

THE FLORIDA DEPARTMENT OF EDUCATION  
CHARTER SCHOOL APPEALS COMMISSION

# Technical Assistance Paper

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APPEAL OF BELIEVER'S SCHOOL OF LEARNING, INC.  
NOTICE OF INTENT NOT TO RENEW A CHARTER SCHOOL CONTRACT

APPELLANT: THE BELIEVER'S SCHOOL OF LEARNING, INC.

APPELLEE: THE SCHOOL BOARD OF BRADFORD COUNTY

## INTRODUCTION

On August 12, 2004, the Bradford County School Board (hereinafter “School Board”) entered into a charter school contract (hereinafter “Contract”) with The Believer’s School of Learning, Inc. (hereinafter “School”) for a term ending on June 30, 2007. [See Tab 1]

During the term of Contract, certain financial and academic practices of concern were uncovered in annual audits and in routine reviews, leading to discussions between School Board, State DOE and School. The primary concerns related to alleged inappropriate expenditure of funds, alleged failure to comply with generally acceptable accounting practices, alleged inappropriate methods of developing IEP’s, and alleged failure to maintain the minimum required number of students.

On February 26, 2007, at a regularly scheduled meeting, the Superintendent of Schools for School Board recommended that Contract with School not be renewed or extended beyond the initial term for at least the reasons stated above. School Board voted 4-0 to accept the Superintendent’s recommendation. [See School Board’s Response to Appeal, unnumbered page 1; no meeting transcript provided]

On March 2, 2007, the Superintendent sent letters to School and its directors, its Notice of Intent Not to Renew Charter School Contract [hereinafter “Notice of Intent”], informing them of the decision of School Board not to renew or extend Contract, listing four primary (but not sole) reasons as set out above and providing School an opportunity for a hearing. [See Tab 2] Copies of return receipts for those letters appear in Tab 3, showing that School Board provided timely advice to School.

On May 14, 2007, at School’s request, School Board held an informal hearing. Accounts vary as to the fullness of the discussion. School says not all issues were addressed. [See Tab 4, unnumbered page 3] School Board contends there was a full discussion and dialogue of the issues between School and School Board, but that School failed to address all issues raised in the March 2 letter. [See School Board’s Response to Appeal, unnumbered page 2] After the hearing, during a regularly scheduled meeting, School Board voted 5-0 not to renew or extend Contract. [See School Board’s Response to Appeal, unnumbered page 2; no meeting transcript provided]

On May 21, 2007, The School Board notified the School of the vote at the May 14, 2007, meeting not to renew the charter school contract.

On July 19, 2007, School filed its appeal to School Board decision not to renew or extend Contract. [See Tab 4]

On August 21, 2007, School Board filed its Response to Appeal.

## ISSUE ONE

### **WHETHER SCHOOL BOARD HAD GOOD CAUSE NOT TO RENEW OR EXTEND CONTRACT BECAUSE OF AN UNRESOLVED ISSUE REGARDING THE IMPROPER EXPENDITURE OF FUNDS AS OUTLINED IN THE 2005 AUDIT. [F.S. §1002.33(8)(a)]**

- In its Notice of Intent, School Board states that more than \$26,000 was paid to a consulting firm and passed through to two individuals, one the head of School. School Board claims that School's explanation of the transaction was insufficient and that the repayment has not been tendered. [See Tab 2, page 1]
- In its Notice of Appeal, School claims the question of improper expenditures was not discussed during the informal hearing. School claims it thought the matter of the \$26,000 was resolved in a meeting with DOE. School admits that payments were made to the principal as her salary. School claims that the consulting firm paid the \$26,000 was duly constituted and paid salaries in accordance with the governance section of Contract. [See Tab 1, section 7.7]
- In its Response to Appeal, School Board cites Finding 05-2 in the District's 2005 Audit from the Auditor General's office [See Tab 5] for its contention that some \$26,000 was expended by School illegally. School paid such funds to B&M Consulting, Inc., owned, in part, by the School principal. Upon notice of this, the principal's solution was to dissolve the corporation, and then reincorporate with different directors. Further detail about the arrangement is found in the School Audit conducted by the Auditor General in 2006. [See Reportable Condition-Material Weakness, Section 06-4, Tab 6] In response to the 2006 Audit, School provided a handwritten 1099 form. [See Tab 7] School Board questioned the form, asking for additional verification, which has not been provided. Likewise, School Board contends that School has yet to verify compliance with the Auditor's recommendations in the 2006 Audit. School Board asserts that funds were expended improperly and have neither been accounted for nor returned to School. [See Response to Appeal, unnumbered page 2]
- Florida Law  
F.S. §1002.33(8) provides, in pertinent part:
  - “(a) The sponsor may choose not to renew or may terminate the charter for any of the following grounds:
    1. Failure to participate in the state's education accountability system created in s. 1008.31, as required in this section, or failure to meet the requirements for student performance stated in the charter.
    2. Failure to meet generally accepted standards of fiscal management.
    3. Violation of law
    4. Other good cause shown.”

## ISSUE TWO

### **WHETHER SCHOOL BOARD HAD GOOD CAUSE NOT TO RENEW OR EXTEND CONTRACT BECAUSE SCHOOL FAILED TO MEET GENERALLY ACCEPT STANDARDS OF FISCAL MANAGEMENT AND CONTINUES TO BE LATE IN ITS FILING OF FINANCIAL REPORTS. [F.S. §1002.33(8)(a)]**

- In Notice of Intent, School Board claims that School “has failed to meet generally accepted standards of fiscal management, and continues to be late in it’s [sic] filing of financial reports as required by the contract. [See Tab 2, page 1]
- In its Notice of Appeal, School claims financial reports are current. School also contends that management at School will be considered “at risk” as long as School staff consists solely of two people, to which School testified at the informal hearing.
- In its Response to Appeal, School Board points out that Contract requires School both to submit monthly financial reports [See Tab 1, page 14] and have an audit completed, copy to School Board, no more than four months after the end of each fiscal year. [See Tab 1, page 13] School Board asserts that the last usable financial report was submitted in February 2006. School submitted reports for April-June 2006, but School Board contends they did not balance nor could they be reconciled, and that no reports have been submitted in this fiscal year. “The cumulative effect of the 2006 Audit” [See Tab 8] “and the School’s inability or unwillingness to adequately address the findings therein,” School Board contends, “certainly provide adequate support for the Board’s decision not to renew..” [See Response to Appeal, unnumbered page 3] School Board notes, as an aside, that School ended the year with a negative balance approximating 14% of its annual budget. [ibid]
- Florida Law  
F.S. §1002.33(8) provides, in pertinent part:
  - “(a) The sponsor may choose not to renew or may terminate the charter for any of the following grounds:
    1. Failure to participate in the state’s education accountability system created in s. 1008.31, as required in this section, or failure to meet the requirements for student performance stated in the charter.
    2. Failure to meet generally accepted standards of fiscal management.
    3. Violation of law
    4. Other good cause shown.”

ISSUE THREE

**WHETHER SCHOOL BOARD HAD GOOD CAUSE NOT TO RENEW OR EXTEND CONTRACT BECAUSE SCHOOL IS NOT PROVIDING ADEQUATE AESE SERVICES AND THE DISCOVERY OF A FRAUDULENT IEP PLAN FOR A STUDENT HAS NOT BEEN RESOLVED OR ADDRESSED BY SCHOOL.**  
**[F.S. §1002.33(8)(a)]**

- In Notice of Intent, School Board states that School “is not providing adequate ESE services for it’s[sic]students and the discovery of two fraudulent IEP plans for two separate students has not been resolved or otherwise addressed by” School. [See Tab 2, page 1]
- In its Notice of Appeal, Applicant contends not providing adequate ESE services was not discussed at the informal hearing, and claims such services are provided within state and federal guidelines. [See Tab 4, unnumbered page 3] School then proceeds to explain in detail why it feels it complied with all applicable provisions of ESE, including required signatures on the IEP. School claims the principal was advised by School Board personnel that principal could sign as LEA and that the two teacher signatures were appropriately provided by ESE teachers. School further contends that the affidavits from the ESE teachers were coerced and that there was no wrong doing on School’s part. [See Tab 4, unnumbered pages 3 and 4]
- In its Response to Appeal, School Board contends that in 2006 it received an IEP for one of School’s students that was deficient in a number of areas. School Board wrote School for an explanation [See Tab 9], and it contends the IEP was fraudulently prepared by the principal and signatures on the IEP were fraudulently obtained. [See Tabs 10 and 11 for affidavits] The matter is pending before the Professional Practices Office, for which reason the School provided no information during the informal hearing on the Notice of Intent. School is incorrect in characterizing the method of obtaining the affidavits did not involve coercion, according to School Board. [ See Response to Appeal, unnumbered page 3]

- Florida Law
  - F.S. §1002.33(8) provides, in pertinent part:
    - “(a) The sponsor may choose not to renew or may terminate the charter for any of the following grounds:
      1. Failure to participate in the state’s education accountability system created in s. 1008.31, as required in this section, or failure to meet the requirements for student performance stated in the charter.
      2. Failure to meet generally accepted standards of fiscal management.
      3. Violation of law
      4. Other good cause shown.”

#### ISSUE FOUR

**WHETHER SCHOOL BOARD HAD GOOD CAUSE NOT TO RENEW OR EXTEND CONTRACT BECAUSE CURRENT ENROLLMENT IS LESS THAN THE MINIMUM THRESHOLD SET FORTH IN THE ORIGINAL TERM OF THE CONTRACT AND SCHOOL’S ORIGINAL PLAN PROJECTED AN ENROLLMENT OF 30 BY THIS TIME, RAISING DOUBT ABOUT THE FINANCIAL VIABILITY OF SCHOOL. [F.S. §1002.33(8)(a)]**

- In its Notice of Intent, School Board finds that current “enrollment is less than the minimum threshold (10 students) set forth in the original term of the contract. In addition, the school’s original plan projected an enrollment of more than 30 students at this point in time. From this perspective alone, the financial viability of the school is doubtful.” [See Tab 2, page 1]
- In its Notice of Appeal, School contends that its enrollment is eleven (11), claiming that two (2) students School Board claimed as enrolled in their schools really were enrolled at School, based on School Board’s method of counting students. School claims School Board falsified the records. [Tab 4, unnumbered page 4] School claims it should not have to follow School Board’s method of counting students, that it had requested in writing not to be “included in their policies and procedures based on section 1002.33(5)(d).” [ibid]

- In its Response to Appeal, School Board points out that Contract requires School to “maintain a minimum enrollment of ten(10) students at all times,” and makes failure to do so grounds for non-renewal. [See Tab 1, page 2, section 1.5(f)] School Board points out that School’s initial plan for growth called for an enrollment of 35 by year three of operation. [See Response to Appeal, unnumbered page 4.] School Board declares that “enrollment and FTE count have been an issue between” School Board and School from “the contract’s inception. [ibid] While School has objected to the method of School Board for counting students for the purposes of FTE, School Board counts students at School at the same time and in the same manner as other School’s in the District, and sees no reason why it should differentiate. At the time of the Board’s action not to renew Contract and at the time of the Notice of Intent, School’s enrollment was eight (8). [See Tab 13]
  
- Florida Law
  - F.S. §1002.33(8) provides, in pertinent part:
    - “(a) The sponsor may choose not to renew or may terminate the charter for any of the following grounds:
      1. Failure to participate in the state’s education accountability system created in s. 1008.31, as required in this section, or failure to meet the requirements for student performance stated in the charter.
      2. Failure to meet generally accepted standards of fiscal management.
      3. Violation of law
      4. Other good cause shown.”

DISCLAIMER: This TAP is intended to provide a brief summary of the school district’s reasons for denying the charter school application and the parties’ positions regarding such reasons. This TAP does not replace or supersede the record on appeal. To the extent inconsistent, the record on appeal shall govern. Interested persons should read the full record on appeal.