

LOUISIANA DEPARTMENT OF EDUCATION
RECOVERY SCHOOL DISTRICT



PERFORMANCE AUDIT
ISSUED SEPTEMBER 14, 2011

**LOUISIANA LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

September 14, 2011

The Honorable Joel T. Chaisson, II,
President of the Senate
The Honorable Jim Tucker,
Speaker of the House of Representatives

Dear Senator Chaisson and Representative Tucker:

This report provides the results of our performance audit on the Louisiana Department of Education, Recovery School District.

The report contains our findings, conclusions, and recommendations. Appendix A contains the Louisiana Department of Education, Recovery School District's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Louisiana Department of Education, Recovery School District for their assistance during this audit.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/dl

RSD 2011

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE, Legislative Auditor



Louisiana Department of Education
Recovery School District

September 2011

Audit Control # 40500015

Executive Summary: Objectives and Overall Results

This report provides the results of our performance audit of the Louisiana Department of Education (LDOE), Recovery School District (RSD). We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. The purpose of the audit was to review the transfer, reorganization, operation, and return of schools in the RSD, student performance of schools within the RSD, the monitoring of charter schools under the RSD's authority, and the development and status of the School Facilities Master Plan (Master Plan). Appendix B details the audit initiation, scope, and methodology. The audit objectives and results of our work are as follows:

Objective 1: How does LDOE transfer schools to the RSD?

Results: LDOE tracks and identifies schools that are in Academically Unacceptable School (AUS) status and determines when they are eligible for transfer to the RSD. AUS status is determined by School Performance Scores (SPS). Schools are eligible for the RSD once they are considered AUS for four consecutive years.¹ In fiscal year 2011, AUS status was determined by an SPS of 65 or less, which means approximately 61 percent of students performed below grade level and continued to perform below grade level for four years prior to their school entering the RSD. LDOE offers assistance to schools in AUS status to help them improve their performance and avoid placement in the RSD. After a school becomes eligible for the RSD, LDOE makes a recommendation to the Louisiana Board of Elementary and Secondary Education (BESE) for approval to transfer the school to the RSD.

Objective 2: How does the RSD reorganize, operate, and transfer out the schools under its authority?

Results: Schools are reorganized, operated, and transferred out of the RSD pursuant to Louisiana Revised Statute (R.S.) 17:10.5 and R.S. 17:10.7. Both laws outline the authority the RSD has to reorganize and operate the schools in whatever manner is most likely to improve the academic performance of each student in the school. RSD staff conducts comprehensive audit reviews that are used to make recommendations to BESE for approval to reorganize schools under one of four different operational structures. In addition, these laws outline the process for transferring schools out of the RSD once they

¹ R.S. 17:10.5 outlines other conditions that make schools eligible for transfer into the RSD. However, at this time, BESE has only used the condition of four consecutive years of AUS status to transfer schools into the RSD under this law.

have been in the RSD for a minimum of five years. The RSD has policies for returning schools to their Previous Governing Authority (PGA); however, they must meet certain conditions to get their schools back and non-failing schools can choose to remain in the RSD. Also, when RSD schools convert to Type 5 Charter schools, the five-year minimum transfer period within the RSD resets to year one because the charter becomes a new Local Education Agency (LEA) with a new site code and it is given the standard five-year charter contract.

Objective 3: Is the RSD making progress toward its schools meeting an acceptable level of student performance?

Results: By design, the RSD is comprised of failing and/or under achieving schools; therefore, the initial acceptable level of performance is getting a school out of AUS status. In addition, the RSD's aim is for schools to show an upward trajectory of continued improvement, even after they are no longer labeled AUS. Overall, the RSD is making progress toward improving student performance based on multiple measures of accountability reported by LDOE.

- In fiscal year 2010, 60.3 percent of RSD schools were not in AUS status.
- The RSD - N.O. District Performance Scores increased 17.9 percent from fiscal year 2008 to fiscal year 2010.
- The RSD had an average increase of 6.2 points for Growth Performance Scores in fiscal year 2010.
- The average Graduation Rate for high schools in the RSD increased 19.5 percent from fiscal year 2009 to fiscal year 2010.
- Type 5 Charter schools have shown the greatest amount of improvement based on fiscal year 2010 SPS and Growth Performance Scores.
- Excluding one-time hurricane-related expenditures, RSD's per pupil expenditure was \$11,898 for fiscal year 2009; this per pupil expenditure ranks 21st when compared to the 57 school districts that did not expend one-time hurricane money.

Objective 4: Does the Office of Parental Options within LDOE, along with the RSD, effectively monitor Type 5 Charter schools to ensure they are meeting their student, financial, and legal/contract performance standards?

Results: Overall, the Office of Parental Options (OPO) and RSD did not effectively monitor Type 5 Charter schools in fiscal year 2010 and need to improve the process to annually collect, review, and/or evaluate the performance of all Type 5 Charter schools. According to Louisiana Administrative Code, Type 5 Charter schools must be reviewed and/or evaluated annually in the following categories: student, financial, and legal/contract performance. We found the following with respect to these three categories:

- In fiscal year 2010, the OPO and RSD did not monitor 8.3 percent of Type 5 Charter schools for student performance because the schools did not receive an assessment index or SPS because of grade configuration.
- The OPO and RSD's fiscal year 2010 monitoring criteria did not sufficiently provide an accurate account of a Type 5 Charter school's overall financial health and sustainability.
- In fiscal year 2010, the OPO and RSD did not comprehensively monitor all Type 5 Charter schools for legal and contract compliance as required by the Louisiana Administrative Code.

Objective 5: What was the RSD's process for developing and implementing the Master Plan and what is its current status?

Results: R.S. 17:1990 provides the RSD the legal authority to develop and implement the Master Plan. In August 2007, the RSD and Orleans Parish School Board (OPSB) initiated a comprehensive process to develop and implement the Master Plan which was approved in November 2008. The RSD and OPSB are required to review and update the Master Plan every two years. Both the RSD and OPSB have Project Worksheets (PW) with the Federal Emergency Management Agency (FEMA) to provide funding for the Master Plan. FEMA PWs acknowledge that the Master Plan will be updated based on repopulation projections, facility condition assessments and best practices. As of February 2011, seven out of 32 (22 percent) projects in Phase One of the Master Plan have been completed. In addition, LDOE needs to determine the potential effects on the PWs and the responsibility to procure insurance when schools that are included in the Master Plan transfer back to their PGA, in this case the OPSB.

Overview of the RSD

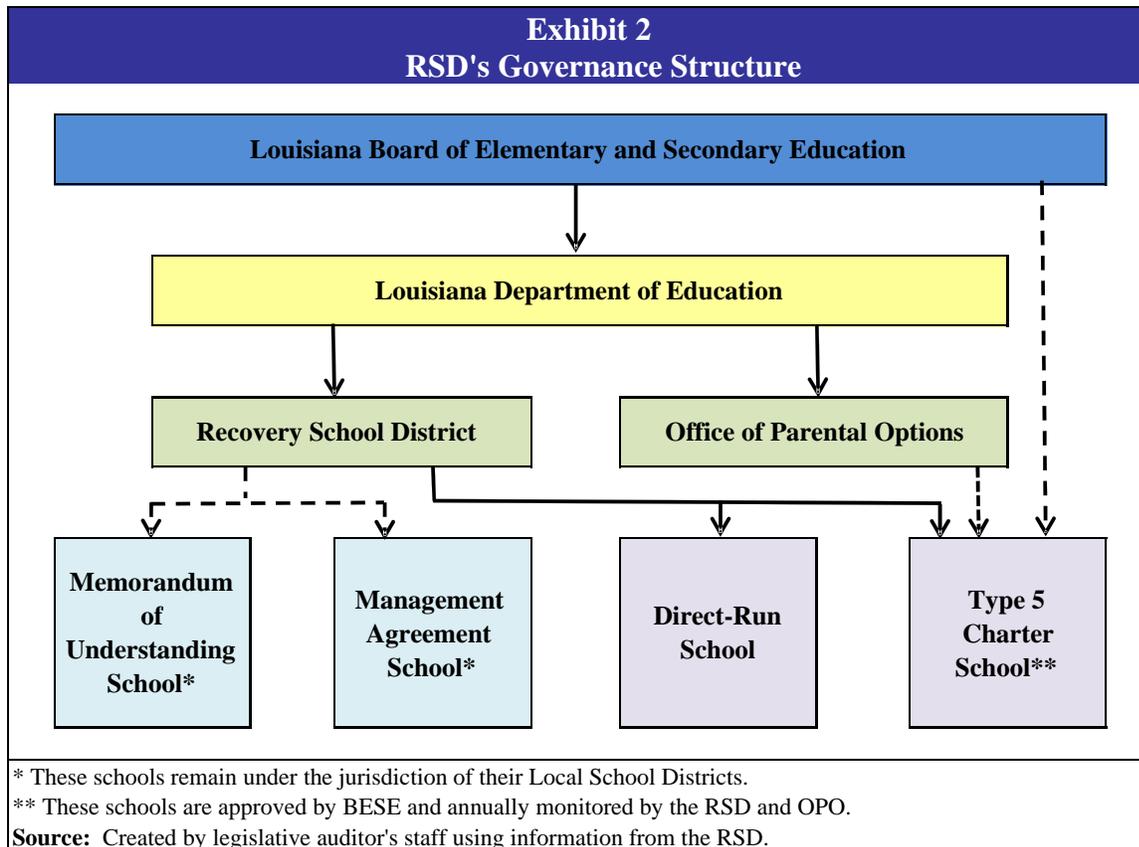
Mission, Budget and Staffing. The mission of the RSD is to provide appropriate educational and related services to students who are enrolled in an elementary or secondary school transferred to the RSD. The RSD is designed to take underperforming schools and transform them into successful places for children to learn. In addition, based on R.S. 17:10.7, the RSD has the authority and task of newly constructing, directing major repairs and renovations and demolishing the damaged schools under its jurisdiction in New Orleans. As illustrated in Exhibit 1, for fiscal year 2011, the RSD was appropriated approximately \$233.4 million for instruction and \$228.2 million for construction for an overall total of \$461.5 million. In addition, the RSD had 1,316 full-time equivalents (FTEs) as of March 14, 2011.

Exhibit 1	
RSD FY2011 Final Budget and Full-Time Equivalents	
Instructional Appropriations	\$233,359,599
Construction Appropriations	228,178,907
Total Appropriations	\$461,538,506
School Based Full-Time Equivalents	1,170
Central Office Full-Time Equivalents	146
Total Full-Time Equivalents	1,316*
<p>* As of March 14, 2011. See Appendix G for a list of per pupil expenditures for the RSD and other districts in the state. Source: Created by legislative auditor's staff based on the 2010 Louisiana Legislative Regular Session HB 1 and information from the RSD.</p>	

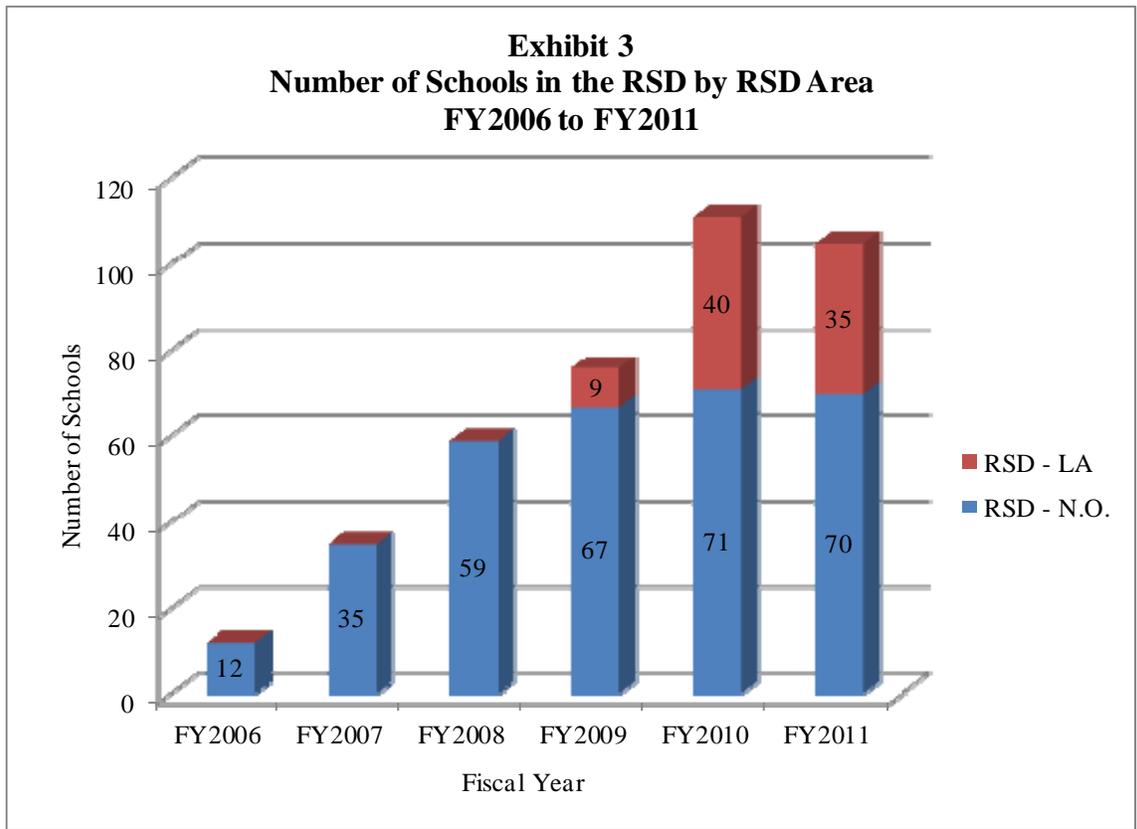
Legal Authority. During the 2003 regular legislative session, the legislature passed Act 9 to create the RSD. According to R.S. 17:1990, the RSD was established to provide an appropriate education for children attending any public elementary or secondary school operated under the jurisdiction and direction of any city, parish or other local public school board or any other public entity, which has been transferred to its jurisdiction pursuant to R.S. 17:10.5 or R.S. 17:10.7. The RSD is administered by LDOE, subject to the approval of the Louisiana Board of Elementary and Secondary Education (BESE).

RSD Governance Structure. The RSD operates as a budget unit under LDOE and is subject to the governance of BESE. According to R.S. 17:10.5 and 17:10.7, the RSD has the authority to reorganize and operate schools within its jurisdiction as necessary in whatever manner is determined to be most likely to bring the school to an acceptable level of performance. Schools within the RSD fall under four operational structures. These operational structures, discussed in detail in Exhibit 6, include Memorandum of Understanding (MOU), Management Agreement (MA), Direct-Run, and Type 5 Charter schools. In terms of governance, the RSD has sole responsibility for oversight of Direct-Run schools under its jurisdiction. LDOE's Office of Parental Options (OPO), along with the RSD, has the responsibility for oversight of Type 5

Charter schools. The RSD works in conjunction with the Local School Districts to oversee the MOU and MA schools. Exhibit 2 shows the governance structure related to the RSD and other entities.



Number of RSD Schools. In fiscal year 2011, the RSD consisted of 105 schools across the state and served a total of 41,515 students. The number of schools in the RSD can change from year to year. The number of schools in the RSD has increased from 12 in fiscal year 2006 to 105 in fiscal year 2011. The RSD is geographically split into two operational areas: RSD - N.O. (70 schools) and RSD - LA (35 schools). The RSD - N.O. includes all RSD schools operating within Orleans Parish. The RSD - LA includes all RSD schools operated outside of Orleans Parish. See Appendix C for the fiscal year 2011 list of RSD schools, including the type of operational structure, RSD operational area, parish, grade configurations, and student enrollment. Exhibit 3 on the following page summarizes the number of schools operating from fiscal year 2006 to fiscal year 2011.



Source: Created by legislative auditor's staff using information from the RSD.

Objective 1: How does LDOE transfer schools to the RSD?

LDOE tracks and identifies schools that are in Academically Unacceptable School (AUS) status and determines when they are eligible for transfer to the RSD. AUS status is determined by School Performance Scores (SPS). Schools are eligible for the RSD once they are considered AUS for four consecutive years.² In fiscal year 2011, AUS status was determined by an SPS of 65 or less, which means approximately 61 percent of students performed below grade level and continued to perform below grade level for four years prior to their school entering the RSD. LDOE offers assistance to schools in AUS status to help them improve their performance and avoid placement in the RSD. After a school becomes eligible for the RSD, LDOE makes a recommendation to BESE for approval to transfer the school to the RSD.

Schools are eligible to transfer to the RSD once they are considered AUS for four consecutive years

A school is eligible for the RSD once it is considered AUS for four consecutive years (AUS 4). According to the State Accountability System, a school was considered AUS during fiscal year 2010 if its SPS was less than 60. This criterion was increased to less than 65 in fiscal year 2011 and will increase to less than 75 in fiscal year 2012.

Exhibit 4 shows how each SPS range translates into the percent of students in each school scoring basic and above on standardized tests and the expected average graduation rate for each range. The area highlighted in red denotes the SPS range of schools transferred into the RSD during fiscal years 2010 and 2011.

Exhibit 4 SPS Scale		
SPS Range	Percent of Students Scoring Basic and Above on Standardized Tests	Expected Average Graduation Rate
120.0-200	88%-100%	91.9
105.0-119.9	76%-87%	82.4
90.0-104.9	64%-75%	76.9
65-89.9	39%-63%	66.2
0-64.9	0%-38%	51.6

Source: Created by legislative auditor’s staff using information from the RSD.

² R.S. 17:10.5 outlines other conditions that make schools eligible for transfer into the RSD. However, at this time, BESE has only used the condition of four consecutive years of AUS status to transfer schools into the RSD under this law.

To put these scores into perspective, an SPS of 65 points means approximately 39 percent of students performed at basic or above on state standardized tests (i.e., LEAP, iLEAP, GEE). In other words, approximately 61 percent of students performed below grade level and continued to perform below grade level for four years prior to their school entering the RSD. Schools progress to higher levels of AUS based on the number of consecutive years they have been labeled AUS (i.e., AUS 1, AUS 2, etc.). AUS schools are required to implement remedies based on their AUS level. These remedies include, but are not limited to, writing a new School Improvement Plan (SIP) and a scholastic audit of the school.

LDOE offers assistance to schools in AUS status to help them improve performance

LDOE offers assistance to schools in AUS status to help them improve their performance so they are no longer considered AUS. This assistance also keeps them from becoming eligible for transfer into the RSD. As illustrated in Exhibit 5, this assistance includes, but is not limited to, providing training for district assistance in needs assessment and data analysis and working to secure new funding and/or redirecting existing resources to help schools implement their improvement plans. In fiscal year 2010, 12 schools that were previously labeled AUS exited AUS status because their fiscal year 2010 SPS were above the AUS status measure.

Exhibit 5 Support LDOE Provides to AUS Schools		
AUS Level	School and School District Requirements	LDOE Support Provided
AUS 1	<ul style="list-style-type: none"> Must have a District Assistance Team (DAT) Must submit a SIP to the state If Title I school, must offer Supplemental Educational Services (SES) to eligible students 	<ul style="list-style-type: none"> Support on data collection and analysis through Louisiana Needs Analysis and the Degree of Implementation Guide Technical support on SIP, evaluation, and implementation of plan Tools created to assist schools are Tools for Success, Best Practices book, and templates for SIP and data analysis If a Title I school, eligible for 1003(a) School Improvement Funds Eligible to apply for 1003(g) School Improvement Grant Funds
AUS 2	<ul style="list-style-type: none"> All AUS 1 requirements Must have external school review 	
AUS 3	<ul style="list-style-type: none"> All AUS 2 requirements Must select and implement a corrective action from the list below each year they advance in years below bar, not meeting growth targets or not making adequate yearly progress: <ol style="list-style-type: none"> Replace school staff Implement new curriculum Decrease management authority Contract with an outside expert Extend the school year or school day Restructure 	
AUS 4	<ul style="list-style-type: none"> All AUS 3 requirements 	
<p>Source: Created by legislative auditor’s staff using information from LDOE.</p>		

LDOE makes a recommendation to BESE for approval to transfer eligible schools into the RSD

After a school is identified as eligible for the RSD, LDOE makes a recommendation to BESE for approval to transfer the school into the RSD according to the criteria outlined in either R.S. 17:10.5 or R.S. 17:10.7.

- R.S. 17:10.5 transfers individual failing schools into the RSD after they have been labeled academically unacceptable for four consecutive years.
- R.S. 17:10.7 transfers schools whose baseline school performance scores are below the state average into the RSD from districts that have more than 30 schools that are academically unacceptable or more than 50 percent of its students attend academically unacceptable schools. In addition, the school buildings were transferred to the RSD. On and after November 15, 2009, no additional schools can be transferred pursuant this statute. Schools in New Orleans were transferred to the RSD under this law.

Objective 2: How does the RSD reorganize, operate, and transfer out the schools under its authority?

Schools are reorganized, operated, and transferred out of the RSD pursuant to R.S. 17:10.5 and R.S. 17:10.7. Both laws outline the authority the RSD has to reorganize and operate the schools in whatever manner is most likely to improve the academic performance of each student in the school. RSD staff conducts comprehensive audit reviews that are used to make recommendations to BESE for approval to reorganize schools under one of four different operational structures. In addition, these laws outline the process for transferring schools out of the RSD once they have been in the RSD for a minimum of five years. The RSD has policies for returning schools to their PGA; however, the PGA must meet certain conditions to get their schools back and non-failing schools can choose to remain in the RSD. Also, when RSD schools convert to Type 5 Charter schools, the five-year minimum transfer period within the RSD resets to year one because the charter becomes a new Local Education Agency (LEA) with a new site code and it is given the standard five-year charter contract.

RSD staff conducts comprehensive audit reviews that are used to make recommendations to BESE for approval to reorganize schools under one of four different operational structures

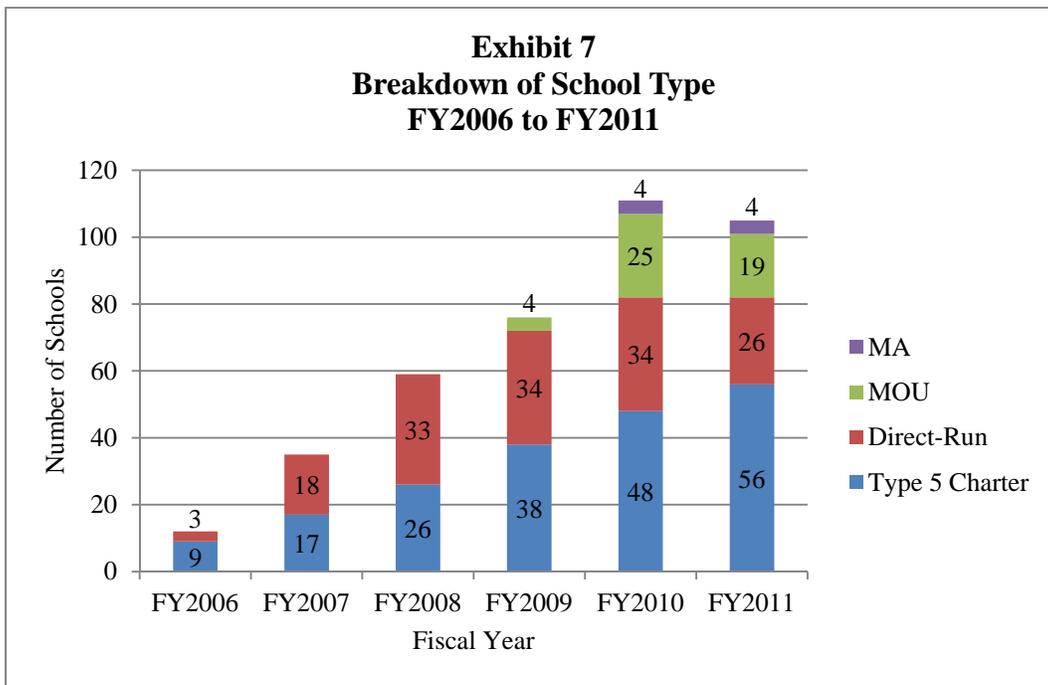
After a school is identified as eligible to be transferred, RSD staff and consultants conduct comprehensive audit reviews of each school. These audit reviews include the following nine components that were developed from educational research-based best practices: Leadership, Organizational Structure, Climate, Student, Family and Community Support, Curriculum, Instruction, Classroom Evaluation and Assessment, Professional Development, and Comprehensive and Effective Planning. LDOE uses these reviews to make a recommendation to BESE for approval to reorganize schools transferring to the RSD under one of the following operational structures. Exhibit 6 describes each of the four operational structures.

Exhibit 6 RSD School Operational Structures	
Type of Operational Structure	Description
Memorandum of Understanding School (MOU)*	An MOU is a binding agreement between a local school district and the RSD which outlines the necessary actions that must be implemented at a failing school for it to avoid direct placement in the RSD. An MOU is used for schools that BESE has chosen not to directly place in the RSD. The school remains within its local school district which is responsible for implementing specified interventions. The MOU is a three-year agreement and since the school remains within the local school district no actual transfer to the RSD takes place. However, if the school continues to fail, BESE has the option of placing it directly in the RSD.

Exhibit 6 RSD School Operational Structures	
Type of Operational Structure	Description
Management Agreement School (MA)*	An MA is a binding agreement between a Local School District and the RSD which provides the RSD more authority over the failing school compared to an MOU to assist in the turning around of the school to avoid transfer to the RSD. The MA is a three-year binding agreement between a local school district and the RSD and the school remains within the local school district. However, if the school continues to fail, BESE has the option of placing it directly in the RSD.
Direct-Run School	A school that is under the direct jurisdiction of the RSD, in which the RSD is responsible for providing the day-to-day management and operation of the school for not less than five years. The RSD is considered the LEA for these schools.
Type 5 Charter School	A school that is operated as the result of a charter between a Non-Profit Sponsoring Organization (NPSO) or a college or university ³ and BESE with BESE approving the charter. NPSOs are considered their own LEA, so state funding goes directly to the NPSO, not through the RSD. Type 5 Charter school contracts require them to be open admission to all students.** A Type 5 Charter school will be under the jurisdiction of the RSD for not less than five years.
<p>* Schools that are under the jurisdiction of the RSD as a Direct-Run or Type 5 Charter school cannot have an MOU or MA with the RSD since they have already been placed in the RSD.</p> <p>** If a charter school receives more applications than space available, the school must conduct a lottery to fill the slots.</p> <p>Source: Created by legislative auditor's staff using information from the RSD.</p>	

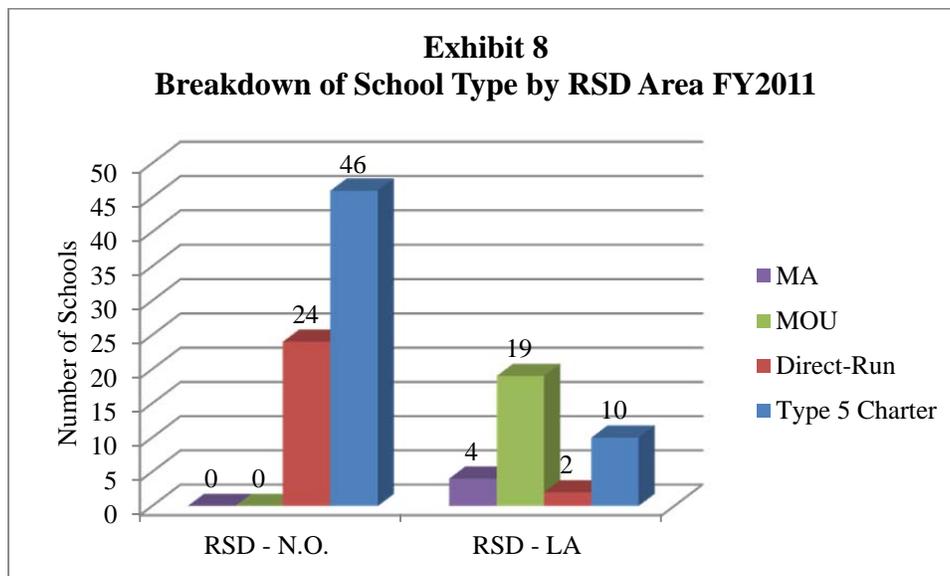
Exhibit 7 on the following page shows the number of each school type from fiscal year 2006 to fiscal year 2011.

³ The RSD collects the MFP funds only for Type 5 Charter schools whose sponsoring organization is a college or a university and transfers it to them.



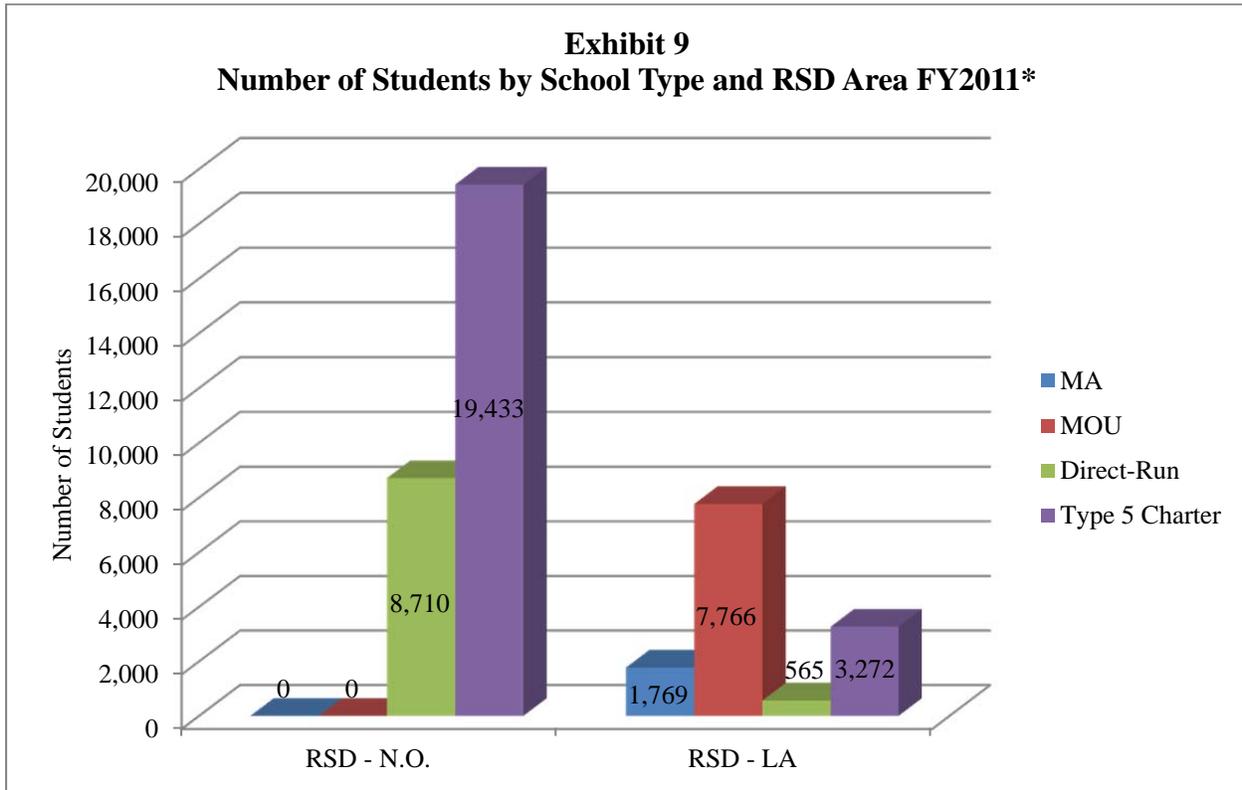
Source: Created by legislative auditor’s staff using information from the RSD.

Exhibit 8 shows the number of each school type by RSD area for fiscal year 2011.



Source: Created by legislative auditor’s staff using information from the RSD.

Exhibit 9 shows the number of students by school type and area for fiscal year 2011.



* From the October 1, 2010, student enrollment counts.

Source: Created by legislative auditor's staff using information from the RSD.

School districts must meet certain conditions to get their schools back; however, non-failing schools can choose to remain in the RSD

Direct-Run and Type 5 Charter schools are required to stay within the RSD for a minimum of five years. According to R.S. 17:10.5(C) and 17:10.7(C), at the end of the transfer period,⁴ the RSD must make a recommendation to BESE if the school should remain in the RSD, change operational status, close, or be returned to the local school administration with conditions. In April 2011, BESE adopted Administrative Code Bulletin 111, Chapter 24 that LDOE created in accordance with these statutes. Bulletin 111 states that no school is eligible for consideration of return to a PGA⁵ until the conclusion of the 2011-2012 school year.

According to RSD officials, Bulletin 111 is the policy that will govern the process of transferring schools out of the RSD, subject to BESE approval. According to Bulletin 111, non-failing schools that meet eligibility criteria can choose to exit or remain in the RSD. If the school

⁴ Schools transferred to the jurisdiction of the RSD are required to remain under the jurisdiction of the RSD for a five-year operational period before they may be eligible for return or transfer.

⁵ A PGA is, at a minimum, a governing entity that is eligible by law to authorize a Type 1, 3, or 4 Charter school; such entity cannot be deemed academically or financially in crisis pursuant to law.

elects to remain under the jurisdiction of the RSD, that decision is effective for another five-year transfer period. Bulletin 111 does not state a limit to the amount of times a school can choose to remain with the RSD. The RSD will publish Requests for Applications (RFA) for schools that are considered failing after being operational in the RSD for five years. The RFA will outline the conditions and criteria that the PGA needs to meet to get a school back.

The PGA must meet the following criteria for schools to transfer back to their jurisdiction and for them to retain the schools.

- For non-failing Direct-Run schools that choose to exit the RSD, the PGA must have an MOU with BESE that is effective for no more than three years. It will address preservation of existing school autonomy, continued performance, school budget, and recourse. Violation of the MOU may result in the school being returned to the RSD.
- For non-failing Type 5 Charter schools that choose to exit the RSD, the PGA must have a negotiated charter agreement with the school which must contain academic performance standards and requirements which are equal to or greater than the Type 5 performance standards.
- For failing schools with an RFA, the PGA can submit a proposal for school turnaround to get the school back. The proposal shall identify key benchmarks and milestones to show improved academic outcomes and be approved by BESE.
 - The first RFA was released April 11, 2011, with applications due June 10, 2011. Eight RSD Direct-Run schools in Orleans Parish were identified as eligible for transfer out under this provision. According to LDOE officials, no application was received from the PGA [OPSB] to get the schools back.

See Appendix D for additional information on the process to transfer schools out of the RSD.

When RSD schools convert to Type 5 Charter schools, the five-year minimum transfer period within the RSD resets to year one

According to LDOE officials, when a school within the RSD is converted to a Type 5 Charter school or changes charter operators, the five-year minimum transfer period resets to year one. The transfer period resets because the school is considered a new school within the RSD and the charter represents a legal agreement between BESE and the charter operator, which sets the term of the charter at five years. However, this process is not specifically stated in Bulletin 111.

Recommendation 1: The RSD should ensure its policy addresses and clearly communicates to stakeholders that when RSD schools convert to Type 5 Charter schools, the five-year minimum transfer period within the RSD resets to year one.

Summary of Management's Response: LDOE concurs with this recommendation. Type 5 charter recipients enter into a five-year performance contract with BESE to operate a failing school. This agreement sets out performance benchmarks at the three-year mark, which, if met, allow the contract to be extended through year five. Charters are eligible for longer contract renewal terms if higher performance criteria are met. It is essential that operators have the time and space to improve academic performance at the school. LDOE will clarify in Bulletin 111 that any Direct-Run RSD school that is converted to a Type 5 Charter school or new charter operator will be given a new five-year clock to improve performance above minimum standards.

Objective 3: Is the RSD making progress toward its schools meeting an acceptable level of student performance?

The Louisiana School and District Accountability System measures student performance based on multiple measures of accountability including SPS, DPS, Growth Performance Scores, and Graduation Rates. According to Louisiana Administrative Code, all new schools statewide begin showing accountability measures after they have been operating for two years. Since at least two years of data is required to calculate and use these measures of accountability, not all schools in the RSD are included because they have not been operating in the RSD long enough.

By design, the RSD is comprised of failing and/or under achieving schools; therefore, the initial acceptable level of performance is getting a school out of AUS status. In addition, the RSD's aim is for schools to show an upward trajectory of continued improvement, even after they are no longer labeled AUS. Overall, the RSD is making progress toward improving student performance based on multiple measures of accountability reported by LDOE.

- In fiscal year 2010, 60.3 percent of RSD schools were not in AUS status.
- The RSD - N.O. District Performance Scores increased 17.9 percent from fiscal year 2008 to fiscal year 2010.
- The RSD had an average increase of 6.2 points for Growth Performance Scores in fiscal year 2010.
- The average Graduation Rate for high schools in the RSD increased 19.5 percent from fiscal year 2009 to fiscal year 2010.
- Type 5 Charter schools have shown the greatest amount of improvement based on fiscal year 2010 SPS and Growth Performance Scores.
- Excluding one-time hurricane-related expenditures, RSD's per pupil expenditure was \$11,898 for fiscal year 2009; this per pupil expenditure ranks 21st when compared to the 57 school districts that did not expend one-time hurricane money.

Fiscal year 2010 SPS shows that 60.3 percent of RSD schools are not in AUS status

During fiscal year 2010, a school was in AUS status if it had an SPS below 60. Since SPS requires two years of data, only 78 out of 111 (70.3 percent)⁶ of the RSD schools had an SPS available in fiscal year 2010. Of these schools, 47 of the 78 (60.3 percent) had a score higher than 60 SPS and were not in AUS status. See Appendix E for the complete list of schools with fiscal year 2010 SPS. Exhibit 10 shows the FY2010 average SPS by school type.

SPS is calculated depending on grade level based on a combination of attendance index, assessment index, dropout index, and graduation index. SPS includes test data from the two most recent years of data.

Exhibit 10 FY2010 Average SPS and AUS Status by School Type				
Type of School	Number of Schools with SPS	Average SPS	Number Not in AUS	% Not in AUS
Type 5 Charter	35	70.8	26	74.3%
MOU	19	64.0	12	63.2%
MA	4	60.8	2	50.0%
Direct-Run	20	48.2	7	35.0%

Source: Created by legislative auditor’s staff using information from the RSD.

The RSD - N.O. DPS increased 17.9 percent from fiscal year 2008 to fiscal year 2010⁷

The DPS for RSD - N.O. increased from 51.4 points in fiscal year 2008 to 60.6 points in fiscal year 2010, a 17.9 percent increase. The RSD - N.O. had the second highest percentage increase in DPS from fiscal year 2008 to fiscal year 2010 of all the districts in Louisiana.

DPS is calculated in the same manner as SPS, aggregating all of the students in the district.

DPS for RSD - LA and RSD - N.O. only include Direct-Run and Type 5 Charter schools because they are under the jurisdiction of the RSD. MOU and MA schools are included in their local school district’s DPS because they remain under their jurisdiction. Since DPS requires at least two years of data, not all schools could be included. As a result, 94.4 percent of the RSD - N.O. schools were included in the 2009-2010 DPS.

⁶ One school that was converted from an MOU to a Direct-Run school in fiscal year 2011 did not have an SPS for fiscal year 2010.

⁷ Since the RSD - LA only has one DPS, 43.8 in fiscal year 2010, not enough data was available yet to calculate a change in DPS for RSD - LA.

The RSD had an average increase of 6.2 points for Growth Performance Scores in fiscal year 2010

According to the fiscal year 2010 Growth Performance Scores, the RSD schools had an average increase in Growth Performance Scores of 6.2 points. In addition, 84.8 percent of RSD schools with Growth Performance Scores showed an increase in scores. Since Growth Performance Scores require at least two years of data, only 71.2 percent of the RSD schools currently have a Growth Performance Score available.

Growth Performance Score represents the amount of progress a school must make every year to reach the statewide goal of 120 SPS by 2014 with a maximum gain of 10 points and a minimum of two points per year.

Schools that were with the RSD for a longer period of time displayed higher gains in fiscal year 2010 Growth Performance Scores. Schools beginning their first full year with the RSD in fiscal year 2007 had an average increase of 6.8 points while schools beginning in fiscal year 2010 had an average increase of 5.0 points. This analysis is depicted in Exhibit 11.

Exhibit 11 FY2010 Growth Performance Score by Beginning Year in RSD		
Years in the RSD	Fiscal Year	Average Increase in Growth Performance Score
4+	2007*	6.8
3	2008	6.7
2	2009	5.5
1	2010	5.0
* Because of the exceptionalities caused by Hurricane Katrina, schools that began in FY2006 were unable to operate a full school year under the RSD, so these schools were included in FY2007. Source: Created by legislative auditor's staff using information from the RSD.		

The average Graduation Rate for high schools in the RSD increased 19.5 percent from fiscal year 2009 to fiscal year 2010

The average Graduation Rate for individual RSD high schools (RSD - LA and RSD - N.O.) increased from 43.2 percent to 51.6 percent, a 19.5 percent increase from fiscal year 2009 to fiscal year 2010. See Appendix F for a list of RSD schools with Graduation Rates. The statewide graduation rate for fiscal year 2010 was 67.4 percent.

Graduation Rate is calculated as a percentage of students within a cohort group that graduate from high school.

In addition, Exhibit 12 shows the Graduation Rates for fiscal year 2010 by the type of school.

Exhibit 12 FY2010 Graduation Rate by School Type	
Type of School	Average Graduation Rate
MOU	53.1
Type 5 Charter	58.2
Direct-Run	44.5
MA	N/A*
*There were no high schools under an MA. Source: Created by legislative auditor’s staff using information from the RSD.	

RSD officials acknowledged that Direct-Run high schools are an area of focus due to their lower performance. According to October 2010 enrollment counts, approximately 3,507 (8.4%) of the 41,515 students in the RSD were enrolled in Direct-Run high schools during fiscal year 2011. The RSD conducted MAP⁸ (Measure of Academic Progress) assessments in fall 2010 of all Direct-Run high schools in RSD - N.O. and found that on average the students were 4.3 years behind grade level. According to RSD officials, this data helps teachers and administrators identify areas that need the most improvement, so they can direct time and resources to focus on them. In addition, low performing Direct-Run high schools are a high priority to convert to charter schools as long as there are approved and qualified charter operators available.

Type 5 Charter schools show the greatest amount of improvement based on SPS and Growth Performance Scores

When comparing by type of school, the Type 5 Charter schools had the highest average SPS with 70.8. Exhibit 13 shows the average SPS by school type for fiscal year 2010.

Exhibit 13 FY2010 Average SPS by School Type	
Type of School	Average SPS
Type 5 Charter	70.8
MOU	64.0
MA	60.8
Direct-Run	48.2
Source: Created by legislative auditor’s staff using information from the RSD.	

⁸ MAP assessments provide detailed, actionable data about where each child is on his/her unique learning path. MAP dynamically adapts to students’ responses as they take the test. If they answer the question correctly, the test presents a more challenging item; conversely, if the students miss a question, MAP offers a simpler item.

According to the fiscal year 2010 Growth Performance Scores, the Type 5 Charter schools showed the most growth compared to the other school types, with an average change of 7.6 points. Exhibit 14 shows the average change in Growth Performance Score by school type for fiscal year 2010.

Exhibit 14 FY2010 Average Increase in Growth Performance Score by School Type	
Type of School	Average Change in Growth Performance Score
Type 5 Charter	7.6
Direct-Run	5.7
MOU	5.1
MA	4.8
Source: Created by legislative auditor's staff using information from the RSD.	

Excluding one-time hurricane-related expenditures, RSD's per pupil expenditure⁹ was \$11,898 for fiscal year 2009; this per pupil expenditure ranks 21st when compared to the 57 school districts that did not expend one-time hurricane-related money

Thirteen out of 70 school districts, including the RSD, expended one-time hurricane-related money during fiscal year 2009. According to LDOE, the department could only break out the hurricane-related expenditures for the RSD. When compared to the remaining 57 districts that did not have one-time hurricane-related expenditures, the RSD's ranked 21st in per pupil expenditures. This per pupil expenditure includes all Direct-Run and Type 5 Charter schools. See Appendix G for a list of all per pupil expenditures for all 70 school districts in Louisiana.

⁹ Per pupil expenditure is calculated by dividing the district's total expenditures for the school year by the student enrollment as of October 1 of the school year.

Objective 4: Does the Office of Parental Options within LDOE, along with the RSD, effectively monitor Type 5 Charter schools to ensure they are meeting their student, financial, and legal/contract performance standards?

Overall, the Office of Parental Options (OPO) and RSD did not effectively monitor Type 5 Charter schools in fiscal year 2010 and need to improve the process to annually collect, review, and/or evaluate the performance of all Type 5 Charter schools. According to Louisiana Administrative Code, Type 5 Charter schools must be reviewed and/or evaluated annually in the following categories: student, financial, and legal/contract performance. We found the following with respect to these three categories:

- In fiscal year 2010, the OPO and RSD did not monitor 8.3 percent of Type 5 Charter schools for student performance because the schools did not receive an assessment index or SPS because of grade configuration.
- The OPO and RSD's fiscal year 2010 monitoring criteria did not sufficiently provide an accurate account of a Type 5 Charter school's overall financial health and sustainability.
- In fiscal year 2010, the OPO and RSD did not comprehensively monitor all Type 5 Charter schools for legal and contract compliance as required by the Louisiana Administrative Code.

In fiscal year 2010, the OPO and RSD did not monitor 8.3 percent of Type 5 Charter schools for student performance because the schools did not receive an assessment index or SPS because of grade configuration

In fiscal year 2010, the OPO and RSD reviewed all Type 5 Charter schools for student performance, except for four of the 48 (8.3 percent) charter schools which had grade configurations of Kindergarten through 2nd grade (K-2). The OPO and RSD use statewide standardized testing scores reported by LDOE as the tool to monitor student performance. However, statewide standardized testing does not begin for students until the 3rd grade. In fiscal year 2010, the OPO and RSD did not have alternative policies or procedures in place to monitor and measure student performance for the schools not assessed by statewide standardized tests.

Recommendation 2: The OPO and RSD should devise ways to annually measure the academic performance of all students in Type 5 Charter schools to, at a minimum, have an assessment by the school’s third year review.

Summary of Management’s Response: LDOE concurs with this recommendation. The charter schools that were approved to serve students in grade levels for which no state assessment was in place are adding grade levels each year; therefore, those schools will soon include tested grade levels and will be subject to the state's accountability system. In addition, LDOE is working with other states to identify appropriate measurements of student performance for grades K-2. As new assessments are developed and implemented in those grades, additional student achievement data will be available to use in measuring charter school academic performance.

The OPO and RSD’s fiscal year 2010 monitoring criteria did not sufficiently provide an accurate account of a Type 5 Charter school’s overall financial health and sustainability

In fiscal year 2010, the OPO and RSD monitored all 48 Type 5 Charter schools for financial compliance based on seven indicators and identified a high incidence of non-compliance. One of the seven indicators is the timely submission of financial reports. We reviewed and found that 4 to 73 percent of these financial reports for fiscal year 2010 were submitted after the due date. In addition, the OPO noted that from 0 to 8 percent of the financial reports had issues related to the data reported. Exhibit 15 summarizes the results of these financial reports.

Exhibit 15 Financial Performance of Type 5 Charter Schools (FY2010)		
Financial Reports	Submitted After Due Date	Issues Related to Data Reported*
Prior Budget Actual Data and Current Budget Data	73%	0%
Annual Financial Report	52%	0%
First Quarter Financial Report	40%	0%
Second Quarter Financial Report	27%	2%
Third Quarter Financial Report	13%	8%
Fourth Quarter Financial Report	4%	6%
Balanced Annual Operating Budget for FY2011	4%	6%

* Includes budget is not balanced within revenues available and budget does not eliminate the deficit carried forward.
Source: Created by legislative auditor's staff using information from LDOE.

In addition, another financial indicator requires Charter operators¹⁰ to submit independent financial audits to the Louisiana Legislative Auditor (LLA). As a part of this audit, we reviewed the most recently submitted audits. In fiscal year 2009, all 23 Charter operators submitted the required audits. Based on our review of these audits, one out of 23 (4 percent) Charter operators received a qualified opinion¹¹ on its financial statement. In addition, 16 out of 23 (70 percent) Charter operators had significant deficiencies in internal controls relating to financial reporting such as inadequate oversight and monitoring, incorrect classification of costs, and lack of segregation of duties.

According to a report published by the Center for Education Reform (2009), since 1992, of the charter schools that have closed nationally, 68 percent were closed for mismanagement and poor financial performance. In Louisiana, from 1995 to 2009, 10 charter schools have closed. Of these, four of 10 were closed for poor financial performance and mismanagement. Nationally poor performance and mismanagement was the top reason charter schools were closed.

In regard to the financial indicators used by the OPO and RSD to measure financial compliance of Type 5 Charter schools, fiscal year 2010 policy did not prioritize financial indicator by importance, but rather treated them all equally. Thus, the fiscal year 2010 framework may not have sufficiently provided an accurate account of a Type 5 Charter school's overall financial health and sustainability.

In April 2011, LDOE implemented a process of weighting the importance of each financial indicator by implementing a Financial Risk Assessment to measure the financial health of all Type 5 Charter schools. These assessments are currently used to measure the financial health for all school districts across the state. Moreover, the OPO has already implemented additional training for Type 5 Charter school administrators to ensure they understand and are able to meet all required financial deadlines and obligations.

Recommendation 3: The OPO and RSD should continue to refine the indicators and criteria to ensure they are relevant and accurately measure the financial health and sustainability of all Type 5 Charter schools.

Summary of Management's Response: LDOE concurs with this recommendation. Bulletin 126 of the Louisiana Administrative Code, Title 28 - Charter Schools, was revised and adopted by BESE in April 2011 to strengthen the fiscal monitoring process over charter schools. The revised policies bring the charter schools into the same financial accountability system as the local school districts by using the Financial Risk Assessment to determine the overall fiscal health of a school. These revisions were the result of an integrated effort by the OPO and RSD to refine existing practices and ensure that a strong emphasis is placed on monitoring the financial health and sustainability of charter schools.

¹⁰ A Charter operator is the nonprofit corporation authorized by BESE to operate a Type 5 Charter school.

¹¹ The independent financial auditor found the financial reports essentially in conformance with Generally Accepted Accounting Principles, except for one or a few areas where the auditor cannot, or does not want to, assert conformance.

Recommendation 4: The OPO and RSD should continue to provide training to assist charter school administrators in meeting their financial obligations.

Summary of Management’s Response: LDOE concurs with this recommendation. LDOE's OPO and Division of Education Finance continue to offer training to charter schools in the area of financial management, beginning with newly approved charters and extending each year thereafter. The charter application and evaluation process include a rigorous review of budget documents and financial plans, as well as personal interviews with charter applicants regarding their plans for sustaining a financially healthy school. Technical assistance is provided to charter schools that have experienced financial challenges. In addition, LDOE works in partnership with the Louisiana Public Charter School Association to identify ways in which to strengthen the assistance and support to charter school leaders regarding financial matters.

In fiscal year 2010, the OPO and RSD did not comprehensively monitor all Type 5 Charter schools for legal and contract compliance as required by the Louisiana Administrative Code

The Louisiana Administrative Code requires the OPO and RSD to annually monitor legal and contract compliance for all Type 5 Charter schools based on six indicators as shown in Exhibit 16.

Exhibit 16 Type 5 Charter Schools Legal and Contract Compliance	
Indicators	Evidence Gathered During Formal Review and Site Visits
Special Education and ELL Program	<ul style="list-style-type: none"> • Food and Nutrition Program • Ethics • Percent of Certified Teachers • Percent of At-Risk Students • Percent of Disabled Students • Composition of the school's board of directors, frequency of meetings, minutes from meetings, and documentation of board training • Required Progress Reports submitted to parents, the community, and the state • School Administrative policies and procedures for the following: enrollment, discipline, parental complaints, and pupil progression plans • Timely submission of required reports
Student Enrollment	
Student Discipline	
Health and Safety	
Governance	
Facilities	
<p>Source: Created by legislative auditor's staff using information from LDOE.</p>	

In fiscal year 2010, the OPO and RSD only comprehensively collected and reviewed the indicator data for the 10 Type 5 Charter schools that were eligible for a contract extension or renewal that year. The OPO and RSD did not have a comprehensive process in place to annually coordinate the collection and review of legal and contract data for the Type 5 Charter schools that were not up for contract renewal or extension. As a result, in fiscal year 2010, only 10 of the 48 (21 percent) Type 5 Charter schools were comprehensively monitored for legal and contract compliance.

In regard to the indicators used by the OPO and RSD to measure legal and contract compliance of Type 5 Charter schools in fiscal year 2010, LDOE policy did not prioritize the indicators by importance but rather treated them all equally. In addition, LDOE policy did not specify the specific criteria needed to measure the indicators. As a result, the six indicators may not accurately measure how well Type 5 Charter schools are complying with legal and contract compliance.

By not having an annual process to comprehensively evaluate Type 5 Charter schools, there is a potential that problems with these schools would not be identified until the schools were eligible for a comprehensive review by OPO and RSD to determine contract extension or renewal in their third or fifth year of operation. Upon review of the 10 Type 5 Charter schools that were eligible for contract extension or renewal in fiscal year 2010, the following was noted:

- Only one of the 10 Type 5 Charter schools received the maximum extension.
- Seven of 10 Type 5 Charter schools received a one-year contract extension and were placed on probation.
- One Type 5 Charter school in its fifth year of operation received a three-year contract renewal.
- One Type 5 Charter school voluntarily forfeited its charter.

Exhibit 17
Type 5 Charter Schools in Their Third and Fifth Year of Operation
(FY2010)

Type 5 Charter School	Student Performance (1 Indicator)	Financial Performance (6 Indicators)	Legal/Contract Performance (5 Indicators)	Total Number of Indicators Met (12 Indicators)	LDOE Recommendation Based on the Performance of Type 5 Charter Schools
New Orleans College Prep	1	6	5	12	Two-year Contract Extension
KIPP Central City Academy	1	5	5	11	One-year Contract Extension and Placed on Probation
Arthur Ashe Charter School	1	5	5	11	One-year Contract Extension and Placed on Probation
Andrew Wilson Charter School	1	5	5	11	One-year Contract Extension and Placed on Probation

Exhibit 17
Type 5 Charter Schools in Their Third and Fifth Year of Operation
(FY2010)

Type 5 Charter School	Student Performance (1 Indicator)	Financial Performance (6 Indicators)	Legal/Contract Performance (5 Indicators)	Total Number of Indicators Met (12 Indicators)	LDOE Recommendation Based on the Performance of Type 5 Charter Schools
Abramson Science and Technology Charter	1	6	4	11	One-year Contract Extension and Placed on Probation
Langston Hughes Charter School	1	4	5	10	One-year Contract Extension and Placed on Probation
McDonogh 42	1	4	4	9	One-year Contract Extension and Placed on Probation
Algiers Technology Charter	1	3	5	9	One-year Contract Extension and Placed on Probation
A.D. Crossman Esperanza Charter School	0	3	5	8	Voluntarily Forfeit of its Charter
Pierre A. Capdau Charter School*	1	2	4	7	Three-year Contract Renewal
*This Charter school was up for its fifth year renewal. Source: Created by legislative auditor's staff using information from LDOE.					

Recommendation 5: The OPO and RSD should develop a comprehensive process to annually coordinate the collection and review of data on all Type 5 Charter schools to ensure they are meeting their legal and contractual obligations on an annual basis.

Summary of Management's Response: LDOE concurs with this recommendation. While charter schools have been monitored regularly for legal and contractual performance through a variety of agency audits, site visits, and data reviews, the OPO is enhancing its monitoring protocol to ensure an even greater focus on accountability. Going forward, charter schools will receive annual monitoring site visits in which predetermined areas of performance will be evaluated. The RSD will assume a much larger role in monitoring Type 5 Charter schools, providing regular reports to OPO. All agency data pertaining to legal and contractual performance will be reported to OPO for inclusion in reports to BESE and in recommendations concerning charter extension, renewal, and, if necessary, revocation.

Objective 5: What was the RSD's process for developing and implementing the Master Plan and what is its current status?

R.S. 17:1990 provides the RSD the legal authority to develop and implement the Master Plan. In August 2007, the RSD and Orleans Parish School Board (OPSB) initiated a comprehensive process to develop and implement the Master Plan which was approved in November 2008. The RSD and OPSB are required to review and update the Master Plan every two years. Both the RSD and OPSB have Project Worksheets (PW) with FEMA to provide funding for the Master Plan. FEMA PWs acknowledge that the Master Plan will be updated based on repopulation projections, facility condition assessments, and best practices. As of February 2011, seven out of 32 (22 percent) projects in Phase One of the Master Plan have been completed. In addition, LDOE needs to determine the potential effects on the PWs and the responsibility to procure insurance when schools that are included in the Master Plan transfer back to their PGA, in this case the OPSB.

The RSD, in conjunction with the OPSB and other community stakeholders, undertook a comprehensive process to develop and implement the Master Plan

In 2007, the RSD, OPSB, and other community stakeholders began a comprehensive process to develop the Master Plan including planning, outreach, a demographic study, and hiring a program manager. During the outreach phase, the four-month public comment period yielded more than 700 comments and included more than 290 community meetings. In addition, the development of the Master Plan included the analysis of past planning recommendations for the city of New Orleans. In November 2008, the Master Plan was finalized and approved by BESE and OPSB.

According to the approved 2008 Superintendents' Amendments, the Master Plan proposed renovating or rebuilding 87 RSD and OPSB schools divided into six phases for an estimated cost of \$1.65 billion. According to RSD officials, the funds associated with each project in these amendments were preliminary cost estimates and subject to change. The 2008 Master Plan estimated that it had enough funding from FEMA, Community Development Block Grants (CDBG), and insurance proceeds to sufficiently fund Phase One. It was not until August 2010 that FEMA announced the final approval of a settlement agreement of \$1.8 billion (Exhibit 19) to cover storm-related damages for schools in the city.

In March 2009, BESE approved the creation of an oversight committee for the Master Plan. The purpose of this committee is to provide assurance to the public that the phases of the Master Plan are completed on time and on budget, as well as to review the progress of the OPSB and BESE in the effective implementation of the Master Plan.

FEMA PWs acknowledge that the Master Plan will be updated based on repopulation projections, facility condition assessments, and best practices

On November 24, 2009, both the RSD and OPSB submitted individual requests to FEMA for a single payment for any eligible costs as a result of the impact from Hurricane Katrina. Subsequently, both the RSD and OPSB have PWs with FEMA. The PWs propose to use FEMA funding for numerous facilities damaged by the storm for the repair and reconstruction of the New Orleans Parish Schools (NOPS) educational system scaled to post-Katrina New Orleans and in compliance with today’s codes and prevailing education standards.

According to the PWs, there were 134 NOPS campuses involving 341 FEMA Public Assistance (PA) eligible buildings. The RSD and OPSB do not intend to repair or replace all of their facilities to the pre-storm configuration due to the magnitude of damages on NOPS facilities and their commitment to develop a mid-sized, urban school district that meets the needs of post-Katrina New Orleans.

The PW states that in support of long-term recovery, the RSD and OPSB intend to develop a consolidated NOPS of 87 school campuses as described in the 2008 Master Plan. The RSD and OPSB are allowed to change the projects listed in the scope of work of the PWs. Currently, the PWs include 69 school projects in the scope of work. The PWs include site sheets for each of these projects which give an estimated cost based on a combination of the actual cost per square foot for completed RSD school projects, the actual construction cost per square foot of other new schools built in the southeast region of Louisiana, and the actual contract costs associated with the purchase and installation of non-brick and mortar buildings. The PW acknowledges that the Master Plan will be updated biannually as repopulation projections and other considerations such as facility condition assessments are refined and best practices are incorporated. This update will involve building new schools and rehabilitating, renovating, and expanding existing buildings. As such, the proposed new schools do not represent replacement on a one-to-one basis. Exhibit 18 provides a summary of the PWs for the RSD and OPSB.

Exhibit 18	
Summary of the RSD and OPSB PWs	
Number of Schools in the Scope of Work*	
RSD PW	52
OPSB PW	17
Total Schools	69
*As of July 2010 for the RSD PW and August 2010 for the OPSB PW. Source: Created by legislative auditor’s staff using information from the RSD.	

The PWs state the total eligible funding available, which was determined by FEMA by applying various per square foot replacement costs to FEMA PA eligible buildings. In addition, up to \$330 million was requested for “Additional Critical Recovery Costs” which includes funding for Contents and Equipment, Temporary Facilities, or Other Emergency Work.

This funding will be addressed in separate PWs written for the RSD and OPSB. Exhibit 19 summarizes the PWs for the RSD and OPSB.

Exhibit 19	
Summary of the RSD and OPSB PWs	
Eligible Funding	
RSD PW	\$1,156,158,835.85
OPSB PW	340,931,104.36
“Additional Critical Recovery Costs”	330,000,000.00
Total Eligible Funding	\$1,827,089,940.21
Source: Created by legislative auditor’s staff using information from the RSD.	

Future versions of the PWs will address funding associated with the remaining PA-eligible projects and other types of permanent work appropriate for consolidation into an Alternative Project. Additional versions will be written to add and/or clarify either the underlying contributing projects or the proposed Alternate Project scope of work (e.g., new facilities, demolitions, in-use facility stabilizations/repairs, historic rehabilitations/expansions).

The RSD and OPSB are required to review and update the Master Plan every two years

The RSD and OPSB are required to review and update the Master Plan every two years. As a part of this biannual review, the RSD and OPSB commissioned a demographic study to provide forecasts for public school enrollment in Orleans Parish. The demographic study was completed in spring of 2011 and the RSD and OPSB staff will use the data to develop recommendations for amendments and changes to the Master Plan. In addition, the Master Plan Oversight Committee requested a peer review of the Master Plan based on three working groups: Educational Specifications, Technical Specifications, and Renovation Assessments. Some of the amendments and changes to the Master Plan are based on the results of these reviews. For example, based on the educational component review, it was recommended to increase the school size from two sections per grade to three sections per grade.

According to RSD officials, the Master Plan update is expected to be approved by BESE and OPSB by late 2011. After the Master Plan update is approved, the RSD and OPSB may need to update their PWs to change the language to reflect the scope of work approved in the Master Plan update. These changes will not affect the total dollar settlement amount available through each PW.

As of the January/February 2011 monthly Program Updates, seven out of 32 projects in Phase One of the approved 2008 Master Plan have been completed

Currently, the approved 2008 Master Plan is in Phase One, which consists of 32 projects and has an estimated completion date of 2013. As of the January/February 2011 monthly Program Updates, seven out of the 32 (22 percent) projects in Phase One of the Master Plan have been completed. According to RSD officials, the total cost of the seven completed schools was \$204,520,322. In addition, the RSD publishes quarterly reports that track the progress of the projects in the Master Plan, including the program cost status. According to the most recent projected or completed project costs, the total cost of completing Phase One is approximately \$849 million.¹² Exhibit 20 shows the status of all 32 projects in Phase One.

Exhibit 20 Master Plan: Phase One Current Status (as of February 2011)	
Status	Number of Schools
Projects Not Started	1
Projects in Design	15
Projects in Procurement	1
Projects in Construction	8
Completed Projects	7
Total Number of Projects	32
Source: Created by legislative auditor's staff using information from LDOE.	

According to agency officials, language was included in the federal omnibus legislation Section 552 of the consolidated appropriations act of 2008 which provides the RSD and OPSB the flexibility to adjust projects and related costs in the approved Master Plan under certain conditions, and shelters the state from any potential liability regarding projects that are completed over budget.

¹² This amount includes the cost of the seven completed projects and the most recent cost estimates from the February 2011 OPSB Program Update, the January 2011 RSD Program Updates, and the 2010 4th Quarter Report for the remaining Phase One projects.

LDOE needs to determine the potential effects on the PWs and the responsibility to procure insurance when schools that are included in the Master Plan transfer back to their PGA, in this case the OPSB

R.S. 17:10.7(B)(2)(a)(i) provides the RSD the authority to determine which schools to relocate or rebuild in New Orleans. Under this authority, the RSD has a FEMA PW open to complete projects associated with the school facilities transferred to the RSD that are listed in the Master Plan.

In addition, according to the attorney general's official opinion on July 31, 2006, for the schools transferred to the RSD pursuant to R.S. 17:10.7, the RSD has the right or obligation to procure insurance on the school buildings and their contents through the Office of Risk Management (ORM). The facilities that the RSD schools operate in remain under the ownership of the transferring school district. However, according to R.S. 17:1990, the RSD acquires with the transfer of the schools all the rights and responsibilities of ownership regarding all land, buildings, facilities, and other property that is part of the school being transferred, except that the school district may not transfer the ownership to the RSD. Currently, the RSD insures the buildings transferred to it pursuant to R.S. 17:10.7 through ORM.

Schools that have been in the RSD for a minimum of five years and meet eligibility requirements can return to the PGA, in this case OPSB. According to agency officials, the schools and facilities are independent of each other, so a school can transfer back to OPSB's jurisdiction while the facilities remain under the RSD's PW. However, LDOE needs to determine the potential effects on the PWs and the responsibility to procure insurance when schools that are included in the Master Plan transfer back to their PGA, in this case the OPSB.

Recommendation 6: The RSD should work with stakeholders (i.e., OPSB, charter schools, LDOE, BESE) on creating a detailed facilities policy agreement, including who is responsible for payment of insurance premiums, for schools that may fall under this circumstance.

Summary of Management's Response: LDOE concurs with this recommendation. The RSD is working with all stakeholders (i.e., OPSB, charter schools, LDOE, BESE) to ensure that a detailed policy agreement is written on the process of the return of schools and their facilities to the PGA. It will be clear that when/if a school that is managed by the RSD returns to its PGA, in this case the OPSB, then the facility will also be transferred back to the PGA and the responsibility to procure insurance will be with that PGA.

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APPENDIX A: MANAGEMENT'S RESPONSE



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
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August 15, 2011

Mr. Daryl G. Purpera, CPA, CFE
Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Response to the Performance Audit of the Recovery School District

Dear Mr. Purpera:

The State of Louisiana Department of Education (LDOE), Recovery School District (RSD) would like to thank you and your staff for providing recommendations to assist with improving its efforts relative to the transfer, reorganization, operation and return of schools within the RSD, student performance in the schools under the RSD, the monitoring of charter schools under the RSD's authority, and the development and implementation of the RSD's Master Plan. It is the priority of the LDOE to serve the children of the state and ensure that every child has access to a high-quality education.

We have reviewed the recommendations and provide the following responses:

- 1. The RSD should ensure its policy addresses and clearly communicates to stakeholders that when RSD schools convert to Type 5 Charter Schools the five year minimum transfer period within the RSD resets to year one.*

Response: The LDOE concurs with this recommendation. Type 5 charter recipients enter into a five-year performance contract with the Board of Elementary and Secondary Education (BESE) to operate a failing school. This agreement sets out performance benchmarks at the three-year mark, which, if met, allow the contract to be extended through year five. Charters are eligible for longer contract renewal terms if higher performance criteria are met. It is essential that operators have the time and space to improve academic performance at the school. LDOE will clarify in Bulletin 111 that any direct-run RSD school that is converted to a Type 5 charter school or new charter operator will be given a new five-year clock to improve performance above minimum standards.

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2. *The Office of Parental Options (OPO) and RSD should devise ways to annually measure the academic performance of all students in Type 5 Charter Schools to, at a minimum, have an assessment by the school's third year review.*

Response: The LDOE concurs with this recommendation. The charter schools that were approved to serve students in grade levels for which no state assessment was in place are adding grade levels each year; therefore, those schools will soon include tested grade levels and will be subject to the state's accountability system. In addition, the LDOE is working with other states to identify appropriate measurements of student performance for grades K-2. As new assessments are developed and implemented in those grades, additional student achievement data will be available to use in measuring charter school academic performance.

3. *The OPO and RSD should continue to refine the indicators and criteria to ensure they are relevant and accurately measure the financial health and sustainability of all Type 5 Charter Schools.*

Response: The LDOE concurs with this recommendation. Bulletin 126 of the Louisiana Administrative Code, Title 28 - Charter Schools, was revised and adopted by BESE in April 2011 to strengthen the fiscal monitoring process over charter schools. The revised policies bring the charter schools into the same financial accountability system as the local school districts by utilizing the Financial Risk Assessment to determine the overall fiscal health of a school. These revisions were the result of an integrated effort by the OPO and RSD to refine existing practices and ensure that a strong emphasis is placed on monitoring the financial health and sustainability of charter schools.

4. *The OPO and RSD should continue to provide training to assist Charter School administrators in meeting their financial obligations.*

Response: The LDOE concurs with this recommendation. The LDOE's OPO and Division of Education Finance continue to offer training to charter schools in the area of financial management, beginning with newly-approved charters and extending each year thereafter. The charter application and evaluation process includes a rigorous review of budget documents and financial plans, as well as personal interviews with charter applicants regarding their plans for sustaining a financially healthy school. Technical assistance is provided to charter schools that have experienced financial challenges. In addition, LDOE works in partnership with the Louisiana Public Charter School Association to identify ways in which to strengthen the assistance and support to charter school leaders regarding financial matters.

5. *The OPO and RSD should develop a comprehensive process to annually coordinate the collection and review data on all Type 5 Charter Schools to ensure they are meeting their legal and contractual obligations on an annual basis.*

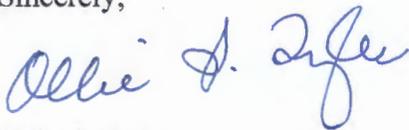
Response: The LDOE concurs with this recommendation. While charter schools have been monitored regularly for legal and contractual performance through a variety of agency audits, site visits, and data reviews, the OPO is enhancing its monitoring protocol to ensure an even greater focus on accountability. Going forward, charter schools will receive annual monitoring site visits in which pre-determined areas of performance will be evaluated. The RSD will assume a much larger role in monitoring Type 5 charter schools, providing regular reports to OPO. All agency data pertaining to legal and contractual performance will be reported to OPO for inclusion in reports to BESE and in recommendations concerning charter extension, renewal, and, if necessary, revocation.

6. *The RSD should work with stakeholders (i.e., Orleans Parish School Board (OPSB), Charter Schools, LDOE, BESE) on creating a detailed facilities policy agreement, including who is responsible for payment of insurance premiums, for schools that may fall under this circumstance.*

Response: The LDOE concurs with this recommendation. The RSD is working with all stakeholders (i.e., OPSB, Charter Schools, LDOE, BESE) to ensure that a detailed policy agreement is written on the process of the return of schools and their facilities to the previous governing agency (PGA). It will be clear that when/if a school that is managed by the RSD returns to its PGA, in this case the OPSB, then the facility will also be transferred back to the PGA and the responsibility to procure insurance will be with that PGA.

Thank you for the opportunity to respond to these recommendations. The efforts of your office to provide recommendations for improving the operations of the State's education system are appreciated.

Sincerely,



Ollie S. Tyler
Acting State Superintendent of Education

OST:bs:mh

c: John White
Erin Bendily
Beth Scioneaux

Robert Fulton
Raphael Gang
Charlotte Stevens

APPENDIX B: AUDIT INITIATION, SCOPE, AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. R.S. 24:522 directs the legislative auditor to establish a schedule of performance audits to ensure that at least one performance audit is completed and published for each executive department agency within a 7-year period, beginning with the 1998 fiscal year. In accordance with this legislative mandate, we scheduled a performance audit of the RSD. During this audit, we focused on the transfer, reorganization, operation, and return of schools in the RSD, academic performance of schools within the RSD, RSD's monitoring of charter schools under its authority, and the development and status of the School Facilities Master Plan. Our audit scope is from the inception of RSD in 2003 to present. The audit objectives were to answer the following questions:

1. How does LDOE transfer schools to the RSD?
2. How does the RSD reorganize, operate and transfer out the schools under its authority?
3. Is the RSD making progress toward its schools meeting an acceptable level of student performance?
4. Does the Office of Parental Options within LDOE, along with the RSD, effectively monitor Type 5 Charter schools to ensure they are meeting their student, financial, and legal/contract performance standards?
5. What was the RSD's process for developing and implementing the Master Plan and what is its current status?

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. To answer our objectives, we reviewed internal controls relevant to the audit objectives and performed the following audit steps:

- Obtained and reviewed laws, regulations, goals, policies, and procedures to understand how processes are supposed to work
- Interviewed key personnel involved in these processes
- Conducted reviews to determine performance, compliance, and monitoring required by law and assess the quality of these processes
- Worked with LDOE Standards, Assessments and Accountability Division and other LLA auditors to ensure the reliability of LDOE's data

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Appendix C
FY2011 RSD Schools Data

Site Code	Operational Structure	RSD Operational Area	Parish Name	School or Site Name	Grade Config*	Total** Students Reported
046005	MOU	RSD - LA	St. Helena	St. Helena Central Elementary School	PK-4	513
009004	MOU	RSD - LA	Caddo	Barret Paideia Academy	PK-5	294
033003	MOU	RSD - LA	Madison	Tallulah Elementary School	PK-5	437
017101	MOU	RSD - LA	East Baton Rouge	Winbourne Elementary School	PK-5	580
021010	MOU	RSD - LA	Franklin	Winnsboro Elementary School	PK-5	559
033007	MOU	RSD - LA	Madison	Wright Elementary School	PK-5	561
009005	MOU	RSD - LA	Caddo	Bethune Math/Science Middle Academy	6-8	320
033001	MOU	RSD - LA	Madison	Madison Middle School	6-8	428
009017	MOU	RSD - LA	Caddo	J. S. Clark Microsociety Academy	6-8	437
010047	MOU	RSD - LA	Calcasieu	Reynaud Middle School	6-8	152
034025	MOU	RSD - LA	Morehouse	Morehouse Alternative School	7-8	36
049057	MOU	RSD - LA	St. Landry	St. Landry Accelerated Transition School	7-9	160
053052	MOU	RSD - LA	Tangipahoa	Tangipahoa Alternative Programs	6-11	113
009022	MOU	RSD - LA	Caddo	Fair Park College Prep High School	9-12	794
009025	MOU	RSD - LA	Caddo	Green Oaks Performing Arts Academy	9-12	425
009069	MOU	RSD - LA	Caddo	Booker T. Washington New Technology High School	9-12	329
009073	MOU	RSD - LA	Caddo	Woodlawn Leadership Academy	9-12	665
017045	MOU	RSD - LA	East Baton Rouge	Istrouma Senior High School	9-12	663
046002	MOU	RSD - LA	St. Helena	St. Helena Central High School	9-12	300
Total MOU						7,766
017007	MA	RSD - LA	East Baton Rouge	Banks Elementary School	PK-5	242
017128	MA	RSD - LA	East Baton Rouge	Capitol Elementary School	PK-5	610
017068	MA	RSD - LA	East Baton Rouge	Park Elementary School	PK-5	402
017020	MA	RSD - LA	East Baton Rouge	Capitol Middle School	6-8	515
Total MA						1,769

**Appendix C
FY2011 RSD Schools Data**

Site Code	Operational Structure	RSD Operational Area	Parish Name	School or Site Name	Grade Config*	Total** Students Reported
396009	Direct-Run	RSD - N.O.	Orleans	Paul B. Habans Elementary School	PK-6	325
396010	Direct-Run	RSD - N.O.	Orleans	Murray Henderson Elementary School	PK-6	349
396019	Direct-Run	RSD - N.O.	Orleans	A.P. Tureaud Elementary School	PK-6	287
396003	Direct-Run	RSD - N.O.	Orleans	Benjamin Banneker Elementary School	PK-8	425
396028	Direct-Run	RSD - N.O.	Orleans	Fannie C. Williams Elementary School	PK-8	498
396034	Direct-Run	RSD - N.O.	Orleans	H.C. Schaumburg Elementary School	PK-8	609
396012	Direct-Run	RSD - N.O.	Orleans	James Weldon Johnson School	PK-8	291
396001	Direct-Run	RSD - N.O.	Orleans	Joseph A. Craig School	PK-8	546
396037	Direct-Run	RSD - N.O.	Orleans	Mary D. Coghill Elementary School	PK-8	585
396021	Direct-Run	RSD - N.O.	Orleans	Sarah Towles Reed Elementary School	PK-8	536
396029	Direct-Run	RSD - N.O.	Orleans	F.W. Gregory Elementary School	PK & 4-8	281
396025	Direct-Run	RSD - N.O.	Orleans	Carver Elementary School	4-8	180
396008	Direct-Run	RSD - N.O.	Orleans	Dr. Charles Richard Drew Elementary School	4-8	291
396200	Direct-Run	RSD - LA	St. Helena	St. Helena Central Middle School	5-8	356
396201	Direct-Run	FALSE	Caddo	Linear Leadership Academy	6-8	209
396031	Direct-Run	RSD - N.O.	Orleans	L. B. Landry High School	7-10	561
396022	Direct-Run	RSD - N.O.	Orleans	Schwarz Alternative School	7-12	130
396044	Direct-Run	RSD - N.O.	Orleans	Hope Academy	7-12	165
396045	Direct-Run	RSD - N.O.	Orleans	New Orleans Career Academy	8-11	89
396043	Direct-Run	RSD - N.O.	Orleans	Greater Gentilly High School	9-11	258
396002	Direct-Run	RSD - N.O.	Orleans	Joseph S. Clark Senior High School	9-12	353
396004	Direct-Run	RSD - N.O.	Orleans	Walter L. Cohen High School	9-12	418
396011	Direct-Run	RSD - N.O.	Orleans	John McDonogh Senior High School	9-12	556
396017	Direct-Run	RSD - N.O.	Orleans	Sarah Towles Reed Senior High School	9-12	564
396026	Direct-Run	RSD - N.O.	Orleans	G.W. Carver High School	9-12	401
396016	Direct-Run	RSD - N.O.	Orleans	Rabouin Career Magnet High School	12	12
Total Direct-Run						9,275

Appendix C
FY2011 RSD Schools Data

Site Code	Operational Structure	RSD Operational Area	Parish Name	School or Site Name	Grade Config*	Total** Students Reported
368001	Type 5 Charter	RSD - N.O.	Orleans	Morris Jeff Community School	PK-2	140
398004	Type 5 Charter	RSD - N.O.	Orleans	KIPP Central City Primary	K-2	301
381001	Type 5 Charter	RSD - N.O.	Orleans	Akili Academy of New Orleans	K-3	219
373001	Type 5 Charter	RSD - N.O.	Orleans	Arise Academy	K-3	241
375001	Type 5 Charter	RSD - N.O.	Orleans	Benjamin E. Mays Preparatory School	K-3	198
376001	Type 5 Charter	RSD - N.O.	Orleans	Pride College Preparatory Academy	K-3	194
379001	Type 5 Charter	RSD - N.O.	Orleans	Crocker Arts and Technology School	PK-4	223
374001	Type 5 Charter	RSD - N.O.	Orleans	Success Preparatory Academy	K-4	330
377004	Type 5 Charter	RSD - LA	East Baton Rouge	Dalton Elementary School	PK-5	383
377005	Type 5 Charter	RSD - LA	East Baton Rouge	Lanier Elementary School	PK-5	403
366001	Type 5 Charter	RSD - N.O.	Orleans	Lagniappe Academies of New Orleans	K & 5	61
393001	Type 5 Charter	RSD - N.O.	Orleans	Lafayette Academy of New Orleans	PK-7	796
380001	Type 5 Charter	RSD - N.O.	Orleans	The Intercultural Charter School	K-7	361
395002	Type 5 Charter	RSD - N.O.	Orleans	Dwight D. Eisenhower Elementary School	PK-8	599
300004	Type 5 Charter	RSD - N.O.	Orleans	Gentilly Terrace School	PK-8	387
395006	Type 5 Charter	RSD - N.O.	Orleans	Harriet Tubman Elementary School	PK-8	508
390001	Type 5 Charter	RSD - N.O.	Orleans	James M. Singleton Charter School	PK-8	659
398002	Type 5 Charter	RSD - N.O.	Orleans	KIPP McDonogh 15 School for the Creative Arts	PK-8	506
395001	Type 5 Charter	RSD - N.O.	Orleans	Martin Behrman Elementary School	PK-8	637
395004	Type 5 Charter	RSD - N.O.	Orleans	McDonogh #32 Elementary School	PK-8	560
394003	Type 5 Charter	RSD - N.O.	Orleans	McDonogh #42 Elementary Charter School	PK-8	562
300002	Type 5 Charter	RSD - N.O.	Orleans	Nelson Elementary School	PK-8	408
395003	Type 5 Charter	RSD - N.O.	Orleans	William J. Fischer Elementary School	PK-8	506
388001	Type 5 Charter	RSD - N.O.	Orleans	Andrew H. Wilson Charter School	K-8	562
399002	Type 5 Charter	RSD - N.O.	Orleans	Arthur Ashe Charter School	K-8	323
367001	Type 5 Charter	RSD - N.O.	Orleans	E. P. Harney Spirit of Excellence Academy	K-8	374
393002	Type 5 Charter	RSD - N.O.	Orleans	Esperanza Charter School	K-8	398

Appendix C
FY2011 RSD Schools Data

Site Code	Operational Structure	RSD Operational Area	Parish Name	School or Site Name	Grade Config*	Total** Students Reported
399004	Type 5 Charter	RSD - N.O.	Orleans	John Dibert Community School	K-8	398
387001	Type 5 Charter	RSD - N.O.	Orleans	Langston Hughes Academy Charter School	K-8	597
369002	Type 5 Charter	RSD - N.O.	Orleans	Laurel Elementary School	K-8	638
369001	Type 5 Charter	RSD - N.O.	Orleans	Live Oak Elementary School	K-8	580
392001	Type 5 Charter	RSD - N.O.	Orleans	McDonogh #28 City Park Academy	K-8	407
300001	Type 5 Charter	RSD - N.O.	Orleans	P. A. Capdau School	K-8	361
399001	Type 5 Charter	RSD - N.O.	Orleans	Samuel J. Green Charter School	K-8	484
385001	Type 5 Charter	RSD - N.O.	Orleans	NOLA College Prep Charter School	K-3 & 6-9	604
391001	Type 5 Charter	RSD - N.O.	Orleans	Dr. M.L.K. Charter School for Science & Tech.	PK-11	746
389001	Type 5 Charter	RSD - N.O.	Orleans	Abramson Science & Technology Charter School	K-12	591
398006	Type 5 Charter	RSD - N.O.	Orleans	KIPP New Orleans Leadership Academy	5	110
398001	Type 5 Charter	RSD - N.O.	Orleans	KIPP Believe College Prep (Phillips)	5-8	348
398003	Type 5 Charter	RSD - N.O.	Orleans	KIPP Central City Academy	5-8	387
372001	Type 5 Charter	RSD - LA	East Baton Rouge	Crestworth Learning Academy	6-8	446
377001	Type 5 Charter	RSD - LA	East Baton Rouge	Glen Oaks Middle School	6-8	265
389002	Type 5 Charter	RSD - LA	East Baton Rouge	Kenilworth Science and Technology School	6-8	447
371001	Type 5 Charter	RSD - LA	Caddo	Linwood Public Charter School	6-8	444
377002	Type 5 Charter	RSD - LA	East Baton Rouge	Prescott Middle School	6-8	265
384001	Type 5 Charter	RSD - N.O.	Orleans	Miller-McCoy Academy	5-11	533
377003	Type 5 Charter	RSD - LA	Pointe Coupee	Pointe Coupee Central High School	6-12	301
397001	Type 5 Charter	RSD - N.O.	Orleans	Sophie B. Wright Inst.of Academic Excellence	6-12	405
398005	Type 5 Charter	RSD - N.O.	Orleans	KIPP Renaissance High School	9	142
378001	Type 5 Charter	RSD - LA	East Baton Rouge	Capitol Pre-College Academy for Boys	9-12	154
378002	Type 5 Charter	RSD - LA	East Baton Rouge	Capitol Pre-College Academy for Girls	9-12	164
300003	Type 5 Charter	RSD - N.O.	Orleans	Thurgood Marshall Early College High School	9-12	387
382001	Type 5 Charter	RSD - N.O.	Orleans	New Orleans Charter Science and Math Academy	9-11	210
383001	Type 5 Charter	RSD - N.O.	Orleans	Sojourner Truth Academy	9-11	248

Appendix C FY2011 RSD Schools Data						
Site Code	Operational Structure	RSD Operational Area	Parish Name	School or Site Name	Grade Config*	Total** Students Reported
395005	Type 5 Charter	RSD - N.O.	Orleans	O.P. Walker Senior High School	9-12	874
395007	Type 5 Charter	RSD - N.O.	Orleans	Algiers Technology Academy	9-12	330
Total Type 5 Charter Schools						22,705
Total RSD Schools						41,515
*Grade Configuration - the grade levels students at the school are enrolled in.						
** From the October 1, 2010, student enrollment counts.						
Source: Created by legislative auditor's staff using information from LDOE.						

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APPENDIX D

Summary of the Policy Framework for Transferring Schools out of the RSD	
Condition	Description
Failing Schools	If a Direct-Run School is still failing after being open and operational under the RSD for at least five years and is not converting to a charter or being phased-out, the RSD will publish Requests for Applications that outline the conditions and criteria that need to be met to move a school back to the PGA. The PGA or other charter operators are eligible to submit proposals for school turnaround to operate the school. The proposal shall identify key benchmarks and milestones to show improved academic outcomes and be approved by BESE.
Non-Failing Schools	<p>A non-failing school can choose to exit the RSD if it has been under the jurisdiction of the RSD for a minimum of five years and after the publication of the school's fifth year School Performance Score (SPS), the school has established two consecutive years of an SPS that is at least five points above the AUS bar.</p> <p>If the school chooses to exit the RSD, the PGA must meet certain criteria for a school to transfer back to its jurisdiction and retain the schools:</p> <ul style="list-style-type: none"> • <u>Direct-Run</u> schools must have an MOU between the PGA and BESE that is effective for no more than three years. It shall address preservation of existing school autonomy, continued performance, school budget, and recourse (violation of MOU may result in the school being returned to the RSD). • <u>Type 5 Charter</u> schools must have a negotiated charter agreement with the PGA which must contain academic performance standards and other requirements which are equal to or greater than the Type 5 performance standards. <p>If the school elects to remain under the jurisdiction of the RSD, that decision is effective for the remainder of the five-year transfer period. At the end of any subsequent transfer periods, the school must make the choice to remain in or leave the RSD again.</p>
Retained in the RSD	<p>After the initial transfer period, a school can be retained in the RSD either because:</p> <ol style="list-style-type: none"> (1) the school did not meet eligibility to choose to transfer out of the RSD or (2) the school was AUS and the PGA and/or charter operators did not submit an approved proposal for the school. <p>During the subsequent transfer period, once the school becomes eligible to transfer, it must make the choice to either remain in the RSD or leave the RSD in accordance with the transfer conditions at the time the conditions are met. If the school chooses to remain in the RSD, it will remain until the end of its current transfer period before it is eligible for transfer again.</p>
Source: Created by legislative auditor's staff using information from the RSD.	

Summary of Terminating or Extending MOU and MA Schools	
MOU and MA Schools	<p>The MOU and MA are both three-year agreements. The MOU states that after three years the RSD will review the school to decide if the MOU should be extended for three years or terminated thus allowing the local school district full control of the school. The MA states that at the end of the three-year term, the RSD will assume jurisdiction of the schools. However, according to LDOE officials, as long as the MOU or MA school is no longer designated as AUS at the end of three years the MOU/MA will terminate. According to RSD officials, if the MOU or MA is extended, it will be for an additional three years. In addition, schools are allowed to voluntarily stay under an MOU.</p>
Source: Created by legislative auditor's staff using information from the RSD.	

APPENDIX E: FY2010 SCHOOL PERFORMANCE SCORE*

Site Code	Operational Structure	RSD Operational Area	School or Site Name	FY 2010 SPS**
FY2010 RSD Schools Not in AUS Status				
398004	Type 5 Charter	RSD - N.O.	KIPP Central City Primary	120.6
398001	Type 5 Charter	RSD - N.O.	KIPP Believe College Prep (Phillips)	106.5
395001	Type 5 Charter	RSD - N.O.	Martin Behrman Elementary School	99.3
009046	MOU	RSD - LA	Oak Park Microsociety Elementary School	95.8
391001	Type 5 Charter	RSD - N.O.	Dr. M.L.K. Charter School for Science & Tech.	90.1
382001	Type 5 Charter	RSD - N.O.	New Orleans Charter Science and Math Academy	89.2
398002	Type 5 Charter	RSD - N.O.	KIPP McDonogh 15 School for the Creative Arts	87.7
398003	Type 5 Charter	RSD - N.O.	KIPP Central City Academy	85.2
399002	Type 5 Charter	RSD - N.O.	Arthur Ashe Charter School	83.8
397001	Type 5 Charter	RSD - N.O.	Sophie B. Wright Inst.of Academic Excellence	83.0
395002	Type 5 Charter	RSD - N.O.	Dwight D. Eisenhower Elementary School	80.0
033007	MOU	RSD - LA	Wright Elementary School	78.9
389001	Type 5 Charter	RSD - N.O.	Abramson Science & Technology Charter School	78.0
033003	MOU	RSD - LA	Tallulah Elementary School	77.6
393001	Type 5 Charter	RSD - N.O.	Lafayette Academy of New Orleans	77.3
396019	Direct-Run	RSD - N.O.	A.P. Tureaud Elementary School	76.3
387001	Type 5 Charter	RSD - N.O.	Langston Hughes Academy Charter School	74.0
399001	Type 5 Charter	RSD - N.O.	Samuel J. Green Charter School	73.6
385001	Type 5 Charter	RSD - N.O.	NOLA College Prep Charter School	73.4
300001	Type 5 Charter	RSD - N.O.	P. A. Capdau School	71.2
021010	MOU	RSD - LA	Winnsboro Elementary School	70.9
396034	Direct-Run	RSD - N.O.	H.C. Schaumburg Elementary School	70.6
392001	Type 5 Charter	RSD - N.O.	McDonogh #28 City Park Academy	70.5
390001	Type 5 Charter	RSD - N.O.	James M. Singleton Charter School	70.1
384001	Type 5 Charter	RSD - N.O.	Miller-McCoy Academy	69.5
395005	Type 5 Charter	RSD - N.O.	O.P. Walker Senior High School	68.4
017068	MA	RSD - LA	Park Elementary School	67.8
379001	Type 5 Charter	RSD - N.O.	Crocker Arts and Technology School	67.2
040039	MOU	RSD - LA	Julius Patrick Elementary School	67.1
380001	Type 5 Charter	RSD - N.O.	The Intercultural Charter School	66.7
009011	MOU	RSD - LA	Caddo Heights Math/Science Elementary School	66.3
033001	MOU	RSD - LA	Madison Middle School	66.1
396037	Direct-Run	RSD - N.O.	Mary D. Coghill Elementary School	65.5
394003	Type 5 Charter	RSD - N.O.	McDonogh #42 Elementary Charter School	65.3
300002	Type 5 Charter	RSD - N.O.	Nelson Elementary School	65.2
046005	MOU	RSD - LA	St. Helena Central Elem School	64.3
046002	MOU	RSD - LA	St. Helena Central High School	63.7
396010	Direct-Run	RSD - N.O.	Murray Henderson Elementary School	63.4
395003	Type 5 Charter	RSD - N.O.	William J. Fischer Elementary School	62.9
396009	Direct-Run	RSD - N.O.	Paul B. Habans Elementary School	62.4

LOUISIANA DEPARTMENT OF EDUCATION

Site Code	Operational Structure	RSD Operational Area	School or Site Name	FY 2010 SPS**
FY2010 RSD Schools Not in AUS Status				
396028	Direct-Run	RSD - N.O.	Fannie C. Williams Elementary School	62.1
009004	MOU	RSD - LA	Barret Paideia Academy	61.8
017101	MOU	RSD - LA	Winbourne Elementary School	61.7
396003	Direct-Run	RSD - N.O.	Benjamin Banneker Elementary School	60.9
017128	MA	RSD - LA	Capitol Elementary School	60.8
010047	MOU	RSD - LA	Reynaud Middle School	60.5
395004	Type 5 Charter	RSD - N.O.	McDonogh #32 Elementary School	60.0
FY2010 AUS Status RSD Schools				
009069	MOU	RSD - LA	Booker T. Washington New Technology High School	59.8
017020	MA	RSD - LA	Capitol Middle School	59.3
388001	Type 5 Charter	RSD - N.O.	Andrew H. Wilson Charter School	59.0
396012	Direct-Run	RSD - N.O.	James Weldon Johnson School	58.6
009017	MOU	RSD - LA	J. S. Clark Microsociety Academy	56.1
395006	Type 5 Charter	RSD - N.O.	Harriet Tubman Elementary School	55.4
017007	MA	RSD - LA	Banks Elementary School	55.3
395007	Type 5 Charter	RSD - N.O.	Algiers Technology Academy	55.0
017045	MOU	RSD - LA	Istrouma Senior High School	54.9
383001	Type 5 Charter	RSD - N.O.	Sojourner Truth Academy	53.5
009005	MOU	RSD - LA	Bethune Math/Science Middle Academy	53.4
009025	MOU	RSD - LA	Green Oaks Performing Arts Academy	53.4
009022	MOU	RSD - LA	Fair Park College Prep High School	53.1
396021	Direct-Run	RSD - N.O.	Sarah Towles Reed Elementary School	50.7
009073	MOU	RSD - LA	Woodlawn Leadership Academy	50.4
396043	Direct-Run	RSD - N.O.	Greater Gentilly High School	47.3
378002	Type 5 Charter	RSD - LA	Capitol Pre-College Academy for Girls	47.2
396008	Direct-Run	RSD - N.O.	Dr. Charles Richard Drew Elementary School	46.5
396001	Direct-Run	RSD - N.O.	Joseph A. Craig School	45.2
377003	Type 5 Charter	RSD - LA	Pointe Coupee Central High School	44.0
396029	Direct-Run	RSD - N.O.	F.W. Gregory Elementary School	43.8
377001	Type 5 Charter	RSD - LA	Glen Oaks Middle School	43.2
378001	Type 5 Charter	RSD - LA	Capitol Pre-College Academy for Boys	41.2
396025	Direct-Run	RSD - N.O.	Carver Elementary School	41.1
377002	Type 5 Charter	RSD - LA	Prescott Middle School	39.2
396017	Direct-Run	RSD - N.O.	Sarah Towles Reed Senior High School	34.9
396011	Direct-Run	RSD - N.O.	John McDonogh Senior High School	32.2
396026	Direct-Run	RSD - N.O.	G.W. Carver High School	31.9
396004	Direct-Run	RSD - N.O.	Walter L. Cohen High School	28.2
396002	Direct-Run	RSD - N.O.	Joseph S. Clark Senior High School	22.8
396016	Direct-Run	RSD - N.O.	Rabouin Career Magnet High School	19.8
<p>* According to Louisiana Administrative Code, all new schools statewide begin showing accountability measures after they have been operating for two years so only 78 of the 111 schools in the RSD had an SPS in FY2010. ** The statewide measure for AUS in FY2010 was an SPS below 60. This bar is set to change in FY2011 to 65 SPS and in FY2012 to 75 SPS. Source: Created by legislative auditor's staff using information from LDOE.</p>				

APPENDIX F: RSD GRADUATION RATES

Site Code	Operational Structure	RSD Operational Area	School or Site Name	Fiscal Year 2009	Fiscal Year 2010
009022	MOU	RSD - LA	Fair Park High	RSD - N/A	50.6
009025	MOU	RSD - LA	Green Oaks Performing Arts Academy	RSD - N/A	53.4
009069	MOU	RSD - LA	Booker T. Washington High - Caddo Parish	RSD - N/A	59.8
009073	MOU	RSD - LA	Woodlawn Leadership Academy	RSD - N/A	49.8
017045	MOU	RSD - LA	Istrouma High	RSD - N/A	54.3
046002	MOU	RSD - LA	St. Helena High	RSD - N/A	50.9
377003	Type 5 Charter	RSD - LA	Pointe Coupee High	N/A	61.8
378001	Type 5 Charter	RSD - LA	Capitol Pre-College Academy for Boys	N/A	42
378002	Type 5 Charter	RSD - LA	Capitol Pre-College Academy for Girls	N/A	47.7
395005	Type 5 Charter	RSD - N.O.	O. Perry Walker High (1)	70.5	75.6
395007	Type 5 Charter	RSD - N.O.	Algiers Technology Academy (1)	53.1	64
396002	Direct-Run	RSD - N.O.	Joseph S. Clark High (1)	34.3	33.1
396004	Direct-Run	RSD - N.O.	Walter Cohen High (1)	26.8	37.7
396007	Direct-Run	RSD - N.O.	Frederick Douglass High (1)	25.9	*
396011	Direct-Run	RSD - N.O.	John McDonogh High (1)	31.4	46.8
396016	Direct-Run	RSD - N.O.	L.E. Rabouin High (1)	49.2	61.7
396017	Direct-Run	RSD - N.O.	Sarah T. Reed High (1)	48.6	37.8
396026	Direct-Run	RSD - N.O.	Carver High (1)	48.7	50
Average				43.2	51.6
<p>RSD - N/A - These MOUs did not take effect until FY2010, therefore; their FY2009 scores are not applicable to RSD.</p> <p>N/A - According to Louisiana Administrative Code, all new schools statewide must have been operating for at least two years before a graduation rate is calculated. These schools had not been operating long enough to have a graduation rate that year.</p> <p>(1) - Districts that were heavily impacted by the hurricanes of 2005-2006 do not have published graduation cohort results from 2005-2006 to 2008-2009. These districts are Cameron, City of Bogalusa, Orleans, Plaquemines, RSD - N.O., and St. Bernard.</p> <p>* At the end of FY2010, this high school was either closed or converted to a Type 5 Charter school for FY2011 so no graduation rate was published for FY2010.</p> <p>Source: Created by legislative auditor's staff using information from LDOE.</p>					

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APPENDIX G: FY2009 DISTRICT PER PUPIL EXPENDITURE***

LEA #	District/Agency Name	Classroom Instruction	Total Support	Facility Acquisition & Construction & Debt Services	Total Expenditures Per Pupil	Rank
12	Cameron Parish School Board*	\$12,594	\$12,120	\$17,071	\$41,785	-
44	St. Bernard Parish School Board*	10,620	4,163	13,957	28,740	-
33	Madison Parish School Board	7,302	3,112	10,284	20,698	1
36	Orleans Parish School Board*	10,459	5,063	4,842	20,364	-
16	DeSoto Parish School Board	9,298	4,491	4,291	18,080	2
38	Plaquemines Parish School Board*	9,602	7,328	470	17,400	-
24	Iberville Parish School Board	9,425	5,601	2,239	17,265	3
47	St. James Parish School Board	9,232	4,329	2,362	15,923	4
45	St. Charles Parish School Board*	9,109	4,313	2,497	15,919	-
48	St. John Parish School Board	9,394	3,879	1,817	15,090	5
41	Red River Parish School Board	9,266	4,868	587	14,721	6
7	Bienville Parish School Board	8,752	4,714	557	14,023	7
54	Tensas Parish School Board	8,958	3,999	883	13,840	8
26	Jefferson Parish School Board*	7,940	4,535	1,348	13,823	-
52	St. Tammany Parish School Board*	7,559	3,402	2,750	13,711	-
67	Zachary Community School Board	6,422	3,397	3,360	13,179	9
63	West Feliciana Parish School Board	8,311	4,121	683	13,115	10
17	East Baton Rouge Parish School Board	8,031	4,057	899	12,987	11
3	Ascension Parish School Board	6,852	3,335	2,680	12,867	12
4	Assumption Parish School Board	7,824	4,741	185	12,750	13
37	Ouachita Parish School Board	6,602	3,178	2,903	12,683	14
11	Caldwell Parish School Board	7,158	3,197	2,259	12,614	15
10	Calcasieu Parish School Board*	6,967	2,926	2,667	12,560	-
51	St. Mary Parish School Board	7,359	3,484	1,662	12,505	16
61	West Baton Rouge Parish School Board	7,956	3,734	709	12,399	17
2	Allen Parish School Board*	7,382	3,452	1,557	12,391	-
18	East Carroll Parish School Board	8,017	3,904	421	12,342	18
21	Franklin Parish School Board	6,706	2,897	2,434	12,037	19
39	Pointe Coupee Parish School Board	7,244	4,125	556	11,925	20
Total RSD Schools**		7,021	4,848	29	11,898	21
65	City of Monroe School Board	7,740	3,220	935	11,895	22
66	City of Bogalusa School Board*	8,341	3,448	98	11,887	-
23	Iberia Parish School Board	6,641	2,928	2,317	11,886	23
8	Bossier Parish School Board	6,622	3,043	1,971	11,636	24
42	Richland Parish School Board	7,542	3,246	796	11,584	25
30	LaSalle Parish School Board	6,861	3,085	1,565	11,511	26
60	Webster Parish School Board	6,742	2,830	1,893	11,465	27
9	Caddo Parish School Board	7,235	3,077	1,049	11,361	28
29	Lafourche Parish School Board	6,753	3,174	1,434	11,361	29
34	Morehouse Parish School Board	7,305	3,028	959	11,292	30

LOUISIANA DEPARTMENT OF EDUCATION

LEA #	District/Agency Name	Classroom Instruction	Total Support	Facility Acquisition & Construction & Debt Services	Total Expenditures Per Pupil	Rank
14	Claiborne Parish School Board	\$7,199	\$3,462	\$616	\$11,277	31
46	St. Helena Parish School Board	6,857	3,957	324	11,138	32
25	Jackson Parish School Board	7,292	3,502	292	11,086	33
31	Lincoln Parish School Board	6,746	2,960	1,255	10,961	34
43	Sabine Parish School Board	7,092	3,010	847	10,949	35
68	City of Baker School Board	7,119	3,694	109	10,922	36
27	Jefferson Davis Parish School Board*	7,138	3,232	507	10,877	-
35	Natchitoches Parish School Board	6,785	2,817	1,099	10,701	37
19	East Feliciana Parish School Board	7,188	3,405	0	10,593	38
57	Vermilion Parish School Board*	6,404	3,055	1,117	10,576	-
28	Lafayette Parish School Board	7,131	2,745	584	10,460	39
64	Winn Parish School Board	6,537	3,205	704	10,446	40
56	Union Parish School Board	7,169	3,206	55	10,430	41
59	Washington Parish School Board	6,712	3,263	441	10,416	42
13	Catahoula Parish School Board	6,871	3,260	248	10,379	43
40	Rapides Parish School Board	6,280	2,732	1,298	10,310	44
55	Terrebonne Parish School Board*	6,844	2,774	595	10,213	-
15	Concordia Parish School Board	6,515	3,018	662	10,195	45
20	Evangeline Parish School Board	6,665	3,040	138	9,843	46
49	St. Landry Parish School Board	6,378	2,845	530	9,753	47
32	Livingston Parish School Board	6,070	2,442	1,031	9,543	48
58	Vernon Parish School Board	6,096	3,156	283	9,535	49
6	Beauregard Parish School Board	6,351	2,839	336	9,526	50
50	St. Martin Parish School Board	6,160	2,769	575	9,504	51
69	Central Community School Board	5,942	3,033	487	9,462	52
1	Acadia Parish School Board	6,243	2,645	409	9,297	53
53	Tangipahoa Parish School Board	6,050	2,615	485	9,150	54
62	West Carroll Parish School Board	6,053	2,949	42	9,044	55
22	Grant Parish School Board	5,521	2,801	408	8,730	56
5	Avoyelles Parish School Board	5,688	2,905	107	8,700	57
Statewide Average		7,196	3,417	1,501	12,114	

* Includes one-time hurricane-related expenditures and therefore not ranked.

** Excludes one-time hurricane-related expenditures. Includes all Direct-Run and Type 5 Charter schools.

*** Does not include Type 2 Charter schools or Lab schools.

Source: Created by legislative auditor's staff using information from LDOE.