<sup>24</sup> While CSUSA may have been given the discretion to provide services through BOSS, the Foundation made an affirmative informed decision to proceed with Learning Pods and understood the financial commitment of the learning pod operations.

### *Approved Funding and Consistent Services Since 2019*

Pursuant to approved school budgets, the Foundation provided CSUSA/BOSS funds necessary to establish and operate Learning Pods. The Learning Pod operations supported and educated an average of 242 students per from 2019-2023. The funding provided the education of a total of 969 student school years during this timeframe.

<sup>23</sup> June 10, 2020 Board meeting minutes

<sup>24</sup> Article III, Section E of the Management Agreement dated May 20, 2018 between CSUSA and the Foundation expressly states that "CSUSA shall not subcontract the management oversight or operation of the teaching and instructional program, except as specifically permitted in this Agreement or with approval of the Board. **Notwithstanding the foregoing, CSUSA reserves the right to subcontract any and all aspects of all services it agrees to provide to the Charter School.**"

This cost structure of the Learning Pods from 2019-2023 is consistent with the cost structure reflected in the written Agreement in place since July 1<sup>st</sup>, 2023, and the standard educational services provided by Learning Pod have been consistent from 2019 through the present day.

## 10JIN

10JIN was correctly identified as a related party of CSUSA. 10JIN is utilized as a technology aggregator for the over 100 schools in the CSUSA family. 10JIN services are more detailed in the attached exhibit.<sup>25</sup> The purchasing power of 100+ schools of technology hardware and software required by k-12 schools provides substantial savings to each individual school. In addition, 10JIN is charged with reviewing ever changing market conditions, new technologies and cutting-edge technology. An example of 10JIN's role is discussed above with implementation of the OWL Labs online, virtual, synchronous, interactive technology required during COVID. The yearly average cost for school years 2019-23 was approximately \$35,000/year and are contained within each yearly approved budget. Indeed, in the June 10, 2020 Foundation meeting 10JIN provided it IT Disaster Preparedness, Response, Recovery and Resiliency Policy for the Foundation's schools.

## Finding 2:

The Louisiana Department of Education and BESE provide regulatory oversight to charter schools and learning pods. While the learning pod law R.S. 17:4036.1 was not adopted until 2021, it was simply a confirmation of the ability of LEA's to establish learning pods. Additionally, learning pods were not only sanctioned by LDE but encouraged prior to adoption of the Learning Pod Law. See letter from Superintendent Brumley attached as Exhibit 4, SLCF response page 41, and LDOE's legislative confirmation of the use of learning pods prior to adoption of RS 17:4036.1 at Exhibit 6, SLCF response page 50.

## Foundation Response

The Legislative intent and purpose of the Louisiana Public Charter School Law<sup>26</sup>, enacted in 1995 and subsequently amended by RS 17:3972 in June 2021, explicitly confirms that learning pods existed, operated, and were permitted by BESE and LDOE, all prior to the enactment of the Learning Pod statute in 2021.

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<sup>25</sup> LA list of 10JIN services (Ex 7)

<sup>26</sup> It is the intention of the legislature in enacting this Chapter to **authorize school choice options** . . . through the creation of innovative kinds of independent public charter school. Further, it is intention of the legislature to provide a framework of **operational autonomy** for such schools, a means for all persons with valid ideas and motivation to participate, and a mechanism by which results can be analyzed, considered, and repeated or replicated if appropriate. . . . The purposes of this Chapter shall be . . . to provide opportunities for parents, educators, and others interested in educating pupils to form, **operate . . . within an operationally autonomous charter school** with each school designed to accomplish many objectives such as increased learning opportunities and access to quality education for pupils, and by **encouraging the use of different and innovating . . . educational models, and a variety of governance, management, and administrative structures.**

Consistent with the intent and purpose of the Public Charter School Law and in further support of the Foundations' authorization and proper operation of Learning Pods prior to the enactment of the law and regulations, the Foundation's Charter Contract executed in 2014 specifically authorizes, requires, and encourages its Louisiana charter schools to be experimental, creative, and innovative independent public schools using revolutionizing, various, different and transforming teaching methods, management styles, and administrative structures geared directly to increase the learning opportunities, quality of education, and better academic results all designed for the betterment of its Louisiana public school students.<sup>27</sup> Specifically, the 2014 Charter Contract (and subsequently renewed Charter Contracts) provides:

**WHEREAS**, the "Charter School Demonstration Programs Law," La. R.S. 17:3971 *et seq.*, **authorizes experimentation in the creation of innovative kinds of independent public schools** for students; and

...

**WHEREAS**, the purposes of the "Charter School Demonstration Programs Law" are to provide opportunities for educators and others interested in educating students to form, operate, or be employed **within a charter school designed to accomplish the following objectives, namely: (1) to improve student learning and, in general, the public school system; (2) to increase learning opportunities and access to quality education for students; (3) to encourage the use of different and innovative teaching methods and a variety of governance, management, and administrative structures; (4) to require appropriate assessment and measurement of academic learning results; (5) to account better and more thoroughly for educational results; and (6) to create new professional opportunities for teachers and other school employees, including the opportunity to be responsible for learning programs at the school site** [Emphasis Added]

In furtherance of increasing learning opportunities and access to quality education for students as well as using different and innovative teaching methods (among other goals of the charter agreement); the Foundation created, opened, and operated learning pods beginning in August 2019.

While Learning Pods were first recognized by legislation in 2021<sup>28</sup>, there was no prohibition to their use prior to that time. This was confirmed by the testimony of Ethan Melancon, the Executive Director of Governmental Affairs for the Department of Education, at the House Education Committee meeting considering the legislation on May 5, 2021:

*"Ethan Melancon with the Department of Education. Representing BESE. So BESE is supporting this position. To answer your question and to kind of give that 30,000 foot view, what this bill is trying do is to define in law what a school system can do or an LEA can do to create small group instruction. **It's currently in law. It is***

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<sup>27</sup> Charter Contract between the Foundation and BESE dated July 1, 2014.

<sup>28</sup> RS 17:4036.1, Acts 2021, No. 400, effective June 16, 2021

*allowed for school systems to do this, but it's not explained and carved out in law. During the pandemic we saw a lot of school systems were hesitant and concerned that they don't actually have the explicit power written out in law so the support behind it to do this. We see this as an opportunity to be able to provide special instruction. Also, like represent of Emerson said these, these are essentially Satellite campuses of existing schools. So in East Baton Rouge Parish there's a career and technical education center. It does not have a site code of its own. It's just a center that other schools come to to learn about career tech education. So this could be an option to provide early learning. It could be used to provide career and technical education, early college, English second language learning... So that's the whole behind this is just give more opportunity to students and to school districts to utilize this and have the support behind it of law.<sup>29</sup>*

*Representative Phelps – “Thank you for answering the questions that they are allowed to do them now. Like some of the Higher Eds did them across the nation.”*  
*Ethan Melancon – “Yes.”<sup>30</sup>*

*Ethan Melancon – “So there is currently EBR campus<sup>31</sup> is the only one that I can think of off the top of my head essentially this would allow the governing body of the LEA, could be the school district, to find a campus. But say it is a rural campus. A kid has to ride a bus for 2 hours to get to school. The school, if there is 10 interested students, can actually create a campus at a church Sunday-school classroom that they can setup a school, like a smaller learning pod, not a school. It is still part of the same school.”<sup>32</sup>*

The “EBR campus” referenced by Mr. Melancon is the EBR Career and Technical Education Center (CTEC) which serves as a vital regional hub aimed at enhancing career readiness and technical skills among high school students in the East Baton Rouge School System. These programs ensure that all students throughout the parish have equitable access to all LDOE College & Career Pathways and TOPS University Diploma coursework regardless of which high school they attend.

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<sup>29</sup> [https://house.louisiana.gov/H\\_Video/VideoArchivePlayer?v=house/2021/may/0505\\_21\\_ED](https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2021/may/0505_21_ED)  
Video time stamp 48:06

<sup>30</sup> [https://house.louisiana.gov/H\\_Video/VideoArchivePlayer?v=house/2021/may/0505\\_21\\_ED](https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2021/may/0505_21_ED)  
Video time stamp 49:45

<sup>31</sup> The EBR Career and Technical Education Center (CTEC) <https://sites.google.com/ebrschools.org/ebrctec/home>

<sup>32</sup> [https://house.louisiana.gov/H\\_Video/VideoArchivePlayer?v=house/2021/may/0505\\_21\\_ED](https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2021/may/0505_21_ED)  
Video time stamp 50:20

## State of the Art Facility

CTEC is a 35,000 square foot, \$12 million facility completed July 2018 focused on serving high school students as a hub for cutting-edge, industry-based, technical training.

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The LEA<sup>33</sup> referenced by Mr. Melancon in his testimony is the Foundation which is the charter holder for ICA. The referenced “governing body” is the Foundation Board of Trustees.

Moreover, it was the Foundation’s persistence for and collaborative participation with the LDOE that resulted in the promulgated rules regulating Learning Pods. Subsequent to the enactment of the Learning Pod Law in the 2021 legislative session, there were no administrative rules or governmental regulations governing Learning Pod operations. On November 30, 2021, the Foundation provoked rule making by submitting its Petition for Rulemaking to BESE with the Foundation’s proposed rules to clarify questions which it had experienced in the operation of learning pods.<sup>34</sup> The Foundation’s proposed rules were considered by the LDOE to ultimately promulgate, in April 2023, the Learning Pod rules section of BESE Bulletin 126, Section 2721.

Important to note, these administrative rules are not the exclusive means by which learning pods may be operated. Rather, they provide for the essential information necessary for the school and the Department of Education to document where and how public education funds are being utilized while maintaining the autonomy and flexibility inherent in innovative charter school operations.

The LLA informational report to the Louisiana Senate and House addressing the *Structure and Use of Learning Pods in Louisiana Elementary and Secondary Public Schools*<sup>35</sup> includes a letter from the Louisiana Superintendent of Education’s endorsement of learning pods:

*LDOE believes that choice expands opportunities for children. With this belief, local communities and organizations should be able to implement learning pods. Having gained momentum the last few years, learning pods offer a valuable option for students and families across Louisiana. Increasingly, parents desire*

<sup>33</sup> Local Education Agency (LEA), BESE Bulletin 741, Glossary, 7-2025

<sup>34</sup> The Foundation’s *Petition for Rulemaking* (Ex 1)

<sup>35</sup> LLA Informational Report dated August 2, 2023 (Ex 3)



*educational freedom, and learning pods are another way for parents to choose the educational opportunity that makes the most sense for their family.*<sup>36</sup>

The “momentum” referenced by the Superintendent was almost entirely the product of Learning Pods operated by the Foundation<sup>37</sup>. In May 2023, the LLA reported there were two Learning Pod operators with five locations totaling 285 students. Of those 285 students, ICA enrolled 266 or 93% of the state’s learning pod population.

Most importantly, all of the Foundation’s current learning pods are in full compliance with Department of Education’s promulgated Learning Pod rules.

### **Finding 3:**

**In 2019, there was no promulgated guidance provided regarding the operation of learning pods prior to legislative enactment of RS 17:4036.1 in 2021 and BESE rules in 2023, particularly regarding student’s fees. Additionally, the onset of Covid impacted operations of all public schools (and society as a whole) including learning pods. In an uncertain environment, learning pods provided continued educational alternatives and did collect fees for before/after school and extra services. However, in an abundance of caution, the \$511,538 in fees collected will be subject to return following a review with LDE.**

### **Foundation Response**

#### ***Current Status of Student Fees***

Since the 2023 school year, Iberville Charter Academy has established a student fee schedule policy which applies to traditional students and Learning Pods Students alike. The student fee policy is consistent with La R.S. 17:177, 17:3991(E)(3) and BESE established rules and guidelines. The latest proposed student fee policy is planned for Foundation review and consideration at the next regularly scheduled Foundation Board meeting. The current policy includes the same policy established since the inception of Learning Pods, which ensures educational access to all students free from financial barriers; no student shall be denied access to any educational program due to an inability to pay.

#### ***Initial Learning Pods—Flexibility and Ambiguity***

Pursuant to Louisiana’s charter school law and its Charter Contract, the Foundation has supported “experimentation in the creation of innovative kinds of independent public schools” by allowing Iberville Charter Academy to create off-site learning environments that maximized “innovative teaching methods and a variety of governance, management, and administrative

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<sup>36</sup> Superintendent Brumly letter dated July 28, 2023 attached as A.1 to the LLA Informational Report (Ex 4)

<sup>37</sup> LLA Informational Report dated August 2, 2023, at page 6, Exhibit 1 (Ex 5)



structures”.<sup>38</sup> Beginning in 2019, the Foundation achieved this goal in substantial part by establishing Learning Pods.

Since 2019 the Learning Pod program provided unique educational models to attract students and families that were previously outside the public education accountability system and established academic standards. The expanded standards-driven choice offered by Learning Pods is consistent with the objective of the Charter School Demonstration Program Law to “require appropriate assessment and measurement of academic learning results”.<sup>39</sup> The flexible educational models offered by Learning Pods meet the demand by families of Learning Pod students. However, it is this flexibility that admittedly creates ambiguity when attempting to apply policy crafted for traditional classroom settings.

A simple example of the ambiguity created is found in the implementation of before and after school programs. In a traditional setting, where schools operate in defined timeframe— 9am to 3pm, for example—it is easy to define before and after school programs. Such programs have historically been subject to extra fees paid by the families of students. In the Learning Pod setting, the flexible methods of instruction and educational models do not lend themselves to such easy definitions.

To add to the ambiguity, the applicable Louisiana Statute governing student fees, La. R.S. 17:177 was not effective until December 31, 2019, several months after the Foundation’s Learning Pods had commenced for the 2019-2020 school year.<sup>40</sup> Moreover, BESE rules governing Learning Pods were not established until April 2023, despite the Foundation’s persistent and consistent requests, since 2021, for additional regulatory guidance and administrative intervention to establish clearer regulations.

### ***COVID-19 Impact and Operational Challenges***

The COVID pandemic threw the entirety of Louisiana public education, and the entire nation, into a chasm of uncertainty. In March of 2020, traditional schools around the State put the brakes on public education. Districts were forced to cease instruction due to mass confusion around special educational compensatory services and their inability to deliver free and appropriate education outside of the traditional classroom. Social media algorithms intensified this confusion by prioritizing polarizing rhetoric regarding masks, vaccines, and COVID in general. During this time, the Foundation invested in synchronous technology solutions that allowed both in-person and remote classroom teaching, and in learning pods that provided safe, small member enclaves for like-minded communities of learners to continue their public education.

The challenges of operating without clear regulatory guidance were compounded significantly when the COVID-19 pandemic emerged in early 2020. This unprecedented situation where the Foundation was not only navigating the uncharted territory of learning pod operations

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<sup>38</sup> Louisiana Revised Statutes (R.S.) Tit.17; Bulletin 126; Charter Contract between the Foundation and BESE dated May 20, 2014.

<sup>39</sup> La R.S. § 17:3972(B)(d).

<sup>40</sup> La R.S. § 17:177.

but also managing the disruption of traditional educational delivery methods. The pandemic challenged how education was delivered worldwide, making the management of school operations tenuous and uncertain and the future of educational delivery questionable. During this period while the world was shutting down, the Foundation, working with CSUSA and BOSS, was focused on preserving and providing educational services and opportunities to all students who were at significant risk of falling behind academically. The pandemic dictated a constantly changing “figure-it-out-as-you-go” approach as traditional operational frameworks were clearly inadequate, and sometimes impossible, for the rapidly changing circumstances.

Communication with families, regulatory authorities, and educational partners became increasingly difficult as everyone was attempting to adapt to remote operations and constantly shifting public health requirements. The administration and management of education during this period was particularly challenging as staff worked to maintain educational services while implementing new health protocols, managing technology needs for remote learning components, and ensuring that students continued to receive comprehensive educational support without significant gaps, lulls, or delays in required and necessary educational services. At the same time, administrators, faculty and staff had to cope with their own personal and family needs.

Throughout this period, the Foundation’s priority, along with CSUSA and BOSS, always remained focused on high quality educational delivery and student success. All fees collected during this time were dedicated exclusively to furthering educational objectives and supporting the services needed to maintain high-quality education during unprecedented circumstances. The use of these funds was solely for legitimate and unique educational purposes. These funds supported specialized programming and extended and creative learning opportunities that helped students navigate the overwhelming educational challenges despite the pandemic.

### ***Fee Educational Purposes and Categories***

With little or no guidance, rules, or regulations as well as the onset of COVID, during the 2019-20 and 2020-21 school years, the Learning Pods focused on serving students’ educational needs in a challenging time. During this time, fees were collected for four basic extra services: 1. Before and After programs; 2. Technology fees; 3. Unique Strings Program; and 4. Additional Services. Each is well justified. As an example, in addition to normal education requirements, the unique “strings” program was well communicated to parents and provided professional musicians from the Baton Rouge symphony as instructors for students at the Red Stick Academy location. This program also included mid-year and end-of-year student concerts which provided students with an advanced and high level of enrichment that greatly exceeded the standard music curriculum offerings. Furthermore, over 55% of learning pod students participating through eLearning, on average, elected to independently pay for extra “Sylvan-like services” through eLearning.

Again, it is important to note no student was denied access to this program (or any program) due to an inability to pay. Indeed, over 40% of potential fees were waived at the Red Stick Academy in 2021-22 school year. CSUSA established the fees to be charged to students at the Foundation schools. No fee policy was submitted to the Board for approval.

Given the then current state of ambiguity, the experimental cutting-edge nature of the Learning Pods program, as well as the almost insurmountable circumstances caused by COVID, there is well-founded disagreement as to any characterization that there was any inappropriate collection of fees as reported within the Audit. Certainly, clerical errors and minor miscommunications occurred, but at no time were students denied services.

As they have consistently from the beginning, the Foundation and CSUSA are fully committed to providing unique, innovative, accessible educational choice options to all families in Louisiana. They further understand and acknowledge that to protect the educational choice options for all families, such programs must be beyond reproach, and all stakeholders must have complete confidence that the delivery of educational choice options is being delivered with integrity.

All funds identified with this Finding are controlled by the Foundation and, in coordination with CSUSA and LDOE, the Foundation will implement a process consistent with LLA Recommendation 10 which provides that the Foundation consult with LDE on corrective actions to be taken to identify and refund with regard to past fee collection.

#### **Finding 4:**

**When evaluating the entire relationship between the Foundation and the Landlord, the cost of lease the Iberville Charter Academy facility is below market (particularly compared to similar situated public school facilities). The relationship with the Board and CSUSA is atypical, unique and goes beyond a normal landlord-tenant relationship. Additionally, the cost of leases of the learning pods were included in the lump sum fee per student paid to BOSS and was not the direct responsibility of or cost to the Foundation.**

#### **Foundation Response**

Currently, all school and pod locations are registered with the Department of Education and the leases relating to the Foundation's schools and Learning Pods comply with DOE rules.

The main inquiry involves the lease of 42,053 square feet for the Iberville Charter Academy executed on December 30<sup>th</sup>, 2013, between the Foundation and Ryan Companies, Inc.<sup>41</sup> Ryan Companies is not, nor has it ever been, a related entity to CSUSA or any other CSUSA related entity. Additionally, since the outset of the lease obligations, the lease payments were always set forth within the schools' approved annual budgets.<sup>42</sup> Nearly a year after the Foundation entered into the lease, Red Apple at Iberville purchased the facility from Ryan and assumed the Foundation's lease<sup>43</sup>. This assignment was fully transparent to the Foundation. Moreover, the lease between the Foundation and Red Apple is noted within the yearly audits for all times material to the timeframe of this LLA audit. The budgets and audits reflecting the Lease and payments were

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<sup>41</sup> Lease Agreement between the Foundation and Ryan Companies, Inc. (Ex 8)

<sup>42</sup> See, The Foundation's Budget Hearing Packet excerpts for the 2020-21 SY (see Response to Finding 1)

<sup>43</sup> Letter to Mr. Pierre dated April 19, 2018 confirming Ryan lease assignment to Red Apple at Iberville, LLC (Ex 8)

reviewed and approved by the Foundation each year at its duly called Board Meetings and accepted under and in compliance with standard accounting practices by the Foundation's Auditors each year.

### ***Fair Market Must Consider Rent Waiver, Fee Waiver and Direct Contributions***

Questioning the fair market value of a project more than a decade after the facility was constructed, the lease was executed, and the facility has been utilized for its intended use is problematic. Clearly, upon execution of the lease there was an arms-length relationship between the Foundation and Ryan. However, once the lease was assigned to Red Apple, a fair market analysis requires a review of the total financial arrangement between the landlord (and its related parties) and the tenant.

First, on April 19, 2018, Red Apple waived the rent for the entire 4<sup>th</sup> year of the lease. The total rent waived for that entire year was \$1,072,524<sup>44</sup>.

Second, CSUSA provided direct financial support to the Foundation (tenant) in 2018 and 2019. The direct contributions total \$691,637.

Lastly, CSUSA waived earned management fees in the amount of \$3,162,804 over a period of seven years (all during the term of the lease). The total waivers of rent, and fees as well as direct contributions from Red Apple/CSUSA was \$4,926,965.

In the first 10 years of the lease, the effective rent has been nearly half of the scheduled lease payments (\$10,613,675-\$4,926,965= \$5,686,710) or an effective cost of \$13.52 per square foot. Based upon the analysis contained in the Audit, \$13.52 is well below market rent rate.

The determination of fair market value requires an underlying pure arms-length transaction in the standard commercial landlord-tenant relationship. The subject lease arrangement is an atypical unique, unorthodox landlord-tenant relationship as it driven by more than financial return, but rather CSUSA's commitment (and Red Apple's) to providing Louisiana public school students with a flexible and innovative high performing educational school choice in a quality facility.

### ***Additional Factors to Consider***

In our investigation regarding the construction costs of the facility due to the softness of ground conditions, Iberville Charter Academy was constructed on 180 timber piles and needed rebar reinforced pavement for the parking lot and traffic loop. This added significantly to the cost of construction. Additionally, due to its relatively remote location, Ryan paid a premium to obtain subcontractors. Under those conditions the school cost of construction was \$219.37 a square foot.

Given the nature of the timber piles needed to build Iberville, Red Apple researched comparables and discovered an apparently similar public-school facility, South Plaquemines High

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<sup>44</sup> See Exhibit 8

School. The school was built by the Plaquemines Parish School System in 2013, a year before Iberville Charter Academy, and was also built on pilings. That school was 125,000 square feet (3x the size of Iberville) but built to house a maximum student count of 650 (nearly identical to Iberville's student capacity). The construction cost there was \$37,300,000 or \$298.40 a square foot. This is \$79.03 more per square foot than Iberville's construction cost per square foot.

There were no other charter schools that existed in the Iberville comparable market in 2014, thus there were no comparables in 2014 to establish any "fair market value."

### ***Learning Pod Leases***

Any and all Learning Pod leases were outside the financial responsibility of the Foundation as the cost of the facilities were borne by BOSS all within funds provided by the Foundation pursuant to the written Agreement or prior course and conduct of the parties. In other words, the Foundation was not obligated for the leases for the Learning Pod's. At all times material to this Audit, the facility costs and expenses were the sole obligation of BOSS.

The Little Prairie Baptist lease had been executed with the Church, not with any individual, and the lease payments were a *de minimis* amount to raise concern under the scope of this Audit. Lastly, the obligation, as *de minimis* as it may be, was solely borne by BOSS. Moreover, this lease concluded as of May 31, 2025.

### **Finding 5:**

**The annual school audits have rendered clean opinions that are filed with the Legislative Auditor's Office each year. CSUSA did advance certain funds to maintain orderly operation of Iberville Charter Academy (primarily payroll) when state funding was late. The Foundation is working with CSUSA to put in place a policy governing this process to assure notice to the Board whenever such an occasion may arise in the future.**

### **Foundation Response**

#### ***Current Policy***

The Foundation is currently amending its board policies to require that in emergent situations such as those referenced in the Report, CSUSA will obtain permission from the Foundation's Board President ("Board President") prior to providing a bridge loan or transfer in order to protect the orderly operation of the school. Any action taken with the Board President's approval shall then be placed on the next regular meeting Board agenda for discussion and ratification.

### ***Clean Audit Opinions in Yearly Independent School Audits***

It is important to note that the Iberville Charter Academy has been audited by third-party auditors every year as required by state law.<sup>45</sup> The auditors have rendered a clean Opinion each year stating:

*In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30 (insert year) and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

### ***Loans Allowable pursuant to Management Agreement to Protect Orderly Operation of the School***

The existing management agreement between the Foundation and CSUSA permits but does not require short-term loans by/from CSUSA to the Foundation/School.<sup>46</sup> The forthcoming Board policy amendments will formalize these communications with the Foundation's Board President, the Board and CSUSA.

A large number of cash transfers between CSUSA and the Foundation occurred during emergency situations where Minimum Foundation Program (MFP) funding experienced significant delays in receipt by the school. Delays in the MFP funding directly impacted the Foundation's ability to fund payroll. Missing payroll would inevitably create serious operational difficulties or worse.

In these circumstances, CSUSA provides short-term financial advances primarily to cover payroll expenses and ensure that educational services continued without interruption. All transferred funds supported expenses that were consistent with the schools' approved budgets. All funds transferred were used exclusively for Board approved expenditures.

### ***Other Transfers Made Pursuant to Approved Budgets***

CSUSA operates as a management organization serving over 100 schools across its network. This structure allows CSUSA to utilize its purchasing power for the benefit of individual schools. Certain expenses are allocated to individual schools as part of the broader CSUSA network based on specific allocation methodologies that reflect each school's proportional benefit from shared services such as healthcare benefits for teachers and staff and/or necessary insurances.

All allocated expenses fall within categories that are contemplated and approved in the schools' annual operating budgets. Using the Foundation's FY 2019-2020 charter school annual operating budget as an example, the Board-approved budget includes specific line items for the

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<sup>45</sup> RS 17:3996(F); RS 24:513; and BESE Bulletin 126, Section 2507

<sup>46</sup> Management Agreement

purchase of professional and technology services such as legal services, accounting and auditing services, payroll, human resources, and computer and software service fees.<sup>47</sup> The approved budget also includes other purchased services such as necessary insurances (property and liability insurances), as well as salaries and healthcare benefits including employee compensation, life insurance and other employee benefits.

There also may be some confusion as the fiscal year of the school is July 1 to June 30. This audit conducted by the LLA concluded in April 2023. As such there may have been transactions in process and not closed out as is normally provided through the yearly audit of the fiscal school year. The Foundation and CSUSA recognize the importance of comprehensive documentation for all financial transactions and are implementing enhanced policies that will provide greater clarity regarding financial transfers. The enhanced policies and standards will ensure that future transactions continue to meet the highest standards of auditable accountability while maintaining operational efficiency that benefits all schools in the CSUSA network.

### **Finding 6:**

**All documents requested by the LLA were provided by the Foundation/CSUSA. However, due to the volume and number of requests and other technical issues the requests did take longer than expected.**

### **Foundation Response**

CSUSA and the Foundation acknowledge that the management agreement between the two parties establishes a requirement for responsive records to be provided within three business days of a request from representatives or authorized contractors from BESE, the Louisiana Department of Education (LDOE), and the Louisiana Legislative Auditor (LLA), law enforcement officials, contracted evaluators, or any other governmental agency.

The delays in providing the records were a product of several operational challenges that arose during the audit period which encompassed the COVID years. The voluminous nature of the records requests required extensive compilation and review of documents spanning multiple years of operations across various areas.

The operational challenges included technological disruptions during this period when the electronic financial recordkeeping system abruptly shut down. This system failure—as acknowledged in the LLA’s report—created substantial delays for the CSUSA team as staff worked to recover and access electronic records through alternative methods.

It is important to note that despite these delays, all requested records and documentation were provided in their entirety to the LLA. No records were withheld, and the auditor received complete access to all requested materials.

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<sup>47</sup> See Response to Finding 1

The Foundation and CSUSA have taken steps to address the issues that contributed to these delays. As of today, all student records for the Foundation are based and remain physically located in Louisiana, ensuring timely local access for any future requests. All other operational records are available to the CSUSA Louisiana team and are securely stored electronically in protected, cloud-based systems that provide local access.

## **LLA Recommendations**

- (1) Ensure that all payments to related parties, including affiliates of CSUSA, have signed, written contracts that clearly define the scope of services, pricing terms, and performance expectations;

*Response: Agreed. Written contracts are already in place for BOSS and Red Apple. Contracts will be prepared for 10JIN<sup>48</sup> and other separately incorporated affiliates of CSUSA.*

- (2) Adopt policies requiring that all related-party transactions be identified and evaluated for arm's-length fairness, reviewed and approved by the Foundation's board prior to payment, and disclosed in accordance with GAAP and GASB, including the nature of the relationship, a description of the transactions, amounts paid, and balances due;

*Response: Louisiana state law and BESE Bulletin 126<sup>49</sup> require adherence to generally accepted accounting principles (GAAP) but government accounting standards board (GASB) standards are applicable to governmental bodies.*

*The Foundation complies with GAAP accounting in its annual third-party audits filed with the Louisiana Legislative Auditor in compliance with state law and BESE Bulletin 126.*

*The Foundation will adopt policies requiring that all related-party transactions be identified in writing, evaluated for fairness and approved by the Board pursuant to GAAP.*

- (3) Ensure that all vendor invoices, especially those from related parties include detailed descriptions of services rendered and itemized charges;

*Response: Agreed*

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<sup>48</sup> 10JIN Technology and Support Package for 2021-2022 (Ex 7)

<sup>49</sup> BESE Bulletin 126, Sections 1701(A)(3), 2105(A)(3), 2507(A)



- (4) Conduct a retrospective review of all related-party payments made without contracts or board approval to determine whether any were unsupported, excessive, or in need of corrective action or recovery;

*Response: Agreed.*

*Note: The Board approved BOSS budgets for 2019-present and all payments were within budget.*

- (5) Implement written requirements that board members and senior management receive regular training on fiduciary responsibilities, related-party transaction risks, Louisiana procurement laws, and charter school governance standards;

*Response: The Board affirms its obligations pursuant to BESE Bulletin 126, Section 2103 defining Board Member Responsibilities which include but are not limited to operations in accordance with its duly adopted bylaws and conflict of interest policy, the Louisiana Code of Governmental Ethics, Louisiana Open Meetings Law, the Louisiana Public Records Law and the Louisiana Public Bid Law.*

*In addition, the Board President and all present Board members shall participate in at least one hour of board governance, special education, and financial management training coordinated by LDOE and each new board member shall undergo similar training within one year of their appointment to the Board.*

- (6) Consult with LDE to implement a correction plan on instructional sites that were not authorized in accordance with La. R.S 17:4036.1 and BESE Bulletin 126;

*Response: All existing instructional sites designated as Learning Pods pursuant to La. R.S. 17:4036.1 comply with Bulletin 126.*

*Also see response to Finding 2. Any Learning Pod sites that preceded the enactment of RS 17:4036.1 in 2021 had no statutory or regulatory rules in effect.*

- (7) Implement written policies and procedures requiring board approval and detailed budgets for all learning pods;

*Response: The Board shall adopt written policies and procedures requiring that any Learning Pod shall be disclosed in the annual budget by separate detailed line items for all income and expenses.*

- (8) Seek public proposals for educational services;

*Response: The Board shall determine the necessity and benefit of seeking proposals for educational services in compliance with state law, BESE and LDE rules and regulations.*

- (9) Develop and adopt a board-approved student fee policy that complies with La. R.S 17:177, BESE Bulletin 126, and the Foundation’s charter agreement;

*Response: Agreed. Present student fees conform with state law. A formal policy was adopted by the Board at its September 10, 2025 regular meeting.*

- (10) Consult with LDE on corrective actions to be taken with regards to past fee collection;

*Response: Agreed. The Board has already taken action and will consult with LDOE to implement this recommendation.*

- (11) Ensure that all current and future agreements with related entities and Learning Pod operations include an audit clause granting access to records by the Louisiana Legislative Auditor (LLA), Louisiana Department of Education (LDE), and BESE as well as record retention provisions in accordance with Louisiana law;

*Response: Agreed with regard to related entities as defined by GAAP and to the extent of public moneys are to be paid to the related entities.*

- (12) Obtain signed, written leases for all learning pod locations;

*Response: Agreed. This has been the practice since 2023.*

- (13) Amend Foundation policy and/or the CSUSA management agreement to require Foundation board approval for all loans or advances between CSUSA and ICA;

*Response: Agreed. The Board shall adopt a policy and amend the CSUSA management agreement to require Foundation approval for all loans and advances between CSUSA and ICA. See also, response to Finding 5.*

- (14) Enforce the Foundation’s charter contract with regards to the three day document response requirement and amend the CSUSA management agreement to include specific penalties for delays in providing requested records;

*Response: The Foundation acknowledges its obligations pursuant to Louisiana public records law and will produce records that are readily available within three days in compliance with its BESE contract obligations.*

- (15) Implement written policies and procedures that require CSUSA to notify the board of all records requests and the timeliness of the production of records;

*Response: Agreed. CSUSA will implement written policies and procedures for reporting records requests to the Board.*

- (16) Require that all financial, educational, and operational records related to the Foundation's schools and learning pods be stored in Louisiana and accessible by foundation staff.

*Response: Agreed. All student records are maintained on their campus. The storage and accessibility of electronic records are maintained by CSUSA in shared, secured cloud-based sites accessible by the Foundation in Louisiana.*



## Petition for Rulemaking

for submission to the  
Louisiana State Board of Elementary  
and Secondary Education (BESE)

For BESE Office Use Only

Date received \_\_\_\_\_

Received by \_\_\_\_\_

Signature \_\_\_\_\_

Date formally presented to BESE \_\_\_\_\_

I, South Louisiana Charter Foundation, Inc., a citizen of the state of Louisiana, whose signature is appended to this petition, hereby petition the Louisiana State Board of Elementary and Secondary Education (BESE), in accordance with the Louisiana Administrative Procedure Act, R.S. 49:953(C) and LAC 28:1.1309, regarding the following: (Use separate form for each bulletin)

Bulletin number: 126

Section number(s): new

The petition requests that BESE: (Check all that apply)

☒ Adopt new Rule(s) ☐ Amend current Rule(s) ☐ Repeal current Rule(s), as follows:

Justification for the requested revision(s): (Summarize content and impact of proposal)

See attached Petition.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Additional pages or a separate attachment are acceptable.

Petitioner's designee: (if applicable)

The petitioner designates Brandon Decuir and Gary McGoffin as the representative of this petition.

Mailing Address See bottom of attached Petition

Email (optional) \_\_\_\_\_ Phone (optional) \_\_\_\_\_

Petitioner Information:

Name South Louisiana Charter Foundation, Inc.

Mailing Address 2900 Westfork Drive, Suite 40, Baton Rouge, LA 70827

Email (optional) \_\_\_\_\_ Phone (optional) \_\_\_\_\_

Petitioner's signature \_\_\_\_\_ Date \_\_\_\_\_

Designee's signature (if applicable) Gary McGoffin Date 30 Nov 2021

The petition must be submitted via certified mail and addressed to:

Board of Elementary and Secondary Education

Attn: Shan Davis, Executive Director

P.O. Box 94064, Capitol Station

Baton Rouge, LA 70804-9064

EXHIBIT

1

**SOUTH LOUISIANA CHARTER FOUNDATION**  
**on behalf of the**  
**IBERVILLE CHARTER ACADEMY**  
**to**  
**BOARD OF ELEMENTARY AND SECONDARY EDUCATION**

**PETITION TO ESTABLISH ADMINISTRATIVE RULES FOR “LEARNING PODS”**  
**ENACTED BY REVISED STATUTES 17:4036.1**

The South Louisiana Charter Foundation (“Foundation”) operates a Type 2 charter school known as the Iberville Charter Academy located at 24360 Enterprise Boulevard, Plaquemine, Louisiana 70764.

1.

The Board of Elementary and Secondary Education (“BESE”) has not issued any rules related to the learning pods legislation which was authorized pursuant to Act 400 of 2021 (now LRS 17:4036).

2.

The Foundation petitions for promulgation of the following Rules concerning “learning pods”:

Note: The **bold** text below is the language from the “Learning Pod” statute, LRS 17:4036.1 The *italicized* text below each statutory section denotes the proposed Rules to supplement the statutory provisions.

**Proposed “Learning Pod” Rules**

**A. Each public school governing authority may establish learning pods as an extension of any school under its jurisdiction. For purposes of this Chapter, “learning pod” means a group of at least ten students enrolled in the school who receive instruction in a small group setting.**

*1) A Type 2 charter school may establish residency requirements for students living within the state or may establish residency requirements restricted to a particular parish or parishes.<sup>1</sup>*

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<sup>1</sup> Bulletin 126, Section 2701(A)

2) *Each public school governing authority shall be a "Local education agency (LEA)" defined as a public board of education or other public authority legally constituted within the state either to provide administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, parish school district, or other political subdivision of the state. The term includes an educational service agency and any other public institution or agency having administrative control and direction of a public elementary or secondary school, including a public charter school that is established as an LEA under state law.*<sup>2</sup>

3) *The address for the physical location of a learning pod shall be provided by the local governing body to the Louisiana Department of Education and, if the local governing body is for a charter school, to the Charter Authorizer.*

**B. A student shall be assigned to a learning pod only if the assignment is requested by his parent or authorized by his parent upon the recommendation of school officials.**

1) *Students shall be registered at the school with which the learning pod is affiliated.*

2) *Assignment of a student to a learning pod requires the request or authorization of the parent or legal guardian, and the school officials.*

**C. All instruction provided to students assigned to learning pods shall be provided by teachers on the staff of the school who meet all qualifications and are subject to all requirements applicable to teachers at the school who are not assigned to a learning pod.**

1) *All teachers shall be on the staff of the school whether they are direct employees of the school or provide education services to the school via other contractual arrangements.*

**D. Students assigned to a learning pod shall be:**

(1) **Counted among the enrollment of the public school governing authority for purposes of full funding through the Minimum Foundation Program formula.**

(2) **Subject to all requirements applicable to students enrolled in the school who are not assigned to a learning pod.**

a) *Additional school policies may be adopted to address specific operation of the learning pod distinct from the general requirements applicable to all students enrolled in the school.*

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<sup>2</sup> Source language from Bulletin 741, Section 3703, Definitions

**(3) Eligible for participation in all services and activities for which they would be eligible if not assigned to a learning pod.**

*a) If a required service is not available at the learning pod site, those services shall be provided to the student at the main school campus or by other acceptable alternative consistent with state and federal law.*

**E. The establishment of learning pods shall be subject to policies and procedures adopted by a public school governing authority, which, at a minimum, shall provide for the following:**

**(1) The student population of the learning pod, which may be a blended population of students of different grade levels.**

*a) The establishment of a learning pod shall constitute appropriate justification and documentation for a waiver to allow multi-age, multi-ability groupings as provided by Bulletin 741, Section 905(A)(2).*

**(2) The method of instruction for the learning pod, which may occur in-person at a physical location on the school campus, remotely through virtual instruction, or through a hybrid approach that combines both methods.**

*a) "Virtual instruction" does not constitute a "virtual school" as that term is defined by LRS 17:236.3(A).*

*b) All methods of instruction may originate at a physical location other than the school campus or learning pod location so long as the instruction is provided by the school staff whether as direct employees of the school or as a contractual education service provider.*

**(3) Any specialized curriculum or program provided in the learning pod.**

**(4) The process for a parent to request student assignment to a learning pod, grant authorization for a student's assignment to a learning pod if recommended by school officials, and withdraw a student from a learning pod.**

*a) Charter school students assigned to a learning pod shall be included in the performance measures for the school as provided by the charter contract.*

*b) The procedures for recruitment and enrollment of charter school students assigned to a learning pod shall be consistent with the provisions of Bulletin 126, Chapter 27, except that the waitlist for the learning pod shall be maintained and administered separately from the charter school home campus.*

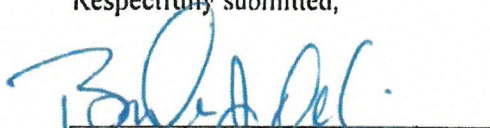


**F. This Chapter does not apply to or have any effect on any learning pod or other group of students that is formed and operated by parents, regardless of whether they are enrolled in a public school or a nonpublic school or participating in a home study program.**

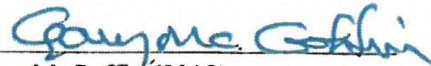
*G. In the event of a conflict between the express provisions of the learning pod statute, LRS 17:4036.1, and any other administrative policies adopted by the Louisiana Department of Education including but not limited to Bulletins 126 and 741, the express provisions of LRS 17:4036.1 shall control.*

Wherefore, the Iberville Charter Foundation prays that this Petition be deemed good and sufficient and that The Board of Elementary and Secondary Education initiate Rulemaking proceedings to adopt these proposed Rules for "learning pods".

Respectfully submitted,



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remain fixed until the charter school's contract is renewed, unless otherwise provided for in existing charter contracts.

2. For charter schools beginning an initial or renewal charter contract term on or after July 1, 2016, the student enrollment percentages shall be based on the pupil membership counts from the school year immediately preceding the beginning of the charter contract term and shall remain fixed during the charter contract term.

F. The department shall perform all calculations necessary to implement this Section.

G. Annually, the department shall make a report to BESE on the student enrollment percentages detailed in this Section for all public schools and local education agencies.

H. Each charter authorizer shall hold its authorized charter schools accountable for meeting the required student enrollment percentages in this Section in accordance with state law by taking the following actions for each charter school that fails to meet required enrollment percentages:

1. conducting an inquiry to determine all actions taken by the charter school to attempt to meet the requirements and the reasons for such failure; and

2. providing a written notice to the charter school that provides a process or actions to address the deficiencies and adequately meet the needs of students.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:6(A)(10) R.S. 17:3973, R.S. 17:3981, and R.S. 17:3991.

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education in LR 34:1375 (July 2008), amended LR 37:875 (March 2011), LR 40:1325 (July 2014), LR 42:550 (April 2016), LR 43:310 (February 2017), LR 43:2478 (December 2017).

#### **§2715. Remote School Registration and Enrollment of Children of Military Personnel Transferring to Louisiana**

A. A local educational governing authority shall allow a dependent child of an active duty member of the United States Armed Forces, the military reserve forces, or the National Guard or a Department of Defense civilian to register and preliminarily enroll in a public school under its jurisdiction by remote means, including electronic means, prior to becoming a resident of Louisiana, if:

1. the parent or legal guardian of the student is transferred or pending transfer to a military installation or comparable duty location in Louisiana pursuant to an official military order;

2. the parent or legal guardian of the student provides a copy of the official military order transferring the parent or legal guardian to a military installation or comparable duty location in Louisiana to the local educational governing authority; and

3. the parent or legal guardian of the student completes and submits to the local educational governing authority all required registration and enrollment forms and documentation, except that proof of residency, which shall

be required within ten days after the arrival date specified on the parent or legal guardian transfer orders.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:101.

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 48:998 (April 2022).

#### **§2717. Purple Star School Award Program**

A. A school shall be labeled a "Purple Star School" if it has exhibited a major commitment to military-connected students and families, as demonstrated by meeting the following requirements.

1. The school has designated a staff member as a military liaison to serve as the primary point of contact for military-connected students. The designated staff member shall:

a. identify special considerations needed by military-connected students and families; and

b. develop training to inform teachers and other school personnel of such special considerations.

B. Schools labeled as "Purple Star Schools" shall:

1. maintain a dedicated page on the school website featuring resources for military-connected students and families; and

2. maintain a student-led transition program to provide peer support for military-connected students

C. The local educational governing authority of each Purple Star School shall:

1. adopt a resolution stating the commitment of the support for military-connected students and families; and

2. assign a central office staff member to be the contact for the school-based liaison and military-connected students and families.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:101.

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 48:998 (April 2022).

#### **§2719. Reward Eligibility**

A. A school shall be labeled a "reward school" if it earns the equivalent to an "A" letter grade on the progress index.

B. Schools labeled as "reward schools" shall be eligible for financial rewards, as funds are available and as determined by the department.

C. Schools will not be eligible for reward status if they are labeled "urgent intervention required" for any subgroup.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:101.

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 48:998 (April 2022).

#### **§2721. Learning Pods**

A. Charter schools may establish learning pods pursuant to R.S. 17:4036.1 and LAC 28:XXV.Chapter 36 upon



providing written notice to the department and completing a learning pod pre-opening checklist.

1. The school must provide written notice to the department prior to the scheduled opening date of the learning pod.

2. The charter school must complete all learning pod pre-opening requirements before students can enter the designated learning pod location.

3. The charter school must receive written notice of approval from the department before opening the designated learning pod location. Written approval shall be provided by the department to the charter school within 60 days of receipt of the request from the charter school; otherwise the request shall be deemed approved.

B. In accordance with R.S. 17:4036.1, a charter school pod shall be considered an extension of the charter school and be subject to all state and federal laws, policies, rules, and regulations applicable under the charter operating agreement, including compliance with R.S. 17:3991(E)(3).

C. The procedures for recruitment and enrollment of charter school students assigned to a learning pod shall be consistent with the provisions of LAC 28:CXXXIX.Chapter 7, except that the waitlist for the learning pod shall be maintained and administered separately from that of the charter school home campus.

D. The charter operator must seek a material amendment to the charter contract prior to opening a learning pod in the case of one or more of the following:

1. the school enrollment will exceed the authorized total enrollment stated in the charter agreement pursuant to R.S. 17:3991 and LAC 28:CXXXIX.2703;

2. more than 50 percent of the students enrolled in the charter school will attend a location other than the initially approved main school location site; or

3. more than 50 percent of the students enrolled in the charter school will engage in a virtual learning program for more than 50 percent of the school day averaged over a semester.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:6; R.S. 17:7; R.S. 17:3981; and R.S. 17:4036.1.

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 49:649 (April 2023).

## Chapter 28. Transportation

### §2801. Transportation Requirements for BESE-Authorized Charter Schools

A. Each operator of a BESE authorized charter school shall offer free daily transportation to and from school to any student meeting both of the following conditions:

1. the student resides more than one mile from the school where the student is enrolled;

2. the student resides within the parish or local school district in which the school is physically located.

B. Free daily transportation shall include, at a minimum:

1. whatever transportation is necessary to implement any individualized education plan (IEP) for a child with an identified exceptionality;

2. transportation by a vehicle approved for student transportation in accordance with BESE *Bulletin 119—Louisiana School Transportation Specifications and Procedures* or public transportation payments and/or reimbursements;

3. bus stops or pick-up points no further than one mile from the place of residency of each child residing within the parish, unless the school is located in a large rural parish, in which case the state superintendent may grant a waiver for this requirement; and

4. procedures to ensure compliance with R.S. 14:93.2.1 for children under the age of 10.

C. Charter operators shall submit school transportation plans to the department to ensure compliance with applicable laws and policies. The state superintendent shall set forth the process for transportation plan submission.

D. Charter operators having BESE authorized charter schools in operation during the 2015-2016 school year shall offer transportation to all eligible students no later than the beginning of the 2018-2019 school year. Charter operators having BESE authorized charter schools that begin operation in the 2016-2017 school year shall offer transportation upon opening.

E. The department shall develop a waiver process to exempt from this requirement any type 2 charter schools having a unique mission to serve students with exceptionalities, virtual schools, or other schools upon which this requirement would create a substantial financial burden. Such process shall be set forth the state superintendent, who shall update the board on any waivers granted.

F. No later than the beginning of the 2016-2017 school year, each type 5 charter school located in Orleans Parish shall provide free transportation services for all students enrolled in the charter school who reside within Orleans Parish and more than 1 mile from the charter school's location, which shall include, at a minimum:

1. whatever transportation is necessary to implement any individualized education plan (IEP) for a child with an identified exceptionality, without regard to how far the child resides from the charter school;

2. free transportation by a vehicle approved for student transportation in accordance with BESE *Bulletin 119—Louisiana School Transportation Specifications and Procedures*, for students enrolled in grade 6 or below who reside more than 1 mile from the charter school; and

3. free transportation, free public transportation payments and/or reimbursements for all other students not included in Paragraphs 1 and 2 of this Subsection who reside more than 1 mile from the school.



# STRUCTURE AND USE OF LEARNING PODS IN LOUISIANA ELEMENTARY AND SECONDARY PUBLIC SCHOOLS

LOUISIANA DEPARTMENT OF EDUCATION

PERFORMANCE AUDIT SERVICES

Informational Report  
August 2, 2023

**EXHIBIT**

**3**

exhibitstickers.com



LOUISIANA  
LEGISLATIVE  
AUDITOR



DR. CADE BRUMLEY  
STATE SUPERINTENDENT



CLAIBORNE BUILDING  
1201 N 3RD ST.  
BATON ROUGE, LA 70802

LOUISIANA DEPARTMENT OF EDUCATION

July 28, 2023

Dear Mr. Waguespack,

Please accept this letter as the official response from Louisiana Department of Education (LDOE) to the Informational Report entitled *Structure and Use of Learning Pods in Louisiana Elementary and Secondary Public Schools*.

LDOE believes that choice expands opportunities for children. With this belief, local communities and organizations should be able to implement learning pods. **Having gained momentum the last few years, learning pods offer a valuable option for students and families across Louisiana.** Increasingly, parents desire educational freedom, and learning pods are another way for parents to choose the educational opportunity that makes the most sense for their family.

Choice is a core tenant of our administration. We will continue to expand choice opportunities for parents.

In order to address the safety and security of students while simultaneously preserving the autonomy of school governing authorities, LDOE led the way in creating [policies](#) and [procedures](#) to govern learning pods that were unanimously adopted by the Louisiana State Board of Elementary and Secondary Education in [December 2022](#).

As demonstrated by these rules, LDOE believes that public school families should never be charged tuition or attendance fees of any kind, schools should be fairly evaluated, operational transparency should be illuminated, school autonomy should be preserved, and parents should have the right to choose the best environment available for their student.

Thank you again for your team's steadfast commitment to increasing governmental transparency and upholding the highest ethical standards.

Sincerely,

Dr. Cade Brumley

State Superintendent of Education

According to the information provided by LDOE<sup>9</sup> and our survey, Iberville Charter Academy and Lafayette Renaissance Charter Academy are the only two schools that use learning pods in Louisiana. Iberville Charter Academy had 497 students enrolled as of February 2023, with 231 (46.5%) enrolled at its main school campus and 266 (53.5%) at a learning pod location. Lafayette Renaissance Charter Academy had 1,331 students enrolled as of February 2023, with 1,312 (98.6%) at its main school campus and 19 (1.4%) at a pod location. All of these learning pods use a hybrid system<sup>10</sup> of instruction, incorporating some amount of remote instruction. Exhibit 1 summarizes the learning pod locations, the charter schools that use learning pods, and the number of students attending these learning pods.

<b>Exhibit 1</b> <b>Learning Pods in Louisiana</b> <b>As of May 2023</b>			
<b>Learning Pod</b>	<b>Iberville Charter Academy Students</b>	<b>Lafayette Renaissance Charter Academy Students</b>	<b>Total Students by Learning Pod</b>
Flexible Learning – Thibodaux (Lafourche Parish)	89	10	99
Flexible Learning – Houma (Terrebonne Parish)	30	2	32
Flexible Learning – Metairie (Jefferson Parish)	20	7	27
Red Stick Academy (East Baton Rouge Parish)	76	0	76
Sugarcane Learning Academy (Ascension Parish)	51	0	51
<b>Total Learning Pod Students</b>	<b>266</b>	<b>19</b>	<b>285</b>
<b>Source:</b> Prepared by legislative auditor's staff using information provided by LDOE.			

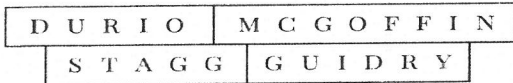
**Matter for Legislative Consideration 1:** The legislature may wish to consider amending R.S. 17:4036.1 to make it mandatory for all Louisiana public school districts, including traditional public schools, locally-authorized charter schools, and BESE-authorized charter schools, to provide written notice to LDOE of any schools using learning pods prior to the scheduled opening date of the learning pod. This would allow LDOE to track the use of learning pods across the state.

**Matter for Legislative Consideration 2:** The legislature may wish to consider amending R.S. 17:4036.1 to make it mandatory that authorizers of learning pods provide information about the number of pods that are operating, their locations, and the number of students attending them as a

<sup>9</sup> LDOE's results are based on self-reported information from BESE-authorized charter schools. The LLA's Investigative Audit Services is currently auditing the number of students associated with these learning pods. Their work may differ from these self-reported numbers.

<sup>10</sup> Hybrid is a mixture of in-person learning and online learning.





ATTORNEYS AND COUNSELORS AT LAW  
PROFESSIONAL CORPORATION

Gary McGoffin  
gary@dmsfirm.com

October 28, 2022

Mr. Max Daigh  
Louisiana Department of Education  
1201 N. 3<sup>rd</sup> Street  
Baton Rouge, LA 70802-5243

**Re: *Tensquare First Round Draft of Audit and Recommendations  
Iberville Charter Academy (ICA)***

Dear Max:

ICA has reviewed the TenSquare, 130 page, first-round draft of its audit and offers this preliminary response. The draft audit deficiencies and errors are a disservice to the Iberville Charter Academy and to the Louisiana Department of Education which contracted it. Please provide this letter to any person requesting or receiving a copy of the TenSquare draft report.

Per the explicit terms of its LDOE contract, TenSquare was to prepare this audit aligned and referenced to BESE Bulletin 126 (BESE charter school rules) and to Act 400 (Learning Pod Law, RS 17:4036.1) with an estimated completion date of April 14, 2022 and a contract termination date of June 30, 2022. According to its draft report, the three main areas of focus for the study included:

- Enrollment practices and student attendance
- Student access to Free and Appropriate Public Education (FAPE) in the Least Restrictive environment (LRE)
- Operation of a Virtual School without Prior Authorization

The draft report confirms that TenSquare is oblivious to the provisions of the Learning Pod Law which codifies the ability of all public schools, including charter schools, to establish learning pods. Knowledge of the Learning Pod Law is essential to TenSquare's ability to address each of the three areas of focus starting with its contention that ICA is operating a Virtual School without prior authorization.

The Learning Pod Law provides that "Each public school governing authority may establish learning pods as an extension of any school under its jurisdiction." By that statutory definition, "learning pod" means a group of at least ten students enrolled in the school who

receive instruction in a small group setting.<sup>1</sup> Students assigned to a learning pod shall be counted among the enrollment of the public school governing authority for purposes of full funding through the Minimum Foundation Program formula.<sup>2</sup> The method of instruction for the “learning pod” may occur in-person at a physical location on the school campus, remotely through virtual instruction, or through a hybrid approach that combines both methods.<sup>3</sup>

Learning Pods are distinct from Virtual Schools which are chartered pursuant to the provisions of Bulletin 126, Chapter 37. Student instruction at Virtual Schools is entirely online and not affiliated with an actual physical school site such as the Iberville Charter Academy. By statute and pursuant to Bulletin 126, virtual learning programs at Learning Pods do not constitute a Virtual School.

The ICA enrollment practices and student access to FAPE and the LRE must be evaluated in the context of the Learning Pod Law. TenSquare’s failure to do so resulted in its misdirected focus, the unilateral expansion of its contract scope, and its erroneous and over-reaching conclusions illustrated by this statement at the inception of its report:

“The following is a summary of the major violations uncovered by the audit team between April and September, 2022. In addition, there are several additional areas of concern that are listed toward the end of this report. This information represents our best efforts to collect and present the evidence that demonstrates the various way that CSUSA engaged in practices outside the terms of the charter contract as agreed upon by South Louisiana Charter Foundation and the Board of Elementary and Secondary Education, as well as numerous policies governing Type 2 charter school in the State of Louisiana.”<sup>4</sup>

Further illustration of the TenSquare “mission creep” includes an entire page of “Additional Issues Outside of the Audit scope”<sup>5</sup>. That page’s section on Governance is a prime example where it states:

“The Governing Board does not hold their ESP, CSUSA accountable to provide all necessary services for its students. ICA has scored a D letter grade consistently and there is no evidence in Board meeting minutes or agendas that CSUSA has presented a plan to improve this outcome. The Board should be reconstituted and the contract with CSUSA as well as the lease for the facility should be terminated.”

That statement either ignores or was uninformed with regard to the LDOE Executive Summary recommending the renewal of the ICA charter contract with BESE for three years<sup>6</sup>. The Performance Overview in that summary clearly states the following:

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<sup>1</sup> RS 17:4036.1(A)

<sup>2</sup> RS 17:4036.1(D)(1)

<sup>3</sup> RS 17:4036.1(E)(2)

<sup>4</sup> Audit page 3

<sup>5</sup> Audit page 13

<sup>6</sup> Exhibit 1

2019 School Performance Score & Letter Grade	D
2019 Progress Index and Letter Grade	A
2019 Organizational Performance Rating	Meets All Expectations

Further examples of the audit errors and specifically its failure to understand the Learning Pod concept are illustrated by the following audit statements:

- 1) “Agreements with virtual providers began as early as 2018 when the enrollment at ICA dramatically increase according to state mandated MFP enrollment counts. The Louisiana Statute describing learning pods was not enacted until June 2021 and BESE has yet to create policies or rules regarding the operation of learning pods.”

This infers that Learning Pods could not be utilized until adoption of the Learning Pod law and cannot be utilized until BESE enacts rules for their operation. Both inferences are erroneous.

The legislative history for the enactment of the Learning Pod Law confirms that the LDOE Executive Director of Governmental Affairs testified before the House Education Committee that this law only codified what was earlier permitted.<sup>7</sup>

The BESE rulemaking process for Learning Pods was initiated by the ICA *Petition to Establish Administrative Rules for “Learning Pods” Enacted by Revised Statutes 17:4036.1* which was filed on November 30, 2021. The rules proposed in that Petition would have clarified many of the audit’s mistaken assumptions. Those proposed Learning Pod rules have been under active discussion in the subsequent BESE meetings, the June 24, 2022 LDOE meeting with representatives of CSUSA and ICA, and the ongoing negotiations to develop a consensus Learning Pod rules proposal. Chief among those issues is adoption of a notice requirement to establish Learning Pods rather than requiring a Material Amendment.

Obviously, TenSquare has not been privy to this process. In the absence of Learning Pod rules enacted in compliance with the Louisiana Administrative Procedures Act, it is presumptuous for TenSquare to conclude “major violations” have occurred.

- 2) “At no point did the [audit] team ever view an ICA student at any of those centers [ICA learning pods].”

TenSquare contradicts itself on that point in its report stating that “Beginning in 2018, parents with children receiving education via home-based learning, virtual programs with center for occasional in person support and private schools throughout Louisiana were recruited by representatives of CSUSA, Robert Logan and Lonnie Luce, to “enroll” their students in Iberville Charter Academy (and South Baton Rouge Charter and Magnolia School of Excellence) without ever attending ICA.”

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<sup>7</sup> Exhibit 2 - Transcript of the House Education Committee meeting record on May 6, 2021



All students enrolled with ICA are ICA students regardless of which of the three statutorily approved instruction modalities are utilized.

- 3) “Eighty percent of the special education files reviewed had issues of noncompliance...The Individuals with Disabilities Education Act (IDEA) requires that students receive all service minutes listed on their IEP and that a teacher or provider of record documents these minutes. Based upon this standard, ZERO, files reviewed by the auditor met these criteria.”

The LDOE initiated three prior audits of ICA related to IDEA issues on May 12, August 10 and November 9, 2021. These were available to TenSquare but were not referenced in its report. There were no material findings in any of those prior audits, no services were denied, and compensatory services were not needed. The paperwork deficiencies cited in those audits were corrected, and training and monitoring were implemented pursuant to the LDOE approved Corrective Action Plan.<sup>8</sup>

- 4) “The evidence uncovered during this audit shows that families are charged \$3,500 in tuition plus additional fees for other items even though the MFP is also charged by CSUSA and is paid by the Louisiana Department of Education.”

The TenSquare reference to additional “tuition” is erroneous. The basic education services provided to each student with MFP funding does not include the extra services for which the additional fees are charged similar to other public school activities for which extra charges are assessed such as before and after care, after-school enrichments, and strings (violin and cello) instruction by doctoral degreed members of the Baton Rouge Symphony.

With regard to food services, the parents choose to provide lunches for their children. A third-party vendor is available to provide food services for any student who requires or requests it. None have.

### ***Audit Recommendation***

The Scope of Services for the TenSquare audit requires “Completed final audit outlining suggestions, concerns of audit with findings, violations and recommendations aligned and reference to Bulletin 126 and Act 400 (Learning Pod Law).”

TenSquare wildly exceeds its Scope in concluding its report with “The recommendation of the audit team is [for] the immediate closure of Iberville Charter Academy.”

In addition to being unwarranted and inflammatory, this recommendation ignores the express provisions of Bulletin 126, Chapter 17, which provides the due process reasons and

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<sup>8</sup> Exhibit 3 -Summary of ICA Audit History

proceedings by which a charter may be revoked. Immediate closure is neither authorized nor in the best interest of the students attending ICA.

### ***BESE-ICA Renewal Contract***

While TenSquare is rigorous in its criticism of ICA, it is much more forgiving of its failure report within the scope of its LDOE Contract or to even complete its audit reporting obligations by the Contract deadline.

The contract term commenced Feb 1, 2022 and terminated June 30, 2022. The effective date of the TenSquare contract could only be extended by an amendment approved and executed by both parties prior to the termination date. The South Louisiana Charter Foundation made a public records request for the TenSquare contract on July 14, 2022. While the contract was produced by LDOE no extension was included with that response.

The first-round draft of the TenSquare audit report was not received by an ICA representative until October 27, 2022 despite its estimated delivery date of March 15, 2022.

BESE and ICA signed the *Type 2 Renewal Charter Contract* effective July 1, 2022. The premises of that contract includes the following provisions:

Whereas, BESE has determined that the Charter School has satisfied the requirements pursuant to La.R.S 17:3791, et seq., for renewal of its Charter Contract,

NOW THEREFORE, the parties hereto, intending to be legally bound by the terms and conditions set forth herein, enter into the following Agreement...<sup>9</sup>

The Renewal Contract expressly provides the following supremacy clause with regard to the terms and conditions of the three-year charter renewal:

The Charter Operator and BESE intend this Agreement, including all of the Exhibits, to represent a final and complete expression of their contract, which will be considered the school's Charter... All prior representations, understandings, and discussions are merged herein, and no course of prior dealings between the parties shall supplement or explain any terms used in this document.<sup>10</sup>

The TenSquare audit report is irrelevant in light of the executed Renewal Contract. LDOE was directly engaged with ICA and CSUSA prior to execution of the Renewal Contract.

Those direct discussions had already addressed many of difficulties encountered in the audit which were a direct byproduct of TenSquare's ignorance of the Learning Pod Law or contemporary business practices.

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<sup>9</sup> Page 4 of 35 of the Renewal Contract

<sup>10</sup> Page 21 of 35 of the Renewal Contract

### ***Conclusion***

TenSquare failed to complete its Contractual obligations for the audit within the contract term. Worse, the work product that it produced was uninformed by the very tenants of that contract which required alignment with Bulletin 126 and Act 400 (Learning Pod Law, RS 17:4036.1).

ICA has cooperated in each of the four LDOE audits in 2021. It attempted to do so with the TenSquare audit but found that the auditors were more interested in playing “gotcha” than in fulfilling the scope and role of their contract. While ICA stands ready to address any meaningful requests for information or documentation, its resources are better devoted to the education of its students including its innovative use of Learning Pods to bring facilitate their specific circumstances due to poverty, proximity, weather, pandemic and any other obstacles that are presented.

Fortunately, LDOE is directly engaged with CSUSA and ICA in the rulemaking process for Learning Pods and is fully aware there is no basis for the TenSquare recommendations that the Foundation Board be reconstituted, the CSUSA contract terminated, or that ICA be immediately closed. The TenSquare report is of no value and should be totally disregarded.

Respectfully,



Gary McGoffin  
*Attorney for ICA*

Enclosures: Exhibits 1-3

cc: Superintendent Cade Brumly (via email, [cade.brumley@la.gov](mailto:cade.brumley@la.gov))  
Joan Hunt, General Counsel (via email, [joan.hunt@la.gov](mailto:joan.hunt@la.gov))  
John Pierre, SLCF President (via email, [jpierre@sulc.edu](mailto:jpierre@sulc.edu))  
Brandon DeCuir, SLCF General Counsel (via email, [brandon@decuirlaw.com](mailto:brandon@decuirlaw.com))



## EXHIBIT 1



### Iberville Charter Academy 2021 BESE Charter Renewal Recommendation Report

School Name	Non-Profit Organization	Grades	Type	Contract Status
Iberville Charter Academy	South Louisiana Charter Foundation, Inc.	K-8	2	2nd Renewal

#### Executive Summary

**Recommendation:** The Louisiana Department of Education (LDOE) recommends conditional renewal of the charter contract between South Louisiana Charter Foundation, Inc. and the Louisiana State Board of Elementary and Secondary Education for a term of three years.

Iberville Charter Academy is a Type 2 charter school located in Iberville Parish serving approximately 493 students in grades K-8. Iberville opened in the 2014-2015 school year and was granted a three year renewal in December 2018. This is Iberville Charter Academy's second evaluation for charter renewal.

In developing this recommendation, a performance review was conducted to verify reported performance against criteria in BESE Bulletin 126. The evaluation included a site visit, interviews with members of the school leadership team and charter board, and an analysis of academic, financial, legal, and contractual data. The review examined the academic performance of the school historically as well as relative to the state, parish, and neighboring schools.

The LDOE recommends a three-year conditional renewal of the charter contract for Iberville Charter Academy.

Performance Overview		
2019 School Performance Score & Letter Grade	58.2	D
2019 K-8 Assessment Index & Letter Grade	43.2	F
2019 Progress Index & Letter Grade	96.4	A
2019 Organizational Performance Rating	Meets All Expectations	
2020 Financial Performance Rating	Does Not Meet Expectations	

2020-21 Renewal Recommendation	Conditional Renewal – 3 years
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## **EXHIBIT 2**

### **May 6, 2021 House Education Committee Meeting on HB421 by Rep. Emmerson**

[https://house.louisiana.gov/H\\_Video/VideoArchivePlayer?v=house/2021/may/0505\\_21\\_ED](https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2021/may/0505_21_ED)

48:06

Ethan Melancon – “Ethan Melancon with the Department of Education. Representing BESE. So BESE is supporting this position. To answer your question and to kind of give that 30,000 foot view, what this bill is trying to do is to define in law what a school system can do or an LEA can do to create small group instruction. It’s currently in law. It is allowed for school systems to do this, but it’s not explained and carved out in law. During the pandemic we saw a lot of school systems were hesitant and concerned that they don’t actually have the explicit power written out in law so the support behind it to do this. We see this as an opportunity to be able to provide special instruction. Also, like represent of Emerson said these, these are essentially Satellite campuses of existing schools. So in East Baton Rouge Parish there’s a career and technical education center. It does not have a site code of its own. It’s just a center that other schools come to to learn about career tech education. So this could be an option to provide early learning. It could be used to provide career and technical education, early college, English second language learning... So that’s the whole behind this is just give more opportunity to students and to school districts to utilize this and have the support behind it of law.

49:45

Representative Phelps – “Thank you for answering the questions that they are allowed to do them now. Like some of the Higher Eds did them across the nation.”

Ethan Melancon – “Yes.”

50:20

Ethan Melancon – “So there is currently EBR campus is the only one that I can think of off the top of my head essentially this would allow the governing body of the LEA, could be the school district, to find a campus. But say it is a rural campus. A kid has to ride a bus for 2 hours to get to school. The school, If there is 10 interested students, can actually create a campus at a church Sunday-school classroom that they can setup a school, like a smaller learning pod, not a school. It is still part of the same school.”

Ethan Melancon was the Executive Director of Governmental Affairs at Louisiana Department of Education.

### **EXHIBIT 3**

#### **Audit History**

- July 22, 2021, the initial February 2021 MFP Audit email was sent to IBER from Jameka Henderson, State Audit Supervisor.
- May 12, 2021 – Annual Charter Office Site Visit. Dr. Pauline Soileau was onsite and was informed that 3 of the Special Education folders did not include service logs. Dr. Soileau located and appropriately filed the missing service logs the following day.
- August 10, 2021 – Louisiana Department of Education (LDOE) responded to two “anonymous” complaints by issuing ICA a *Request for Response* regarding free and appropriate education, student enrollment practices, and the alleged unauthorized operation of a virtual education program.
- November 9, 2021 – LDOE issued ICA a *Special Education Site Visit and Compliance Records Review Notice*. This Individuals with Disabilities Education Act (IDEA) Audit took place on the Iberville campus November 15<sup>th</sup> and 16<sup>th</sup>. At that time, the Department performed a comprehensive review of all special education files, procedures, and supports. Findings for this audit were issued April 18, 2022.

There were no material findings, no services were denied, and compensatory services were not needed. 19 specific student files were corrected and training and monitoring were put in place as a part of a LDOE approved Corrective Action Plan.

- March 15, 2022 –TenSquare, began its audit





## CSUSA Technology and Support Package for 2021-22 Louisiana Package

10jin Solutions is pleased to present the following technology and support package for CSUSA Louisiana:

### Licensing

#### Academics

- |                         |   |
|-------------------------|---|
| • SIS:                  | PowerSchool                             |
| • LMS:                  | Schoology (NEWLY INCLUDED INTO PACKAGE) |
| • Assessment test bank: | Performance Matters                     |
| • Analytics dashboard:  | Hoonuit and Snowflake (NEW TO PACKAGE)  |
| • Student portal:       | Clever                                  |

#### Life/Safety

- |                           |                                      |
|---------------------------|--------------------------------------|
| • Visitor management:     | Raptor (NEWLY INCLUDED INTO PACKAGE) |
| • Notifications:          | School Messenger                     |
| • Content filter:         | Lightspeed Relay                     |
| • Email protection:       | Proofpoint                           |
| • Cybersecurity training: | SANS Institute                       |

#### Operations

- |                            |  |
|----------------------------|--|
| • Teacher evaluation:      | Performix  |
| • Email:                   | Exchange Online (Outlook)                              |
| • Video conferencing:      | Microsoft Teams and Zoom (NEWLY INCLUDED INTO PACKAGE) |
| • General productivity:    | Office 365   |
| • Enrollment management:   | SchoolMint   |
| • Parent form submissions: | eCollect (NEW TO PACKAGE)                              |
| • Marketing & CRM:         | Hubspot (NEW TO PACKAGE)                               |
| • Service desk:            | ServiceNow   |
| • Provisioning:            | Launchpad  |

#### IT Management

- |                          |                                       |
|--------------------------|---------------------------------------|
| • Authentication         | Microsoft Azure Active Directory      |
| • MDM:                   | InTune (Microsoft) and Mosyle (Apple) |
| • Remote access:         | TeamViewer                            |
| • Data facility/hosting: | Flexential and VMWare                 |
| • Code repository:       | GitHub                                |

### 10jin Service and Support

**1,200** hours of included support hours that can be used for any service provided by 10jin. See CSUSA Technology Package Services Included documentation for included and additional service available.

	Category	Our Solution	Notes	Our Price	Retail Cost	10jin Savings	
ACADEMIC	SIS	PowerSchool	PowerSchool family	\$32	\$ 14.15	\$ 38.09	19%
	LMS	Schoology	PowerSchool family		\$ 10.94		
	Assessment & test bank	Performance Matters	PowerSchool family		\$ 8.25		
	Analytics & dashboard	Hoonuit	PowerSchool family		\$ 4.75		
	Student Portal	Clever			\$ -		
SAFETY	Call-out system	SchoolMessenger	PowerSchool ecosystem	\$15	\$ 2.00	\$ 25.71	71%
	CIPA-compliant content filter	Lightspeed Relay			\$ 12.00		
	Visitor management	Raptor			\$ 1.09		
	Cybersecurity training	SANS Institute			\$ 1.82		
	Email protection	Proofpoint	Staff only		\$ 8.80		
OPERATIONS	Enrollment management	SchoolMint	PowerSchool ecosystem	\$23	\$ 6.13	\$ 115.67	403%
	Parent forms	eCollect	PowerSchool family		\$ 2.25		
	Marketing analytics	Hubspot			\$ 33.75		
	Video conferencing	Teams	Microsoft family				
		Zoom	Alternative to Teams		\$ 12.05		
	Adobe applications	Adobe Creative Suite	Est 30 per school		\$ 19.08		
	Service Desk	ServiceNow			\$ 0.11		
	Provisioning	Launchpad	Internal product		\$ 3.30		
	General productivity	Microsoft Office 365	Microsoft family		\$ 39.00		
IT MGT	MDM	Microsoft InTune	Microsoft family	\$9	\$ 21.60	\$ 79.69	785%
		Mosyle	By device, Apple				
	Authentication & SSO	Azure AD	Microsoft family		\$ 50.40		
	Endpoint protection	Internal configurations			\$ 0.50		
	Data facility/hosting	Fexential			\$ 1.42		
		AWS			\$ 1.42		
		VMWare			\$ 1.27		
	Data warehouse	Snowflake			\$ 0.49		
	Code repository	GitHub			\$ 1.50		
	System monitoring	UDT MIBS service	via eRate		\$ 0.50		
	Remote access	TeamViewer			\$ 0.59		
SUPPORT SERVICES	Support	Regional support Escalated support Vendor contracted support Technology guidance Policy and procedure development Purchasing and budgetary assistance eRate filings Infrastructure design, implementation, and oversight Systems design, implementation, and oversight		\$33	\$ 92.65	\$ 92.65	181%
				\$112		\$ 351.81	214%



April 9, 2018

**Via Overnight Delivery**

South Louisiana Charter Foundation, Inc.  
2900 Westfork Drive, Suite 401  
Baton Rouge, Louisiana 70827

Re: Lease Agreement, dated December 30, 2013, by and between Ryan Companies US, Inc., a Minnesota corporation ("Ryan"), and South Louisiana Charter Foundation, Inc., a Louisiana non-profit corporation ("Tenant"), as assigned pursuant to Assignment and Assumption Agreement, dated as of December 5, 2014, by and between Ryan, as assignor, and Red Apple at Iberville, LLC, a Florida limited liability company ("Landlord")


Dear Mr. Pierre:

Landlord and Tenant are parties to that certain Lease Agreement, dated December 30, 2013, by and between Ryan and Tenant, as assigned pursuant to Assignment and Assumption Agreement, dated as of December 5, 2014, by and between Ryan and Landlord (the "Lease"). Please be advised that notwithstanding the provisions of the Lease, Landlord hereby waives Rent (as defined in the Lease) in the amount of \$1,072,524.00 due and payable by Tenant for Lease Year 4 (as defined in the Lease). This waiver shall not be construed as a waiver or modification of any of Landlord's rights and remedies provided under the Lease and applicable law, all of which Landlord hereby expressly reserves. Furthermore, this waiver shall in no way be deemed to be a modification, amendment or novation of all or any portion of the Lease and the terms of the Lease shall remain as presently in effect.

Please acknowledge your receipt of this letter and the terms set forth herein by executing this letter and returning it to the undersigned.

Sincerely,

RED APPLE AT IBERVILLE, LLC

By:   
Name: Jonathan K. Hage  
Title: President