Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued November 19, 2018

Helen Y. Davis Leadership Academy Charter Public School

For the period July 1, 2014 through June 30, 2017

State House Room 230 ■ Boston, MA 02133 ■ auditor@sao.state.ma.us ■ www.mass.gov/auditor

Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump
Making government work better

November 19, 2018

Mr. Kevin A. Tarpley, Chair of the Board of Trustees
Helen Y. Davis Leadership Academy Charter Public School
23 Leonard Street
Dorchester, MA 02124

Dear Mr. Tarpley:

I am pleased to provide this performance audit of Helen Y. Davis Leadership Academy Charter Public School. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2014 through June 30, 2017. My audit staff discussed the contents of this report with management of the agency, whose comments are reflected in this report.

I would also like to express my appreciation to Helen Y. Davis Leadership Academy Charter Public School for the cooperation and assistance provided to my staff during the audit.

Sincerely,

Suzanne M. Bump
Auditor of the Commonwealth

cc: Jeffrey C. Riley, Commissioner, Department of Elementary and Secondary Education (DESE)
Jeff Wulfson, Deputy Commissioner, DESE
Cliff Chuang, Senior Associate Commissioner for Educational Options, DESE
Alison Bagg, Director, Office of Charter Schools and School Redesign, DESE
Paul Sagan, Chair, Board of Elementary and Secondary Education
Christopher Coblyn, Interim Executive Director, Helen Y. Davis Leadership Academy Charter Public School

TABLE OF CONTENTS

LIST OF ABBREVIATIONS

CMR	Code of Massachusetts Regulations
DESE	Department of Elementary and Secondary Education
DLA	Helen Y. Davis Leadership Academy Charter Public School
OSA	Office of the State Auditor

EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of Helen Y. Davis Leadership Academy Charter Public School (DLA) for the period July 1, 2014 through June 30, 2017. In addition, we reviewed DLA's personnel policy and the former executive director's employment contracts for fiscal years 2003 through 2014 to determine the amount of sick time accrued during her employment. This audit was initiated at the request of the state's Department of Elementary and Secondary Education (DESE) and was intended to assess whether the school's board exercised proper oversight of school activities.

Below is a summary of our findings and recommendations, with links to each page listed.

Finding 1 **Page 8**	DLA's board of trustees made an unallowable payment of $117,743 for unused sick time to the school's former executive director.
Recommendation **Page 9**	The board should not approve any employment-related payments to a person unless the payments are specifically authorized under the person's employment contract.
Finding 2 **Page 11**	The former executive director's employment contract did not establish effective performance measures and may have provided her with excessive compensation.
Recommendations **Page 13**	1. DLA's board should develop and document a formal process for evaluating its executive director's compensation that includes an analysis of comparable positions at charter schools of similar size. 2. DLA's board should tie increases in its executive director's compensation to performance metrics that include measurable outcomes, including student academic performance.
Finding 3 **Page 15**	DLA paid for inadequately documented and/or unallowable credit card transactions totaling $126,333.
Recommendations **Page 16**	1. DLA should establish monitoring controls to ensure adherence to its policies and procedures related to the use of its credit cards and reconciliation of credit card statements. 2. DLA should follow DESE guidelines regarding the nonpayment of state sales tax and establish monitoring controls to ensure adherence to those guidelines.

Finding 4 **Page 17**	DLA inappropriately used $23,294 in school funds to directly benefit employees, including its former executive director.
Recommendations **Page 18**	1. The board should ensure that it is aware of school policies. 2. DLA management should cease providing salary advances to its staff and should take the measures necessary to ensure that it does not use school/public funds in any manner that is contrary to school policy.
Finding 5 **Page 19**	DLA did not monitor or reconcile its PayPal account.
Recommendations **Page 20**	1. DLA should immediately gain access to its PayPal account, review the transactions conducted in the account during our audit period, and reconcile the information in the account to DLA's financial records. 2. DLA should establish policies and procedures regarding the administration of its PayPal account, as well as monitoring controls to ensure that these policies and procedures are adhered to.
Finding 6 **Page 21**	Vendor invoices totaling thousands of dollars were processed without required supporting documentation.
Recommendation **Page 22**	DLA management should develop monitoring controls to ensure that all vendor payments are processed in accordance with established policies and procedures.
Finding 7 **Page 23**	Several DLA board members did not comply with reporting and training requirements.
Recommendation **Page 24**	The DLA board's governance committee should develop a formal process of routinely assessing each board member's compliance with all training and filing requirements and ensuring that all board members comply with these requirements.
Finding 8 **Page 25**	DLA's board of trustees did not create sufficiently detailed records of all of its meetings.
Recommendation **Page 26**	DLA should recruit and retain a board secretary to ensure that sufficiently detailed meeting minutes are created.
Finding 9 **Page 26**	DLA's board chair exceeded his term limit.
Recommendation **Page 27**	The board should not allow any of its members to serve a term that exceeds those established in its bylaws.

OVERVIEW OF AUDITED ENTITY

Helen Y. Davis Leadership Academy Charter Public School (DLA), formerly Smith Academy for Leadership Charter Public School, was organized in 2003 to operate as a Commonwealth charter school[1] under Section 89 of Chapter 71 of the Massachusetts General Laws.

DLA is located in Dorchester and serves 216 students in sixth, seventh, and eighth grades. According to its website,

> *The mission of Helen Y. Davis Leadership Academy Charter Public School is to develop high achieving students of good character who use problem-solving, communication and interpersonal skills to inspire others and to catalyze educational, economic and political advancement within their communities and the broader nation.*

Section 89 of Chapter 71 of the General Laws addresses the purposes and structure of public charter schools:

> *(b) The purposes of establishing charter schools are: (i) to stimulate the development of innovative programs within public education; (ii) to provide opportunities for innovative learning and assessments; (iii) to provide parents and students with greater options in selecting schools within and outside their school districts; (iv) to provide teachers with a vehicle for establishing schools with alternative, innovative methods of educational instruction and school structure and management; (v) to encourage performance-based educational programs; (vi) to hold teachers and school administrators accountable for students' educational outcomes; and (vii) to provide models for replication in other public schools.*
>
> *(c) A commonwealth charter school shall be a public school, operated under a charter granted by the [Board of Elementary and Secondary Education], which operates independently of a school committee and is managed by a board of trustees. The board of trustees of a commonwealth charter school, upon receiving a charter from [the Board of Elementary and Secondary Education], shall be deemed to be public agents authorized by the commonwealth to supervise and control the charter school.*

According to Section 1.00 of Title 603 of the Code of Massachusetts Regulations, a charter school's board of trustees has various responsibilities, including developing a strategic vision for the school, hiring qualified personnel, holding the school's leaders accountable for its academic success, and providing financial oversight.

1. Massachusetts law provides for two types of charter school. A Commonwealth charter school is a freestanding government entity fully independent of traditional local school districts and their school committees and is managed by a board of trustees. A Horace Mann charter school operates under the approval and cooperation of a school committee and, in most instances, the local collective bargaining unit in the district in which it is located.

Commonwealth charter schools are funded through deductions from the local aid accounts[2] of the sending districts (the districts in which the students reside) and are generally based on the per-pupil tuition rates of the sending districts. During fiscal years 2015, 2016, and 2017, DLA received revenue totaling $3,320,338, $3,332,391, and $3,409,321, respectively.

Since 2013, the Department of Elementary and Secondary Education (DESE), through its charter renewal process, has identified a variety of issues with DLA's operations, including board governance, and has instructed the school to take measures to correct these deficiencies (see Appendix). After our audit period, in February 2018, DESE renewed DLA's charter and placed the school on probation with conditions requiring major improvements in the board's governance and financial oversight and the school's academic program and performance.

The school's long-serving executive director retired on August 1, 2017, and DLA subsequently appointed an interim executive director.

2. Commonwealth charter schools cannot charge an application fee and tuition. Rather, payments to charter schools are funded through deductions from dedicated "local aid" accounts (established under Chapter 70 of the General Laws) of the districts in which the students reside.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of Helen Y. Davis Leadership Academy Charter Public School (DLA) for the period July 1, 2014 through June 30, 2017. In addition, we reviewed DLA's personnel policy and the former executive director's employment contracts for fiscal years 2003 through 2014 to determine the amount of sick time accrued during her employment.

We conducted this performance audit in accordance with generally accepted government auditing standards. However, in performing audit testing related to Objective 1, we could not obtain any transaction information regarding DLA's PayPal account, or gain access to the account, and therefore could not review detailed account activity. As a result, we could not obtain sufficient, appropriate evidence to reach a conclusion about whether DLA's board of trustees provided adequate financial oversight of PayPal transactions made through the operating cash account during the audit period. Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Apart from the above issues, we believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer, the conclusion we reached regarding each objective, and where each objective is discussed in the audit findings.

Objective	Conclusion
1. Did DLA's board of trustees provide adequate financial oversight over school expenditures?	**No; see Findings 1, 2, 3, 4, 5, and 6**
2. Did the board of trustees operate in compliance with Section 89(u) of Chapter 71, Sections 27 and 28 of Chapter 268A, and Sections 18–25 of Chapter 30A of the General Laws and DLA's bylaws as they relate to term limits for board members?	**No; see Findings 7, 8, and 9**

To achieve our audit objectives, we gained an understanding of the internal controls we determined to be relevant to the objectives through inquiries and observations. We evaluated the design and effectiveness of controls over financial oversight.

In addition, we performed the following procedures.

Financial Activities and Oversight

- **Financial Position and Performance:** We analyzed the financial statement information in DLA's annual financial reports to determine DLA's financial position and performance during our audit period.

- **Former Executive Director Employment Agreements:** We reviewed the former executive director's employment agreements that were in effect during fiscal years 2003 through 2017. We evaluated the reasonableness of compensation and benefits included in the agreement for fiscal years 2016 and 2017.

- **Credit Card Use:** We reviewed the documentation related to all 36 credit card statement reconciliations performed during the audit period as well as all 2,287 credit card purchases made during the audit period. We noted whether reconciled statements were approved by the board and whether all reconciliations had sufficient documentation (approved purchase requisitions, packing lists, receiving reports, vendor bills, or other documentation to validate authorized accounts-payable transactions) as required by DLA's financial policies and procedures. We reviewed all available documentation related to the credit card purchases to determine whether they were appropriate (i.e., related to the business of the school) and properly authorized and documented. During our review, we noted purchases made with a PayPal account that was linked to the school's credit card. However, we could not perform audit procedures for the PayPal account (see Finding 5).

- **Expenditure Processing:** We selected a random, nonstatistical sample of 60 out of a population of 1,861 check transactions from the audit period and traced them to the bank statements. For the same transactions, we requested all supporting documentation (approved purchase requisitions, packing lists, receiving reports, vendor bills, or other documentation to validate authorized accounts-payable transactions). We analyzed this information for approvals and to determine whether expenditures were processed in accordance with school policies and procedures.

- **Questionable Transactions:** We reviewed DLA's detailed general ledger for questionable transactions during the audit period and noted multiple payments to employees that were recorded as "advances to employees" and one electronic fund transfer recorded as an "uncategorized asset." We obtained an understanding of all questionable transactions and reviewed DLA fiscal policies and procedures to determine whether these payments were appropriate.

Compliance with Board Member Obligations and Responsibilities

- **Board Member Compliance with General Laws:** We obtained a report from the Department of Elementary and Secondary Education's Board Member Management System[3] on 14 people who had been members of DLA's board of directors during our audit period. We judgmentally selected 8 of those board members to determine their compliance with the following

3. This Web-based system is used to monitor school board members' compliance with Massachusetts laws and regulations.

requirements: submission of the Certificates of Receipt of Open Meeting Law Materials (in accordance with Sections 18–25 of Chapter 30A of the General Laws), annual filing of Disclosure of Financial Interest Forms (in accordance with Section 89[u] of Chapter 71 of the General Laws), annual filing of written acknowledgement of receipt of the Summary of the Conflict of Interest Law for State Employees (in accordance with Section 27 of Chapter 268A of the General Laws), and proof of completion of the Commonwealth's Conflict of Interest Law Online Training Program within 30 days of becoming board members and every two years thereafter (in accordance with Section 28 of Chapter 268A of the General Laws).

- **Board Meeting Minutes:** We reviewed copies of all minutes from 28 meetings of the board of trustees, 7 meetings of the finance committee, 10 meetings of the governance committee, and 4 meetings of the development committee held during the audit period, to determine whether the minutes complied with the Open Meeting Law.

- **Board of Trustees' Meeting Observation:** We attended the February 13, 2018 meeting of DLA's board of trustees to observe how the meeting was conducted and how school affairs were addressed.

Board Officer Term Limits

- We compared the amount of time each of DLA's current board members had served on the board to the term limits for board members established in DLA's bylaws to ascertain whether any members had served beyond the specified term limits.

Data Reliability

We obtained information from DLA's general ledger maintained in the QuickBooks Online program, which contains all financial transactions recorded by the school. We conducted information security testing by using a questionnaire, conducting interviews, reviewing supporting documentation, and performing observations to determine the reliability of the information obtained from QuickBooks Online. We traced transactions from the general ledger to the bank statements and canceled checks as well as additional supporting documentation. We determined that the bank statements and supporting documentation were sufficiently reliable to support audit testing using information in QuickBooks Online.

Whenever sampling was used, we applied a nonstatistical approach, and as a result, we could not project our results to the entire population.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. Helen Y. Davis Leadership Academy Charter Public School's board of trustees made an unallowable payment of $117,743 for unused sick time to the school's former executive director.

In June 2017, Helen Y. Davis Leadership Academy Charter Public School's (DLA's) board of trustees voted on, and ultimately made, a onetime payment of $117,743 to DLA's former executive director for unused sick time she had accrued since 2003. However, her employment contracts did not provide for this payment. In making this excessive and unallowable payment to the former executive director, the board unnecessarily used the school's limited funds, which could have been used for other school-related purposes.

Authoritative Guidance

Employment agreements between DLA and the former executive director from fiscal years 2003 through 2005 stated that unused sick days could not be carried over from one year to the next, and contractual agreements for fiscal years 2006 through 2015 specifically stated, "Sick days may not be carried over." The contract for fiscal years 2016 and 2017 did allow the executive director to earn 10 sick days per year and stated that she would be paid for any unused sick time: "The Board agrees to pay the Employee the value of the remaining accrued sick leave in a separate cash payment." As of June 30, 2017, the maximum amount of accrued sick time that would be payable to the former executive director under the contracts would be $18,114, for 20 days, assuming that she did not use any sick time in fiscal years 2016 and 2017. (According to DLA's records, the former executive director did not take any sick days while employed by the school.)

According to regulations promulgated by the Department of Elementary and Secondary Education (DESE) under Section 1.06(1) of Title 603 of the Code of Massachusetts Regulations (CMR), charter schools' boards of trustees "must fulfill their fiduciary responsibilities, including but not limited to, the duty of loyalty and duty of care, as well as the obligation to oversee the school's budget." According to the Massachusetts Attorney General's Guide for Board Members of Charitable Organizations,

> *The **duty of care** means that you must act with such care as an ordinarily prudent person would employ in your position. The **duty of loyalty** means that you must act in good faith and in a manner that you reasonably believe is in the best interest of the organization.*

To meet these responsibilities, the board needs to take the measures necessary to ensure that it makes fiscally sound decisions that are in its students' best interest.

Reasons for Payout of Accrued Sick Time

According to DLA's financial statements for fiscal years 2016 and 2017, in paying DLA's former executive director $117,743 for unused sick time,

> *The Board of Trustees' intent was to ensure the former Executive Director was made whole based on what we perceived as someone who was possibly treated unfairly and/or discriminated against because of gender and/or race during the tenure of the previous Board of Trustees.*

Recommendation

The board should not approve any employment-related payments to a person unless the payments are specifically authorized under the person's employment contract.

Auditee's Response

> *The Helen Y. Davis Leadership Academy Charter Public School's ("DLA") Board of Trustees (the "Board") made good faith efforts to fulfill its obligations of duty of care and duty of loyalty, and properly exercised its discretion in executing an employment contract with the former Executive Director ("ED") that was consistent with those obligations. With respect to providing the ED with a compensation package that included accrued sick time, the Board, with input from its payroll service and former business manager, strategically negotiated an extended contract that factored in not only her accumulated sick leave from years past, but also her years of successful leadership at DLA; the Board's desire to make her whole to account for past practices of a prior board; consideration for her dual role as an academic leader and senior administrator; her selfless dedication to the school and its community; and a financial incentive to extend her employment for a limited term in light of her expressed intent to retire and relocate to the west coast. Where the Board was not at the point of implementing a succession plan to replace her, the Board believed that every effort should have been made to retain her services to allow the Board to recruit, select and train a qualified replacement. As part of that effort, the Board had extensive discussions with its accountants and counsel before the proposed contract to the ED was finalized. For the above reasons, the one-time sick leave payment to the ED was made pursuant to unique circumstances not previously encountered by DLA, but was nonetheless within its authority as a charter to tender.*

Auditor's Reply

We do not agree with DLA's board of trustees that its decision to provide its former executive director with a one-time payout of $117,743 for her purported unused sick time was consistent with its duties of care and loyalty. This payment was unnecessary and therefore not fiscally prudent, since, as noted

above, the former executive director's employment agreements from fiscal years 2003 through 2005 specifically stated that her unused sick days could not be carried over from one year to the next; her contractual agreements for fiscal years 2006 through 2015 specifically stated, "Sick days may not be carried over"; and her 2016–2017 employment contract did not stipulate that she should be retroactively paid for unused sick time accrued before July 1, 2015. In the Office of the State Auditor's (OSA's) opinion, since the former executive director agreed to these contractual terms, it was not necessary for DLA to pay her for more unused sick time than she was eligible for based on her most recent contract. Moreover, this payout was for unused sick days that she had purportedly accrued since 2003, but she had no accruals of unused sick days in DLA's general ledger before 2015 that could be used to support this payout amount, which calls into question the accuracy of the payout. Further, because this payout was not budgeted for, DLA chose to offset it using $100,000 that had been budgeted to hire two special-education professionals during the 2017 academic year for its students' benefit.

Representatives of DLA's external audit firm told us that DLA had not contacted them to discuss the computation or reasonableness of this payout.

The former executive director did consult an outside accountant regarding DLA's ability to fund her retirement payout. That accountant sent her the following response in an email dated June 28, 2017:

> *Given the time constraints, I was unable to completely review the books in order to determine the validity and accuracy of the school's balance sheet. However, based on the information I reviewed and assuming that there aren't significant outstanding liabilities of which I have not been made aware, I can report that, at June 30, 2017, the school is in a position to pay $116,000.00 plus associated benefits for your retirement pay out.*
>
> *I must note that, in my 28 years working in the grassroots non-profit sector, I have never seen such a payout. While the board is certainly within their rights to make such a decision, be advised that your auditors and others could raise serious questions and issues concerning this arrangement. The board's fiduciary responsibilities could even be questioned. I have not read the contract/arrangement, but retroactive sick time payout is highly unusual, particularly for a period of 15 years.*

2. The former executive director's employment contract did not establish effective performance measures and may have provided her with excessive compensation.

The most recent employment contract that DLA's board executed with the former executive director provided significant contractual pay increases that were not based on any performance evaluations or the achievement of specified performance metrics or goals. It also gave her salary and health insurance benefits that appeared to be excessive. This apparently excessive compensation reduced the amount of funding that could have been available for educational support to help improve students' academic performance.

On May 10, 2016, DLA's board executed an employment contract with its former executive director that covered the period July 1, 2015 through June 30, 2017. This contract provided guaranteed salary adjustments that included a $15,000 pay increase ($173,950 to $188,950) on August 15, 2015 that was retroactive to July 1, 2015. After this adjustment, the contract went on to adjust the former executive director's fiscal year 2016 salary from $188,950 to $207,845 (an additional 10% increase that was retroactive to July 1, 2015) and then an approximately 13% pay increase for 2017 that brought her fiscal year 2017 salary to $235,485. These guaranteed pay increases were provided to the former executive director at a time when DESE was concerned about the academic performance of the school's students. In fact, on February 16, 2018, DESE's acting commissioner noted in a memorandum to the members of the Board of Elementary and Secondary Education,

> *I . . . have concerns about the lack of improvement in student academic results during the charter term. As a grade 6–8 school, DLA has administered both the MCAS [Massachusetts Comprehensive Assessment System] and the Next-Generation MCAS to students during this charter term, and assessment performance has declined.*

In addition, this contract provided benefits that appeared to be excessive. We compared the former executive director's salary with those of four executive directors at other Massachusetts charter schools with similar grade levels and student populations as of June 30, 2017, as detailed below.

Analysis of Executive Directors' Salaries

Charter School	Location	Grade Levels	Enrollment	Salary	Salary per Student
DLA	Dorchester	6–8	216	$235,488	$1,090
Cape Cod Lighthouse Charter School	Harwich	6–8	260	$131,234	$505
Hill View Montessori Charter Public School	Haverhill	K–8	306	$126,123	$412
Christa McAuliffe Charter School	Framingham	6–8	396	$123,000	$311
Marblehead Community Charter Public School	Marblehead	4–8	230	$120,500	$524

As shown above, the former executive director's annual salary was almost 80% higher than that of the second-highest-paid executive director in a comparable academic setting.

The contract also provided other benefits that appeared to be excessive:

- It provided for fully paid family health, dental, and vision insurance for life, which creates a potential future financial liability for the school. The contracts with the executive directors of the four other charter schools in our analysis did not provide this benefit. Further, employees of Commonwealth public charter schools, after completing a minimum length of service, are eligible to participate in post-retirement insurance administered through the Commonwealth's Group Insurance Commission, so this benefit was unnecessary.
- It allowed her to retain what it termed "technological hardware" that she used during her employment that was purchased with DLA funds, including "cell phone(s), computer(s) and all other similar technology." The contracts we examined for four other executive directors did not include ownership transfer of such items upon their departure.

Authoritative Guidance

According to 603 CMR 1.06, promulgated by DESE, a charter school's board of trustees is responsible for the following:

> *Boards of trustees must fulfill their fiduciary responsibilities, including but not limited to, the duty of loyalty and duty of care. . . . The responsibilities of boards of trustees shall include, but are not limited to the following . . .*
>
> *e) Hiring, evaluating, and removing, if necessary, qualified personnel to manage the charter school's day-to-day operations and holding these administrators accountable for meeting specified goals.*

To meet these responsibilities, DLA's board should do the research necessary to establish fair but not excessive compensation for its executive director.

In addition, according to the website of the National Council of Nonprofits,[4]

> *The board of directors is responsible for hiring, and establishing the compensation (salary and benefits) of the executive director / [chief executive officer] by identifying compensation that is "reasonable and not excessive," but that also is attractive enough to retain the best possible talent to lead the organization. The recommended process for determining the appropriate compensation is to conduct a review of what similarly-sized peer organizations, in the same geographic location, offer their senior leaders.*

Finally, the Massachusetts Attorney General's Guide for Board Members of Charitable Organizations states, "In setting compensation, you should consider the performance of your [chief executive] and senior managers and the compensation provided to other similarly situated executives in the field."

Reasons for Excessive Compensation

According to the board's chair, the former executive director's salary and other compensation were established based on compensation provided to executive directors of other Massachusetts charter schools. However, the chair could not provide us with documentation related to any analysis that the board may have conducted to establish the former executive director's compensation, nor did the board minutes give any detailed description of how this compensation was determined. DLA's board does not have a documented process for establishing the executive director's compensation that included measurement of performance.

Recommendations

1. DLA's board should develop and document a formal process for evaluating its executive director's compensation that includes an analysis of comparable positions at charter schools of similar size.
2. DLA's board should tie increases in its executive director's compensation to performance metrics that include measurable outcomes, including student academic performance.

Auditee's Response

> *As explained above, the total compensation package paid to the former ED for 2005/2017 academic year [sic] was atypical, but reasonable given the uniqueness of the circumstances. Notwithstanding the State Auditor's Office . . . claims to the contrary, the Board conducted*

4. This council is an advocate for nonprofit organizations that shares best practices and offers nonprofits advice on advancing their missions.

periodic performance reviews of the former ED, using Board-on-Track as an evaluation instrument, which the Board considered in determining her compensation. The Board also recognized the former ED's accomplishments as measured by the school attaining either a level 1 or a level 2 rating. On the opposite end of the spectrum, it is noteworthy that a school achieving a Level 5 rating could place the school under receivership. That was never the case with DLA. Notwithstanding the Level-1 to Level-2 reduction, the former ED's performance remained at a high level and her unswerving dedication to improvement and the quality of her efforts were outstanding. The Board does not believe that the salary was "excessive" when the former ED's entire body of work is considered.

Respectfully, the comparison of executive director salaries is flawed. First, [OSA] in its preliminary finding of its audit during the exit meeting admitted that it did not factor in years of service as a basis for increased compensation. Increasing an employee's compensation based on years of service is a common human resources practice across all professions, including education. Comparing compensation of an Executive Director solely based on grade level and number of students, without factoring in years of service is the equivalent to comparing the average first year teacher salary to the average salary of a teacher entering year 20 because they happened to be employed at a school that has the same grade levels and number of students. Second, in its analysis of the Executive Director salaries, none of the four comparators listed were from the Boston school district, where the cost of living is high and where salaries for qualified educators are competitive. Nor does [OSA] offer details about the employment histories of the comparators to allow for any meaningful analysis, for example, of their length of employment and how successful they were in their performance relative to the former ED. Third, as evidenced by recent [Boston] Globe articles, the former ED was by no means the highest paid Executive Director in the Commonwealth. That being the case, [OSA], without further assessment, cannot credibly conclude that her compensation under these circumstances was excessive.

Auditor's Reply

OSA believes that the compensation DLA gave its former executive director under her most recent contract was excessive. Our analysis showed not only that the former executive director's annual salary was almost 80% higher than that of the second-highest-paid executive director in a comparable academic setting, but also that she was provided with other benefits—such as fully paid family health, dental, and vision insurance for life and retention of her technological hardware—that are not available to other government employees.

In its response, DLA states that its board conducted periodic performance reviews of the former executive director that it considered in determining her compensation. However, there is no documentation to substantiate this assertion. Further, we reviewed the former executive director's performance evaluations during our audit and question how they could have been used for this purpose, because they lacked any information on her performance goals and accomplishments. It is also unclear

to OSA how this information was considered in establishing her annual compensation because, as noted above, her employment contract provided significant guaranteed annual pay increases regardless of her performance, which were provided to her during a period when DESE was concerned about its students' academic performance.

OSA's assessment of the former executive director's compensation is not flawed. Our analysis did consider years of service and education of people in comparable positions. DLA is correct in pointing out that the salaries used in our analysis were for executive directors who did not work in the Boston Public Schools district. However, according to the document *Boston Public Schools at a Glance 2016–2017*, which was published by Boston Public Schools' Communications Office, the average salary for middle-school administrators in the district was $119,358 during the 2016–2017 academic year, which is about half the amount DLA paid its former executive director during the last year of her contract.

3. DLA paid for inadequately documented and/or unallowable credit card transactions totaling $126,333.

DLA's former executive director did not always follow DLA's established policies and procedures regarding the use of the school's credit card, and the board did not provide proper oversight of credit card transactions. As a result, DLA cannot be certain that expenses paid for using the school's credit card during our audit period were necessary and for school-related purposes.

During our audit period, DLA had one credit card that was issued to the former executive director. Between July 1, 2014 and June 30, 2017, 2,287 transactions, totaling $346,838, were processed using this credit card. We reviewed all 2,287 credit card transactions. Our testing identified 479 transactions, totaling $68,965, that were insufficiently documented; 250 transactions, totaling $45,531, that included sales tax; and 104 transactions, totaling $11,837, that both included sales tax and were insufficiently documented. Also, for the 36 months reviewed, there was no evidence that the board chair and treasurer both reviewed and approved the reconciled credit card statements.

Authoritative Guidance

According to Section 209 of DLA's Fiscal Policies and Procedures Guide,

> *If credit cards are issued, they should . . . be used only for school-related expenditures. All charges must be supported by documentation (receipts, invoices, travel expense reports,*

requisition forms, and other supporting documentation) to be eligible for payment by the Charter School.

Monthly credit card statements are reconciled to receipts, invoices, travel expense reports, requisition forms and other supporting documentation and are approved by the Executive Director, unless not deemed independent; then the approval would be performed by the Chair of the Board and the Treasurer.

Since the former executive director was the only one authorized to use DLA's credit card, allowing her to review and approve her own expenses would not be a proper control; therefore, the board chair and treasurer should have reviewed and approved all transactions she made with this credit card.

In addition, Section E(2) of DESE's Charter School Administrative and Governance Guide states, "As state governmental entities, charter schools are exempt from state sales tax."

Reasons for Issues

DLA officials could not explain the deficiencies we identified regarding DLA's administration of this credit card. DLA had not established any monitoring controls to ensure that its policies and procedures related to the use of its credit card and the reconciliation of documentation related to credit card expenses were adhered to. It also had not established controls to ensure that it was not charged sales tax on any purchases made with this card.

Recommendations

1. DLA should establish monitoring controls to ensure adherence to its policies and procedures related to the use of its credit cards and reconciliation of credit card statements.
2. DLA should follow DESE guidelines regarding the nonpayment of state sales tax and establish monitoring controls to ensure adherence to those guidelines.

Auditee's Response

DLA currently has established monitoring controls to ensure adherence to its policies and procedures related to the use of its credit cards and reconciliation of credit card statements.

DLA is committed to following DESE guidelines regarding the nonpayment of state sales tax and has since established monitoring controls to ensure adherence to those guidelines.

Auditor's Reply

Based on its response, DLA is taking measures to address our concerns in this area.

4. DLA inappropriately used $23,294 in school funds to directly benefit employees, including its former executive director.

DLA authorized the use of school funds to provide cash to certain employees even though the school did not have a policy that permitted it to do so. The table below details the cash provided to employees during our audit period.

Cash Benefits Provided to Employees

Date	Transaction Number	Employee Position	Amount
July 7, 2014	3565	Principal	$ 3,100
July 16, 2014	3614	Teacher	2,575
September 23, 2014	3746	Executive Director	4,500
February 3, 2015	1252	Teacher	1,000
August 28, 2015	1592	Executive Director	2,500
August 28, 2015	1591	Executive Director	2,500
November 4, 2015	1749	Executive Director	3,000
January 8, 2016	1889	Teacher	2,500
November 7, 2016	Electronic Fund Transfer	Executive Director	1,619
Total			$ 23,294

According to the school's accounting records, eight of these payments, totaling $21,675, were recorded as "advances to employees," and the other transaction, for $1,619, was recorded as an "uncategorized asset."

We questioned DLA management about the nature of these transactions and were told that the advances to employees were loans to staff members and the uncategorized asset was an error made by the former executive director when she paid her November 2016 mortgage payment from the school's operating cash account. The school was not reimbursed for this payment until June 2017.

According to the former executive director, staff members occasionally requested payroll advances because of personal hardships. By allowing employees to use public/school funds for their personal benefit, DLA's board risked losing the money if those employees ended their employment with DLA before the school could recoup it.

Authoritative Guidance

According to Section 202 of DLA's Fiscal Policies and Procedures Guide,

> *The Charter School may not operate for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity or individuals related to the Charter School or members of its management, unless the private benefit is considered merely incidental. . . .*
>
> *The private benefit preclusion will extend to, but not be limited by, the following . . .*
>
> > *B. Lending of money or other extension or credit between the Charter School and an affiliated organization (excluding component units) or unaffiliated organization or a private or related individual. . . .*
>
> *Related party transactions shall include transactions between the Charter School and members of the Board, management, contracted management organization, employees, related individuals and affiliated companies.*

Reasons for Issues

The board chair told us that he was not aware that the salary advances were prohibited under the school's fiscal policies and procedures. The former executive director stated that the mortgage payment error occurred because she maintained her personal checking account at the same bank as the school and mistakenly transferred school funds instead of personal funds.

Recommendations

1. The board should ensure that it is aware of school policies.
2. DLA management should cease providing salary advances to its staff and should take the measures necessary to ensure that it does not use school/public funds in any manner that is contrary to school policy.

Auditee's Response

> *At the exit interview, [OSA] noted that notwithstanding the irregularities referenced, no funds were missing from DLA bank accounts as a result of the practice. No current DLA management was questioned about the nature of transactions or involved as such. To the extent the practice of providing salary advances existed, it has been permanently discontinued. DLA will comply with DESE regulations.*

Auditor's Reply

The use of school funds to make salary advances to employees is prohibited by DLA's policies and, in OSA's opinion, presents a higher-than-acceptable risk of abuse of school funds. This is of particular

concern given that one individual, the former executive director, was able to provide advances to herself without independent review or approval. In fact, as noted above, four of the eight advances (totaling $12,500) were issued to the former executive director, and a fifth transaction involved her use of school funds to make a personal mortgage payment in November 2016 that was not repaid until June 2017. Although DLA did not incur financial losses as a result of the advances, internal controls surrounding the transactions were deficient and need to be strengthened to protect the school from potential fraud, waste, and abuse. Therefore, we again urge DLA to implement our recommendations on this matter.

Further, this problem indicates to OSA that DLA's management needs to ensure that all school personnel who are involved in processing financial transactions are familiar with the requirements of DLA's Fiscal Policies and Procedures Guide and adhere to those requirements.

5. DLA did not monitor or reconcile its PayPal account.

DLA did not monitor or reconcile its PayPal account. As a result, there is a higher-than-acceptable risk that transactions processed through this account were not entered in the school's financial records and that inappropriate transactions could have gone undetected.

The school's PayPal account was set up to make online purchases and accept online donations on behalf of the school. All payments made to vendors through the PayPal account are charged to the school's credit card, which is linked to the school's operating cash account. We observed vendor payment activity conducted through DLA's PayPal account in our analysis of its credit card transactions (see Finding 3); however, we were unable to review detailed account activity to verify cash receipts.

During the audit period, there was no evidence that the school's business manager regularly monitored and reconciled the PayPal account.

In addition, when we asked the school to generate a statement of activity for its PayPal account, it could not do so. DLA's former business manager had been designated as the PayPal administrator; she resigned from her position in July 2017, and the role of PayPal administrator was not assigned to a successor. Therefore, the school could not access the account to monitor transactions or reconcile account activity.

Authoritative Guidance

Section 1201(H) of the school's Fiscal Policies and Procedures Guide states, "Reconciliation of cash receipts to deposit slip, bank statements, and general ledger control accounts . . . are performed by the Business Manager on a monthly basis." Section 1202(G) of the guide states, "Bank statements are reconciled soon after receipt by the Business Manager and any outstanding checks and/or deposits are verified."

Reasons for Inadequate Administration

The school did not establish proper internal controls, i.e., policies and procedures, regarding the administration of its PayPal account to ensure that all transactions were properly authorized and that reconciliations were regularly performed by an independent staff member.

According to the board chair, school officials did not appoint a new administrator because they were not aware of the financial risks involved in not gaining access to this account.

Recommendations

1. DLA should immediately gain access to its PayPal account, review the transactions conducted in the account during our audit period, and reconcile the information in the account to DLA's financial records.

2. DLA should establish policies and procedures regarding the administration of its PayPal account, as well as monitoring controls to ensure that these policies and procedures are adhered to.

Auditee's Response

DLA attempted to gain control over the Paypal account, but the former business manager was uncooperative. The new Executive Director made best efforts to gain compliance and cooperation from the former business manager but was unsuccessful.

DLA management wanted to immediately discontinue use of its PayPal account for security reasons, however, [OSA] advised DLA management to keep the account active during the audit.

DLA has since deleted all known PayPal accounts for security reasons. DLA no longer maintains a PayPal account, but in the event that a decision to establish such an account is made in the future, DLA will establish policies and procedures regarding the administration of the account, including monitoring controls to ensure that all policies and procedures are complied with.

Auditor's Reply

During our audit period, DLA did not monitor or reconcile its PayPal account, and as a result, there is a higher-than-acceptable risk of improper transactions in this account. This is of particular concern given that very few people had access to this account; it was not independently monitored; and, according to DLA's response, the one person who was administering the account, DLA's former business manager, did not cooperate with DLA in giving the school access to the account so that OSA could review the account activity. During our audit, OSA asked DLA to keep the account open until we could review and assess the propriety of any transactions processed through the account. Although DLA management told OSA that they had attempted to give us access to this account, we were never given access. Had DLA been properly administering this account, it would have been able to give us the access needed to conduct the necessary audit testing.

Based on its response, DLA will take measures to ensure that if it uses a PayPal account in the future, there will be better administrative controls in place. However, OSA again urges DLA to gain access to the information in the PayPal account that it maintained, review the transactions conducted in the account, reconcile the information in the account to school financial records, and investigate any questionable transactions.

6. Vendor invoices totaling thousands of dollars were processed without required supporting documentation.

DLA did not properly administer its non-credit-card vendor payments for goods and services. As a result, DLA cannot be certain that these payments were for authorized school-related expenditures.

We selected a random sample of 60 vendor payments, totaling $73,914, from the DLA general ledger and identified the following problems:

- Fifty-six transactions did not have approved purchase orders and approved purchase requisitions.
- Twelve transactions did not have receiving reports (i.e., evidence of receipt of goods).
- Three transactions had no supporting documentation (approved purchase requisitions, packing lists, receiving reports, vendor bills, or other documentation to validate authorized accounts-payable transactions).

Authoritative Guidance

According to Section 408 of DLA's Fiscal Policies and Procedures Guide, valid accounts-payable transactions include recurring bills, approved purchase orders and requisitions, approved contracts, and approved reimbursements. All approved purchase orders and requisitions require completed Purchase Requisition Forms that are approved by the executive director. Furthermore, the guide states that "only valid accounts payable transactions based on documented vendor bills, receiving reports, or other approved documentation are recorded as accounts payable." According to Section 1601(B) of the guide,

> *Bills are forwarded to the Executive Director along with a completed Purchase Requisition form . . . and a packing list (when applicable). The bill and the Purchase Requisition form are reviewed for:*
>
> *a) The nature, quality and quantity of goods ordered and the related price*
>
> *b) Accuracy of all arithmetic calculations and extensions*
>
> *c) Allowability of expenditure*

Reasons for Noncompliance

DLA management could not explain why the purchases in question lacked the required documentation. The school had not established monitoring controls to ensure that it adhered to its established policies and procedures.

Recommendation

DLA management should develop monitoring controls to ensure that all vendor payments are processed in accordance with established policies and procedures.

Auditee's Response

> *DLA management has developed monitoring controls to ensure that all vendor payments are processed according to established policies and procedures. These monitoring controls are aligned with the DESE Charter School Recommended Fiscal Policies and Procedures Guide for managing the accounts payable function.*

Auditor's Reply

Based on its response, DLA is taking measures to address our concerns in this area.

7. Several DLA board members did not comply with reporting and training requirements.

The governance committee of the DLA board of trustees did not ensure that all board members complied with statutory financial and conflict-of-interest reporting and training requirements for Commonwealth charter school board members. The Commonwealth's requirements are intended to ensure that charter schools operate in accordance with established laws and regulations. Noncompliance with statutory requirements may result in board members not being aware of their obligations and responsibilities and puts the school at risk of losing its charter.

DESE developed the Web-based Board Member Management System to monitor board members' compliance with statutory requirements. Charter schools are required to submit documentation to DESE that supports compliance with these requirements. DESE provided us with a report that indicated the compliance status of DLA board members during the audit period. From this report, we identified the following compliance issues related to our judgmental sample of 8 of the 14 people who had been members of DLA's board of directors during our audit period:

- Only 14 out of the 22 annual financial disclosure forms that should have been filed during our audit period were submitted.
- Only 12 out of the 22 annual written acknowledgements of receipt of the Summary of the Conflict of Interest Law for State Employees that should have been filed during our audit period were submitted.
- Only 2 out of the 8 board members in our sample completed the required Conflict of Interest Law Online Training Program.

Authoritative Guidance

DESE provides guidance on its website regarding the obligations and responsibilities of Massachusetts charter school board members. Regarding financial disclosure, the site states,

> *Trustees must file a financial disclosure form annually with (1) the State Ethics Commission, (2) the Department of Elementary and Secondary Education, and (3) the city or town clerk wherein the charter school is located. . . .*
>
> *Trustees must file the disclosure within 30 days of becoming a member of the board of trustees, by September 1 of each year thereafter that the person is a member of the board and by September 1 of the year after the person ceases to be a member of the board.*

Regarding the Conflict of Interest Law,[5] DESE's website states,

> *As special state employees, trustees must annually review and provide written acknowledgement of a summary of the Commonwealth's Conflict of Interest Law.*

And regarding Conflict of Interest Law training, DESE's website states,

> *Every two years, trustees must complete an online training program on the Commonwealth's Conflict of Interest Law. . . .*
>
> *Trustees must complete the training within 30 days of becoming a member of the board and every 2 years thereafter.*

Finally, according to Section 5.2.2 of DLA's bylaws,

> *The Governance Committee shall oversee the quality of the decisions of the Trustees and Trustees' self-management. The Governance Committee shall . . . oversee Trustee orientation and education, and conduct periodic evaluations of individual Trustees and the Board as a whole.*

Reasons for Noncompliance

The board's chair could not explain why several board members did not meet all of the training and disclosure requirements. We did note that the board's governance committee, which should oversee board member education, does not have a formal process of routinely assessing each board member's compliance with these requirements.

Recommendation

The DLA board's governance committee should develop a formal process of routinely assessing each board member's compliance with all training and filing requirements and ensuring that all board members comply with these requirements.

Auditee's Response

> *All current Board members are in compliance with mandated financial and conflict-of-interest reporting and training requirements. The Board's Governance Committee has established annual compliance review for all Board members to ensure that all are current with all statutory reporting and training requirements.*

5. Chapter 268A of the General Laws places restrictions on what state employees may do on the job, after hours, and after leaving public service.

Auditor's Reply

Based on its response, DLA's board is taking measures to address our concerns in this area.

8. DLA's board of trustees did not create sufficiently detailed records of all of its meetings.

During our audit period, DLA's board did not accurately record all the decisions made and actions taken during its meetings in the meeting minutes. The board's legal counsel provided us with copies of the official minutes of all monthly meetings of the board of trustees and committees held during the audit period. We reviewed the minutes and noted significant deficiencies in the quality, content, and completeness of details. Examples of these deficiencies include insufficient summary of the discussions (minutes consisting of a meeting agenda with check marks next to each agenda item and no further details about what was discussed) and a lack of documentation of executive sessions[6] (only 4 out of 23 executive sessions had recorded minutes).

Creating accurate and sufficiently detailed board minutes is an important responsibility of the board. Well-documented board actions provide transparency to stakeholders, provide legal protection, and establish ownership of decisions made and actions taken by the board. Without an accurate record of board meetings, there is a lack of transparency, and stakeholders may not be able to fully understand the board's decision-making process.

Authoritative Guidance

According to Section 22(a) of Chapter 30A of the Massachusetts General Laws,

> *A public body shall create and maintain accurate minutes of all meetings, including executive sessions, setting forth . . . a summary of the discussions on each subject . . . [and] the decisions made and the actions taken at each meeting.*

Reasons for Issues

According to the board's chair, the task of creating and maintaining sufficient board meeting minutes requires the commitment of a dedicated individual, and the board had difficulty recruiting and retaining a board secretary. This resulted in the board chair keeping the minutes in addition to conducting the meeting. The chair said that because of this dual role, he found it difficult to create and maintain accurate minutes.

6. Executive sessions are board meetings that exclude the general public because their subject matter is sensitive.

Recommendation

DLA should recruit and retain a board secretary to ensure that sufficiently detailed meeting minutes are created.

Auditee's Response

The Board has adopted the [OSA] recommendation and has already acquired recording equipment to record Board meetings to ensure greater accuracy of minutes. The recording equipment is currently in use.

Auditor's Reply

Based on its response, DLA is taking some measures to address our concerns in this area. However, we again recommend that it recruit and retain a secretary to ensure that sufficiently detailed written reports of all meetings are created, as required by Section 22(a) of Chapter 30A of the General Laws.

9. DLA's board chair exceeded his term limit.

As of June 30, 2017, DLA's board chair had been in the position more than seven years (since April 30, 2010), which is three years longer than DLA's bylaws allow. By not ensuring that all board members adhere to established term limits, DLA may be denying the opportunity of board membership to other members of the communities it serves who could provide new ideas and expertise. It may also be denying current board members opportunities to assume leadership positions on the board.

Authoritative Guidance

According to Section 4.2 of DLA's bylaws, "The term in the office of Chair, Vice Chair, Treasurer, and Secretary will be two years. A Trustee may not serve more than two consecutive terms in the same office."

Reasons for Issues

Typically, an election is held annually at the June board meeting to elect new officers as current terms expire. The board chair stated that he influenced the other board members to forgo the process of electing a new chair at the end of his consecutive two-year terms.

Recommendation

The board should not allow any of its members to serve a term that exceeds those established in its bylaws.

Auditee's Response

In 2017, the Board Chair spoke with DESE regarding by-laws and was advised that the average term for members of Boards of Trustees ranged from 15 to 20 years. The Chair was advised that he could expect to serve no more than 15 years and he advised that no member of the Board had served more than 7 years.

Thereafter, the DLA Board approved the new by-laws at the end of the school year and submitted them to DESE for approval. DLA has not heard back regarding approval of the by-laws.

As far as an exit plan from the chair and the Board, efforts are underway to recruit new members to serve on the Board. At this time DLA would suffer with an abrupt departure of the Chair from the Board. Having that in mind, the Chair anticipates that the term expiring on June 30, 2019 will be his last term of service.

Auditor's Reply

Regarding how long DLA's board members can serve, during our audit period DLA's bylaws stated, "The term in the office of Chair, Vice Chair, Treasurer, and Secretary will be two years. A Trustee may not serve more than two consecutive terms in the same office." DLA's board was responsible for making sure all of its members complied with this requirement. Going forward, DLA should not allow any of its board members to serve a term that exceeds the period established in its bylaws.

APPENDIX

Massachusetts Department of Elementary and Secondary Education Charter Renewal Conditions for Helen Y. Davis Leadership Academy Charter Public School

February 2013 Charter Renewal Review

Because of instability in governance and financial oversight at Helen Y. Davis Leadership Academy Charter Public School (DLA), the Department of Elementary and Secondary Education (DESE) imposed the following conditions on DLA's board of trustees:

1. *Beginning in March 2013 and until further notice, [DLA] . . . will submit to the Department of Elementary and Secondary Education . . . board meeting agendas, materials, and minutes prior to each board meeting at the same time these items are sent to [DLA's] board members. . . .*

2. *By May 31, 2013, the Board of Trustees . . . will engage in a comprehensive self-evaluation of its own capacity and recruit additional members who have the needed expertise.*

3. *By September 30, 2013, the Board of Trustees . . . will engage in training, conducted by an external consultant, accepted by and approved in advance by [DESE], on the roles and responsibilities of a charter school board of trustees.*

February 2018 Charter Renewal Review

DESE renewed the school's charter but, because of poor conditions in governance, financial oversight, and academic program performance, placed it on probation with the following conditions:

1. ***Until further notice**, DLA must submit to the Department of Elementary and Secondary Education . . . board and committee meeting agendas, materials, and minutes prior to each board meeting at the same time that these items are sent to the school's board members. Additionally, if board materials do not already include this information, the school must also submit monthly financial statements. The documents must reflect adherence to the Open Meeting Law.*

2. *By March 30, 2018, the school must establish an escrow account in an amount determined by [DESE] in consultation with the school to pay for any potential closing, legal, and audit expenses associated with closure, should that occur.*

3. *By April 18, 2018, all members of the board of trustees must participate in training on the Open Meeting Law offered by the Office of the Attorney General. In addition, all members of the board of trustees must participate in training on state ethics offered by the State Ethics Commission.*

4. *By May 31, 2018, the board of trustees will work with [DESE] to obtain approval of its bylaws.*

5. *By June 1, 2018, the school must submit to [DESE] a comprehensive evaluation of its mathematics, English language arts, and science programs. Such comprehensive evaluation must be conducted by an external consultant(s) acceptable to and approved in advance by [DESE].*

6. *By June 29, 2018, the school must submit to [DESE] for approval an action plan to improve academic performance. Such action plan must specify the strategies to improve mathematics, English language arts, and science performance for all student groups. The action plan must set clear and specific implementation benchmarks, with a clear timetable and deadlines for completion of key tasks sufficient to allow the school's board of trustees and [DESE] to monitor implementation.*

7. *By July 1, 2018, the board of trustees must assess its capacity and expertise, taking into consideration current term limits for existing board members, and add membership that will allow the board to fulfill its governance duties.*

8. *By December 31, 2019, the school must demonstrate that it is an academic success by providing evidence that the school has exhibited significant and sustained academic improvement in mathematics, English language arts, and science.*