



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES
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MEMORANDUM

DATE: January 29, 2016

TO: All Members of the Delaware State Senate
and House of Representatives

FROM: Ms. Daniese McMullin-Powell, Chairperson
State Council for Persons with Disabilities

RE: H.B. 186 (Charter School Audits)

The State Council for Persons with Disabilities (SCPD) has reviewed H.B. 186 which adds charter schools to the list of entities for audits through the Auditor of Accounts. As background, financial irregularities and misuse of finances within multiple charter schools have been highly publicized in recent years. See attached articles. This has resulted in proposals to improve financial oversight of charter schools. At present, all school districts are subject to the Auditor of Accounts. In contrast, charter schools are not statutorily subject to the Auditor of Accounts. SCPD endorses H.B. 186 since it appears to be a prudent initiative to enhance safeguards in use of State funds by charter schools. Charter schools are public schools and Auditor of Accounts involvement in audits should have a deterrent effect on misuse of funds. SCPD also has the following observations.

The attached January 7, 2016 News Journal article, "Education will be prominent when Legislature returns", offers the following observations on the bill:

Charter schools may also become an issue. Williams, for example, has proposed a bill that would have the state auditor's office select and manage the firms that audit charters, much like it does for traditional schools. Williams says that it will help prevent a repeat of a series of high-profile scandals at charter schools over the past few years in which school leaders used school money to make personal purchases. But charter advocates oppose the bill, arguing they are supposed to be free from bureaucratic rules in exchange for stiffer accountability.

The attached April 26, 2013 article describes a \$350,000 State "bailout" of the Pencader Charter School to cover payroll based on "financial mistakes". The attached July 22, 2012 News

Journal editorial, "Charter school needs better steering", contains the following commentary:

Recent revelations of School Leader Ann Lewis' undocumented professional qualifications - combined with questionable salaries for minimal classroom for her husband and questionable bookkeeping that possible violates Internal Revenue Service law - call into question the school's ability to fulfill its original mission. ...For example, Bob Lewis fired this spring for calling a student a "bitch", has been rehired at a salary of \$6,500 a month to teach just one class on "morals and ethics" to freshmen. But he was not listed as a teacher for the school, now he makes more than double the salary of teachers who work a full day. Through a bookkeeping trick, Lewis's husband and a few other favored employees were reclassified as outside contractors, allowing them to draw additional salary and collect pensions from earlier state teaching jobs. Thankfully, the State Board of Pension saw through the ruse...and is seeking to have the money repaid.

The attached August 20, 2011 News Journal article, "Charter school revisions signed", has the following observations on another charter school:

The General Assembly moved quickly to pass the legislation in June, prompted by a News Journal report that revealed the founder of the all-girls Reach Academy charter school in Claymont was a convicted child abuser, had filed for bankruptcy several times, and was spending school money with a company with which he was affiliated. Financial woes at Reach Academy and Pencader Business and Finance Charter School in New Castle threatened to close both schools this summer, but a special probationary arrangement agreed to by Secretary Lillian Lowery convinced the state Board of Education to keep the schools open.

Thank you for your consideration and please contact SCPD if you have any questions regarding our position or observations on the proposed legislation.

cc: Mr. Brian Hartman, Esq.
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

HB 186 charter school audits 1-27-16

Education will be prominent when Legislature returns

Matthew Albright, The News Journal 8:49 a.m. EST January 7, 2016



(Photo: SUBMITTED)

The General Assembly has a lengthy to-do list of education issues in the session that starts next week, including several proposals to increase services for at-risk kids and a few items that could prove controversial.

"There are so many discussions about education that have been going on recently that I think now you're going to see us try to make some real long-term fixes," said Rep. Earl Jaques, D-Glasgow, who chairs the House Education Committee.

The first big school issue will likely be a battle over a bill to protect parents who opt their kids out of the state standardized test. (</story/news/education/2016/01/04/opt-out-veto/78270050/>) The bill's sponsor, Rep. John Kowalko, D-Newark, plans to attempt an override of Gov. Jack Markell's veto on Jan. 14, the third day of the new session.



DELAWAREONLINE

Juniors won't have to take Smarter Balanced exam

<http://www.delawareonline.com/story/news/2016/01/06/juniors-wont-have-take-smarter-balanced-exam/78367630/?from=global&sessionKey=&autologin=>



DELAWAREONLINE

Lawmakers want to boost after-school programs

<http://www.delawareonline.com/story/news/education/2016/01/06/after-school-program/78372696/?from=global&sessionKey=&autologin=>

But there are plenty of other issues to be heard through the rest of the legislative session, which ends June 30.

Perhaps the biggest is the Wilmington Education Improvement Commission's plan. (<https://sites.udel.edu/cas-weic/files/2015/12/WEIC-Draft-121515-sm-1abypow.pdf>)

The Commission wants to see the Christina School District's city schools and students handed over to the Red Clay School District, arguing a more streamlined and coherent system of school governance will set the stage for long-overdue improvements to the city's schools.

It also wants to see schools statewide that serve at-risk kids — especially those from low-income families or who are learning English as a second language — receive more funding to address their students' unique needs.

Many lawmakers say they're not sure what the Commission's odds of winning legislative approval are.

"I wake up some mornings and I think, 'Oh yeah, this is going to get done,'" Jaques said. "Then some mornings I wake up and I think, 'OK, I'm not so sure.'"

On the at-risk funding issue, the biggest sticking point appears to be scale and cost. (</story/news/2015/12/04/school-funding-povert/76728852/>)

State Rep. Debra Heffernan, D-Bellefonte, proposed a bill last year that would tweak the state's system to give extra resources to schools serving low-income students. Her bill would cost \$12.5 million.

Budget forecasts for the state are rosier than originally feared, but the state also doesn't have tons of extra money to spend.

Recognizing that costs may be a factor, the Commission's leaders have suggested testing the system by giving the extra funds to the schools affected by redistricting at first; other lawmakers would prefer to see the money doled out to the schools across the state that have the highest percentages of kids in poverty.

On the redistricting issue, residents in the areas that would be affected are nervous that their tax burden might go up — despite assurances from commission leaders — or that their schools could be disrupted.

State Rep. Kim Williams, D-Newport, is a former Red Clay School Board member who says she and many legislators have not made up their minds yet on the proposal. She wants to make sure, for example, that Red Clay doesn't foot the bill for the transition costs of redistricting.

"I am going to sit back, listen and make a decision that I think is best," Williams said. "I don't really know how my colleagues are going to vote. I think we're going to see what the Governor proposes in his budget and have some conversations and then make a decision."

There are other proposals in the works to bolster the state's support for at-risk students.

House Majority Leader Valerie Longhurst, D-Bear, plans to announce Wednesday a boost to after-school programs in schools that serve low-income kids.

Williams, who is vice-chair of the House Education Committee, is leading an attempt to provide more special education services to young students.

Currently, schools get [more funding for students with special needs \(/story/news/local/2015/01/28/lawmakers-want-expanded-special-needs-service/22490423/\)](#) in grades 4-12 and for students with intensive and complex special needs in grades K-3. The state does not, however, provide extra money for students in grades K-3 with basic special needs, like developmental delays and ADHD.

Williams and other lawmakers want to "close that gap," which would cost about \$11 million.

Many of these proposals come with price tags attached, and lawmakers will face tough choices in figuring out how to pay for them.

"I'm not saying some of these things aren't needed, I'm just saying I don't see a whole lot of new money available to go into education right now," said Senate Minority Leader Gary Simpson, R-Milford. "It's going to be a tough load to tow."



Sen. F. Gary Simpson (Photo: GARY EMEIGH/THE NEWS JOURNAL)

Jaques said the fact that there are several proposals for new spending that many legislators think are important could spur them to seek savings elsewhere in the education budget. Lawmakers have been deep in discussions for months, for example, on how to trim state-level administration to get more money into classrooms.

"What I tell my committee members all the time is, 'look, education is already a big part of the budget and it's not going to get much bigger than that because there are other needs,'" Jaques said. "We've got to figure out how to spend that money as wisely as possible."

Charter schools may also become an issue. Williams, for example, has proposed a bill that would have the state auditor's office select and manage the firms that audit charters, much like it does for traditional schools.

Williams says that will help prevent a repeat of a series of high-profile scandals at charter schools over the past few years in which school leaders used school money to make personal purchases.

But charter advocates oppose the bill, arguing they are supposed to be free from bureaucratic rules in exchange for stiffer accountability.

Several task forces also are working in the background and could end up leading to legislation.

Those groups are looking at things like the amount of testing, teacher evaluations, school spending and teacher pay.

Markell has called for an overhaul of teacher pay in his last two State of the State addresses, but this will be his last legislative session to secure such change.

The governor has made education one of his top priorities and may have his own requests for the Legislature. He is scheduled to give the State of the State address on Jan. 21 and will unveil his proposed budget soon after.

Red Clay votes to close charter school

MATTHEW ALBRIGHT
THE NEWS JOURNAL

The Red Clay School Board has voted to close Delaware College Preparatory Academy, a Wilmington charter school with 186 students.

Board members voted swiftly not to renew the school's charter without discussion at a meeting Wednesday night. They followed the recommendations of a committee of district officials who said it is on precarious financial footing and students are struggling academically.

DCPA is one of a handful of charter schools authorized by the Red Clay School District, not the state. Located at 510 W. 28th St., it serves kids in kindergarten through fifth grade and has been open for seven years.

Enrollment at DCPA has declined each year, which is a major fiscal problem for charter schools because they receive state funding based on the number of students. The school has been forced to lay off teachers and ended the last school year with a balance of only a

few thousand dollars.

Audits have found school leaders haven't followed the rules for spending school money, a particularly touchy subject given high-profile revelations that leaders of other charter schools spent thousands of dollars in public money on personal purchases.

The school board president sought reimbursement for \$7,437 for spending more than two years' old and for \$11,054 that were "highly questionable" and unsupported by receipts or documentation, the auditors found.

Test scores suggest DCPA students are behind the curve, on top of its financial problems. The percentage of students scoring proficient on the new Smarter Balanced Assessment was 12 to 25 percent lower than the Red Clay average, depending on the grade and subject.

Angeline Dennis, the school's executive director, acknowledged the school had issues but said she and her staff were beginning to turn things around. She said the school has seen four different leaders in its seven years, but said her administration has started to

bring some stability and things like a new curriculum, hired a new financial firm, and stepped up efforts to recruit students.

"I stand before you asking you keep an open mind and consider the progress we've made during the last two years of my tenure," Dennis said.

Ellen Kraft, who taught at the school for the past five years, also spoke in defense of the school.

"I work with a wonderful group of teachers and paraprofessionals. They are extremely dedicated and passionate," Kraft said. "We love our jobs and we need our jobs."

Two other Wilmington charter schools, Moyer Academy and Reach Academy, closed at the end of the last school year.

The State Board of Education is set to decide Thursday whether to close another city charter, the Delaware MET.

Contact Matthew Albright at malbright@delawareonline.com, (302) 324-2428 or on Twitter @TNJ_malbright.

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State accountability panel: Close Delaware MET charter school

MATTHEW ALBRIGHT

THE NEWS JOURNAL

Problems with safety, discipline, leadership, finances and instruction have led a state panel to recommend closing a Wilmington charter school – and relocating its students – said the The Delaware Met's problems are severe enough to merit the disruption of moving students mid-way through a school year. About 210 students attend the school.

Secretary of Education Steven Godowsky and the State Board of Education will decide at the board's Dec. 17 meeting whether to accept the recommendation and shutter the school. The state has scheduled a public hearing for parents, employees and community members to voice their views at 5 p.m. Dec. 7 in the Carvel State Office

Building at Ninth and French streets in Wilmington, across the street from the school.

Should Godowsky and the state board back the recommendation, the school would close Jan. 22, the end of the second marking period.

Delaware MET opened this August and struggled right out of the gate. In late September, it closed its doors temporarily and the school board held an emergency meeting in which it considered closing.

The state board placed the school on formal review on Oct. 15. That review found a slew of problems.

The committee says the school hasn't maintained discipline and has struggled to maintain a safe campus. Lesson plans didn't fit the state's academic standards, it found, and the school was falling short of implementing its instructional model.

Delaware MET also has failed to adequately serve students with special needs – the committee found the school was out of compliance on all 59 of its Individualized Education Plans, the contracts that lay out what services students with disabilities receive.

The committee also worries that the school isn't financially viable because too many students had left. Charter schools get state funding on a per-student basis, and the school is isn't paying for some required programs, the committee said.

Should Delaware Met close as recommended, it would be the first charter to be shut down mid-way through the school year.

If the school does close, students would automatically return to their traditional school district, unless parents choose to "choice" them to another district school or charter school that is accepting students. Schools that receive Delaware MET students would receive prorated funding from the state to help accommodate the added enrollment.

Both Moyer Academy and Reach Academy, two other Wilmington charter schools, were shut down last year.

Learning

Doors close on bittersweet note

By **Arabelle Osicky**
Pencader Charter

NEW CASTLE — "Nah nah nah nah, hey hey hey, goodbye." As a school year ends, students might find themselves humming the familiar tune featured in the 2000 Disney film "Remember the Titans." At the high school level, seniors move on and every one else plan on seeing each other in the fall.

At Pencader Charter High School, which opened in New Castle in 2006 along the Delaware River, no Titans will be coming back. Although Pencader seniors already were expecting to leave their friends and teachers, all

the students, faculty and staff of the school recently were forced to deal with this difficult transition.

The decision was made on Feb. 21 by the Delaware Department of Education to close Pencader after the 2012-2013 school year. Three months after this news spread, the effects hit students and teachers.

In mid-May, school leader Steve Quimby still had a hard time believing what had happened.

"I don't know how I'll feel about it," Quimby said then about the last day of school, which was May 23 for the students. Graduation was June 6. "I don't know if I'll be sad or if I'll be too busy to think

about it. I think it will really sink in when the buildings are empty."

This year alone, Pencader went through many struggles unknown to most schools: having to lay off teachers due to budget cuts, trying to convince the Department of Education to keep it open, learning of its impending closing and eventually ending the year early after declaring bankruptcy.

For many Titans, the emotions were mixed. While the last day in Pencader's history would be sad, it also would mark the end of a long, stressful year.

"I feel like it's going to be a joyful but sad day," said sophomore Juan Ruiz, who swam for Pen-

cader. "We made memories with our friends but we also have to say goodbye."

"Mixed emotions" echoed social studies teacher Stefanie Moyer. "Sad to see some of my students leave but excited to start a new chapter in my life."

Science teacher Terence Blanch saw the positives in the situation.

"Because it's been stressful," said Blanch. "I'm actually looking forward to it."

Although Pencader Charter endured hardships, it has also had its high points.

This year alone it hosted a homecoming dance, two spirit weeks, a dodgeball tournament, a student



Tyler Nolan enjoys himself as seniors gather for the June 6 graduation of Pencader Charter's last graduating class. Additional photographs at delawareonline.com/graduations. KIRK SMITH/PHOTO NEWS JOURNAL

vs. faculty basketball game, a charity fashion show and more.

Cross country and track and field were resurrected for runners, and the boys lacrosse team won seven straight games, tying for the highest winning streak since the 2010-2011 cross country season.

Seven members of the Business Professionals of America team qualified for the national competition in Florida after the March state competition, and eight students received medals in the state Science Olympiad competition a few days later.

Both Math League teams qualified for and attended the state competition in April, with the upperclassman team earning a first-place regional trophy and the freshman team a second-place regional trophy.

Although these events have given students positive memories, most at the school agreed on what they would miss the most about Pencader: the people.

"The kids," said Quimby. "Absolutely the kids." "I'm going to miss my friends and some of the teachers," added Ruiz.

"Pencader is like a family," reflected science teacher Kate McEvoy.

"It was a fun experience to leave, meeting all these different people and having fun together," said sophomore Tyler Evans, a member of the school's BPA team.

Some will always remember the Titans.

If you wish to submit articles to be considered for publication in Crossroads, email lwwhite@delawareonline.com.

School getting \$350K bailout

Pencader Charter gets state help to pay bills

By Matthew Albright
The News Journal

The standoff between the state Department of Education and Pencader Charter is over after the state agreed Thursday evening to pitch in \$350,000 to brace the troubled school's budget through the end of the year, school and state officials said.

"It's been a long haul, but I think in the end we've come to a decision that's best for children, teachers and parents," said Frank McIntosh, the school's president.

School officials announced earlier this month that they didn't have enough money to pay for closing costs or teacher salaries, which could have caused bankruptcy and an early closure. It also would have sent the school's students back to their traditional feeder schools, which could have played havoc with students' academic schedules and possibly disrupted seniors' graduation.

Pencader is set to close at the end of this year after the state pulled its charter in February. McIntosh said the state's intervention means students will be able to finish out the year at

See PENCADER, Page A2

Pencader: Still faces a shortfall

Continued from Page A1

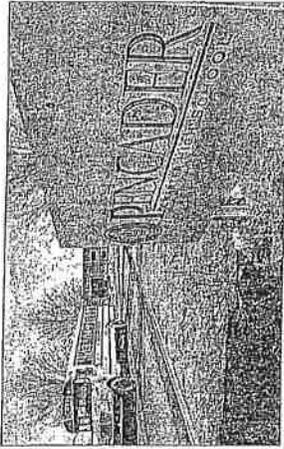
Pencader and teachers will receive all of their pay.

In a statement released Thursday night, a Department of Education spokeswoman said the money will be used only to cover outstanding payroll. The statement also says Pencader promised and other transitional needs completed by the time it closes in June.

The State chose to work with Pencader's leadership because we both recognize that the

educators who could have lost salary that they had earned are innocent parties in this. We want to ensure they receive their proper compensation and that students are able to complete their school year." Department of Education Chief of Staff Mary Kate McLaughlin said in the statement.

"Make no mistake, this is a burden to the State," McLaughlin also said. "But at the end of the day, these are teachers who have earned salaries by educating hundreds of Delaware's students. While we may not have a



The state agreed to pitch in \$350,000 to help Pencader Charter High School in New Castle make it through the end of the year. ASHLEY BARNAS/NEWS JOURNAL FILE

"But at the end of the day, these are teachers who have earned salaries by educating hundreds of Delaware's students."

MARY KATE

MCLAUGHLIN

Chief of staff for the state Department of Education

said his staff was cooperating fully and accused the state of trying to "throw mud" at the school.

Still, McIntosh said he hoped the feud was over. "If we could have come to an agreement sooner, that would have been favorable," he said. "But in the end, they evaluated the situation and did the right thing. I have to give them credit for that."

Contact Matthew Albright at 324-2428 or at malbright@delawareonline.com.

legal obligation to cover their salaries for Pencader, and want to ensure these educators are not the ones hurt by the school's financial mistakes."

The statement said Pencader still faces a \$113,000 shortfall, it will need to fill by negotiating with its creditors. McIntosh said he was confident the school would be able to do that.

Pencader and the state have feuded over whose responsibility the budget shortfall was and accused each other of poor communication.

School leaders said the shortfall was the state's fault because monitors had signed off on a budget created by a previous administration they knew didn't include enough money for closing. State officials countered that the school had outspent its budget in some categories.

McLaughlin sent an email to McIntosh earlier this week saying Pencader wasn't cooperating in efforts to find ways to save money. McIntosh

Pencader, state still at odds

4-23-13
WJ

By Matthew Albright
The News Journal

The relationship between Pencader Charter School and the state Department of Education appears to be deteriorating.

The two sides are still battling over who is responsible for filling a \$350,000 hole in the school's budget, with no resolution in sight. If that hole isn't filled, Pencader officials say the school, scheduled to shutdown at the end of the year, might have to close earlier.

Both state and Pencader officials say the other side isn't communicating well.

In an email sent to Pencader leaders on Monday, DOE Chief of Staff Mary Kate McLaughlin said the school wasn't giving the state enough information to help find a solution.

McLaughlin said in the letter that state financial staff had found "significant discrepancies" in correspondences from Pencader in explaining why the school needed the \$350,000.

"In an attempt to resolve the discrepancies, Pencader has been unable to provide responses to specific requests from DOE, [the Office of Management and Budget] and Finance staff as we seek to determine a path forward for the school," she wrote.

Frank McIntosh, president of the Pencader school board, balked at accusations that his staff wasn't cooperating.

"Honestly, we don't know what discrepancies they're talking about. We don't know what questions they have that we supposedly haven't answered," he said. "All they're doing is throwing mud at us."

If the school closes early, its hundreds of students would head to feeder schools, causing problems with academic schedules and creating logistical hurdles for the affected districts.

McIntosh wrote to parents last week that he had given the state until Tuesday to make a decision or the school would start the process of closing early. But on Tuesday afternoon, he said that wouldn't happen right away.

In the email, McLaughlin asked the charter school in New Castle to "refrain from references to a self-determined April 23rd 'deadline' for the state to render a decision" and to give the state time to process everything. She also reiterated the state's "expectation" that Pencader allow its seniors to graduate and its students to transfer.

A DOE spokeswoman said that the school had sent the state more information Tuesday morning and that the department was processing it.

Matthew Albright can be reached at 324-2428 or at malbright@delawareonline.com.

OPINION

Sunday NewsJournal ...

Howard L. Griffin,
President and Publisher
David F. Ledford,
Executive Editor
John Sweeney,
Editorial Page Editor

QUOTE OF THE DAY

"... the IRS would probably view the method in which these retirees were rehired as a 'sham transaction.'" — DAVID C. CRAIK, DELAWARE PENSION ADMINISTRATOR in a letter to Pencader Charter School officials

JULY 22, 2012

A30

OUR VIEW

Charter school needs better steering

A year after escaping a state order shutdown due to financial mismanagement, Pencader Charter Business and Finance High School remains in dire need of critical budgetary and administrative oversight.

UNCLEAR FUTURE

This time last summer the challenge had to do with the fact that the school used up its share of state revenues before the school year ended.

But it won a reprieve, thanks to a fierce public relations campaign by students, parents and staffers, who argued the school's high academic test scores, that earned it a second chance.

Recent revelations of School Leader Ann Lewis' undocumented profes-

sional qualifications — combined with questionable salaries for minimal classroom for her husband and questionable bookkeeping that possibly violates Internal Revenue Service law — call into question the school's ability to fulfill its original mission.

In today's front-page story, reporter Nichole Dobo details how such a promising charter jeopardizes its future and that of its student with illegally questionable operations.

For example, Bob Lewis fired this spring for calling a student a "bitch," has been rehired at a salary of \$6,500 a month to teach just one class on "morals and ethics" to freshmen. But he was not listed as a teacher for the school, now he makes more than double the salary of teachers who work a

full day. Through a bookkeeping trick, Lewis's husband and a few other favored employees were reclassified as outside contractors, allowing them to draw an additional salary and collect pensions from earlier state teaching jobs.

Thankfully the State Board of Pension saw through the ruse, which abuse independent contractor guidelines, and is seeking to have the money repaid.

"If state employers replace regular jobs with independent contractors then contributions from working people to the pension plan will decrease. This will hurt the ability of the state to meet future pension obligations," David C. Craik, the Delaware pension administrator.

What is most troubling is that the Commission's staff had offered to walk Pencader through the necessary regulatory procedures to assure its hiring and bookkeeping was in compliance with standard public fiduciary requirements. But their offer was not heeded.

For a school chartered with a mission to teach business and finance to young developing minds, Pencader's leadership on this matter exhibits a galling hubris about their duty.

The actions require yet another consideration by the state Board of Education and Delaware's Department of Education with regard to the future leadership of Pencader and its ability to live up to the integrity of its charter.

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Pencader teachers appeal ruling

State finds conflict with pension, pay

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Pencader School Leader Ann Lewis

Written by
Nichole Dobo
The News Journal

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When the state Pension Office told officials at Pencader Charter Business and Finance High School that three of its teachers were double-dipping last October, collecting a state pension and a salary, its head of school, Ann Lewis, terminated the three.

"Due to the Office of Pension's stance that you cannot work as a seasonal employee, your employment with Pencader Charter High School is terminated effective October 1, 2011," states a one-sentence letter signed by "Ann E. Lewis Ph.D." addressed to her husband, who was one of the three teachers, and copied to the state.

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Pencader school leader Ann Lewis (left) prepares for the start of the Pencader Charter board meeting last month at the New Castle-area school. / WILLIAM BRETZGER/NEWS JOURNAL FILE

Aug. 22, 2002: The Delaware Pension Office letter states approval for Bob Lewis pension. Letter includes return-to-work status.

More

Or so the Pension Office thought.

School leader Ann Lewis instructed those working under her to remove the teachers, including her husband, Bob Lewis, from the state's payroll system in October. The three teachers were transformed into independent contractors. Ann Lewis' husband collected about \$6,500 a month from the school while continuing to draw his state pension.

About six months after the termination letter, Lewis' husband made headlines. Bob Lewis was fired after a Pencader student recorded him using the word "bitch" while admonishing a teenage girl in a math class.

Pension Administrator David Craik said the school told his office the teachers had been terminated. Craik believed the school no longer employed the teachers. But in March Craik realized this wasn't the case when he read in The News Journal about Bob Lewis' remarks.

The state determined all three instructors had remained at the school as independent contractors.

According to testimony at a recent pension hearing, Bob Lewis said he was responsible for teaching only one class, morals and ethics, in return for nearly \$6,500 a month. The rest of his time at the school, he said, was volunteering.

The Pension Office wants the three instructors to repay benefits they collected during that time. For Bob Lewis, that figure is \$25,610.58. The teachers have appealed the state ruling. Bob Lewis and an English teacher had hearings July 11. The third teacher has a hearing in September.

Page 1 2 3 4 5 6 7 8 Next:

Contact Nichole Dobo at 324-2281 or ndobo@delawareonline.com. On Twitter @NicholeDobo.

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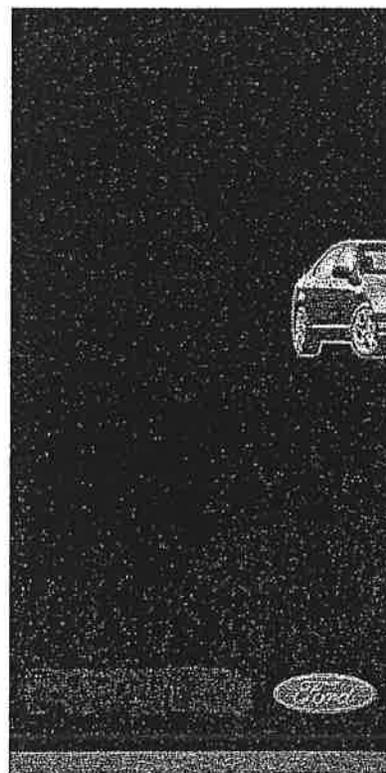


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Education department and charters share blame for failures

Once again there are Delaware charter schools in trouble. And once again the major contributing factor is poor fiscal management by their school boards and administrators.

This should never be the case. There are regulations in place under Delaware's Title 14 to insure that charters are run on a sound financial basis, with the Department of Education as the monitoring and enforcing body.

So, why, you might ask, has this happened again? The answer is not as simple as it might first appear.

The language in Delaware's Title 14 is very clear: DOE is "to develop a program of financial training to instruct members of ... the boards of charter schools, in properly discharging their responsibility to insure that public funds, including both state and local funds, are appropriately managed and expended ... The

aforementioned boards shall be required to attend such training as may be required by the Department."

Title 14 also states that the Department shall prepare a report for the governor and the General Assembly on the success or failure of charter schools and propose changes in state law necessary to improve or change the charter school program. The last such report provided by the Department of Education was in 2007.

Charter schools are also to have citizen oversight committees and regularly post school spending information for the public to see.

The infractions, mistakes and negligence on these issues are astounding. The very first problem in attempting to provide transparency for parents and the public is the difficulty in knowing where to find a particular charter school on DOE's site.

If a school has been chartered by a district, such as several in Red Clay, one must know where to look to review the information for that school.

It would seem to be common sense to have all charters clearly identifiable, no matter who chartered them.

We are told repeatedly that they are

public schools. They certainly receive public funds. Therefore, there is no reason why they should not be included on the same site as the rest.

In addition charter reports do not seem to be updated with any timeliness or accuracy.

For instance, Moyer Academy, a Wilmington charter school, was in such deep trouble a year ago that the state took it over and turned management over to an online for-profit entity known as K-12, Inc. Despite that, when I recently read Moyer's report on the DOE site all things looked fairly rosy, including the state's Academic Review rating of 3 out of 5 stars.

If you have no explanation for what this rating means - and I could find none - one might assume the score made them fairly average. Not so.

Regarding the financial morass most recently highlighted in several news accounts, the required training may or may not have occurred, been attended or resulted in a detailed report.

No matter. It appears there are no significant consequences for anyone at DOE for not monitoring their assigned charter closely, nor are there any consequences for

a charter that ignores any of the requirements.

Yes, they might eventually wind up with a warning and, at the most, probation.

But at this time, even with the latest proposed charter legislation, there are no teeth in this tiger. Relying on the honesty and goodwill of people handling money is a recipe for disaster.

I don't know who is responsible for deciding what consequences there should be for noncompliance for either DOE or the charters, but it should have been done long ago and certainly needs to be done now.

At this point the only ones feeling any consequences - and they are severe - are parents who chose the school, students who attend and have made friends and hope-fully academic gains, and the teachers at Claymont's Reach Academy for Girls, who have little expectation of receiving all the contracted pay they already earned during the school year.

So, who's minding the store? More important, who is supposed to be?

Barbara J. Finnan is a retired school teacher and a member of The News Journal's Community View board.



COMMUNITY VIEW

BARBARA J. FINNAN

7-5-11 PJ

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Play 4 Day	6-8-2-5	1-20-23-25-29	
Play 3 Night	1-3-8	Doubler	3
Play 4 Night	1-2-4-8	Lotto (Aug. 19)	
		2-25-28-30-33-35	

MARYLAND

Pick 3 Day	6-0-4	Bonus Match 5	
Pick 4 Day	5-2-1-2	4-26-28-36-39	
Pick 3 Night	9-1-6	Bonus Ball	19
Pick 4 Night	1-1-6-7	Multi-Match (Aug. 18)	
		9-10-13-19-24-26	

NEW JERSEY

Pick 3 Day	5-9-5	Cash 5	8-13-18-24-25
Pick 4 Day	9-9-6-4	Pick 6 (Aug. 18)	4-5-10-13-16-33
Pick 3 Night	2-9-4		
Pick 4 Night	5-2-6-6		

PENNSYLVANIA

Daily Day	2-8-1	Cash 5	10-19-24-36-43
Big 4 Day	5-2-4-3	Match 6 (Aug. 18)	8-20-26-27-29-4
Daily Night	0-1-3	Treasure Hunt	4-12-19-21-22
Big 4 Night	6-9-5-8		
Quinto Day	5-0-7-6-4		
Quinto Night	3-2-1-5-5		

Charter school revisions signed

Law gives more oversight on financial matters, board members

By **DOUG DENISON**
The News Journal

Gov. Jack Markell signed legislation Friday strengthening the state's procedures for dealing with charter schools that fall into financial trouble and mandating background checks for charter school leaders.

House Bill 205 requires charters to produce annual audits for public review and gives the Department of Education greater oversight authority when it comes to charter finances.

For charter schools in dire straits, the new law authorizes the state budget director to assemble a team of experts respon-

sible for thoroughly reviewing school finances and providing information to parents and school staff. Such teams would also have the ability to make certain financial decisions during the recovery stage. Similar rules exist for struggling school districts.

The law also forces charter schools to submit their charter renewal requests to the Department of Education earlier so that if a charter is not granted, parents have more time to place their students in other schools. It also adds more urgency to the process by which a well-performing school can inherit a struggling school's charter and keep the institution open.

A key part of HB 205 requires the DOE to perform background checks on charter school board members, and bars those convicted of felonies or crimes related to children from serving on boards. A board member also must disclose any financial connections he or she has with the school.

The General Assembly worked quickly to pass the legislation in June, prompted by a News Journal report that revealed the founder of the all-girls Reach Academy charter school in Claymont was a convicted child abuser, had filed for bankruptcy several times, and was spending school money with a company with which he was affiliated.

Financial woes at Reach Academy and Pencader Business and Finance Charter School in New

Castle threatened to close both schools this summer, but a special probationary arrangement agreed to by Secretary of Education Lillian Lowery convinced the state Board of Education to keep the schools open.

With the signing of HB 205, officials are hoping schools in financial trouble can be fixed before closure becomes imminent.

Bill sponsor Rep. Teresa Schooley, D-Newark, said the new law is a good revision to the charter school code, established in 1996.

"There have been some really successful charter schools and some that have not been so successful," she said. "This bill is a real good attempt at fixing some of the issues that came to light in the last couple of months."

Contact Doug Denison at 678-4271 or ddenison@delawareonline.com.

Charter school bill passes House

624-4
45

Legislation now moves to Senate

By J.L. MILLER
The News Journal

DOVER — Legislation to reform Delaware's charter school system by requiring background checks for charter founders and board members and placing the schools under tighter financial oversight got a unanimous passing grade in the House Thursday.

House Bill 205, sponsored by Rep. Terry Schooley, D-Newark, was prompted by a News Journal investigation that found the state Department of Education failed to check the credentials or criminal background of the founder of Reach Academy. Reach Academy is facing closure amid serious financial problems and a fight over control of the board.

The legislation, which now moves to the Senate for consideration, would require yearly mandatory external audits for char-

ter schools and allow the Office of Management and Budget to analyze the financial status of a struggling school and manage some of the school's finances. It also would require that decisions to close a school be made no later than January so parents can enter their children in the school-choice program and meet deadlines to get into charter schools.

"It's not a perfect bill, but I think it's a good start," said Rep. Harvey Kenton, R-Milford.

One flaw, Newark Democrat John Kowalko said, is the fact that a "highly successful charter school operator" is not defined in the bill. Highly successful operators would be able to take over struggling schools to keep them from closing. Schooley acknowledged there are problems with the bill and said talks will be considered during the legislative break to possibly fine-tune the legislation.

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Correcting charter flaws deserves fast-tracking

9:32 PM, Jun. 14, 2011|

Only the highest priority should demand any fast-tracking of legislation this close to the end of the General Assembly session.

Sunday's News Journal article "Checkered past goes unchecked," about the state's first all-girls public school, meets the standard. Through court documents and witness interviews, reporter Nicole Dobo detailed how Reach Academy founder Anthony White has been convicted of crimes against a child and is a serial bankruptcy filer, with multiple aliases.

In this its maiden year, the academy has had four heads of school, run out of money to pay teachers, and left a significant renter's debt as a tenant of a local church's school building.

House Speaker Robert Gilligan, summed up the bipartisan legislative response: "Incomprehensible."

Both houses are responding rapidly and responsibly. New legislation requiring background checks for charter board members is being prepared for a vote before this session ends with the month.

Thankfully, the entire Legislature sees the wisdom in carving out time in the coming

days to correct a flawed policy so that it prevents those with criminal backgrounds and inexperience at managing public dollars from holding any operating role at charter schools.

With the same sense of immediacy, Gov. Jack Markell's office says he is prepared to sign the legislation.

Whatever the final wording, this new bill must put an end to accusations and facts that the operating boards of charter schools are held to lower child welfare and fiscal integrity standards than their counterparts in traditional public schools.

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End lax oversight of charter schools

12:41 AM, Jun. 13, 2011

Believe it or not, there is something more egregious than a school board president with a record of serial bankruptcies, multiple aliases and accusations of sexually assaulting one of his children:

The state agencies responsible for approval of charter schools have no process in place to prevent an Anthony White reign at Reach Academy, the state's first public school for girls. ("Checkered past goes unchecked," Sunday.)

In their ambitious argument for improving public education, charter schools claim themselves a better option for academic success. Many live up to that promise. Their "best-for-less" model plays to the mandate for better test scores, with less regard for better physical facilities like traditional public schools have.

Unfortunately, in exchange for such contractual promises, the scrutiny of major players -- head of school, board members and finance officers -- is intolerable. These un-elected "school boards" are a window of opportunity for unchecked malfeasance.

Board opponents and the media do the work of accountability for claims made by candidates, a process clearly the responsibility of the Delaware Department of Education, State Board of Education and

the Charter School Accountability Committee.

As a result, charter board membership is too often a gift by social association or reputation. This perversion of "The Delaware Way" is how an apparent "operator" was able to help run Reach into the ground financially.

Reports of a \$900,000 deficit in the school's first few months are documented in part by \$31,000 for unspecified services on invoices paid to Mr. White's nonprofit school.

The mea culpa of state officials on this one is too late.

However, it's not too late to end the carte blanche agreement of lax oversight by the General Assembly and state officials out of desperation for tangible education reform.

What's happened at Reach Academy demands a plan for financial accountability with stricter review deadlines throughout

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the school year.

The state's seat at the table of these school boards' fiscal and administrative operations can no longer be left up to a proxy assumption that the reformer's good will is being carried out.

Diana Ravitch, former convert of the Bush administration's No Child Left Behind polices, recently said: "Charter schools vary in quality from excellent to abysmal."

No longer should students and their parents be the first ones to find this out in Delaware.

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