

PETITION AUDIT

# CHICKASHA PUBLIC SCHOOL DISTRICT

January 10, 2019

A photograph of the Oklahoma State Capitol dome, showing its white stone structure and the statue on top, set against a blue sky with white clouds.

*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**CHICKASHA PUBLIC SCHOOL DISTRICT**  
**PETITION AUDIT REPORT**  
**JANUARY 1, 2015 THROUGH JUNE 30, 2017**



# Oklahoma State Auditor & Inspector

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January 10, 2019

## **TO THE PETITIONERS AND CITIZENS OF THE CHICKASHA PUBLIC SCHOOL DISTRICT**

Pursuant to your request and in accordance with the requirements of 74 O.S. § 212(L), we performed an audit of the Chickasha Public School District for the period January 1, 2015 through June 30, 2017.

The objectives of our audit primarily included, but were not limited to, the concerns noted in the citizens petition. The results of this audit, related to these objectives, are presented in the accompanying report.

Because the procedures of our engagement did not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Chickasha Public School District for the period January 1, 2015 through June 30, 2017.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide services to the taxpayers of Oklahoma is of utmost importance.

This report is addressed to and is for the information and use of the petitioners and citizens of the Chickasha Public School District. This report is also a public document pursuant to the Oklahoma Open Records Act in accordance with 51 O.S. §§ 24A.1, *et seq.*

Sincerely,

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

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## Executive Summary

### Why We Conducted This Audit

Pursuant to a petition submitted by the citizens of the Chickasha Public School District (District) and verified by the Grady County Election Board and under the requirements of 74 O.S. § 212(L), the State Auditor and Inspector conducted an audit of the Chickasha Public Schools.

### What We Found

- All payments made by the District to the Oklahoma Public School Resource Center (OPSRC) were appropriate. The District did not make any Student Personalized Learning Campus (SPLC) related payments to the OPSRC. (Pg. 5)
- There was no evidence that any equipment was purchased or donated by the OPSRC or any other outside entity as a means of gaining undue influence with the District. (Pg. 7)
- The Board acted within their authority by authorizing the entire school district to close during spring break, the week of Thanksgiving, and for an extended period over the Christmas/New Year's holidays. However, some of the employee contracts did not accurately reflect the decision of the Board regarding the number of work days required per school year. (Pg. 9)
- The District purchased an ineffective attendance tracking system, Time Clock, for SPLC students that lacked the capability to interface directly with PowerSchool, the District's official attendance tracking system. The lack of an automatic interface resulted in numerous instances where absent SPLC students were not marked absent in PowerSchool. (Pg. 11)
- Time Clock provided students with the opportunity to login and subsequently depart the school without being noticed. However, there were no indications that actual attendance problems for SPLC students were significantly different from non-SPLC students. (Pg. 11)
- Senior District administrators claimed to be aware of significant attendance problems for almost a full year prior to raising the issue. (Pg. 19)



## Executive Summary

- Superintendent Dave Cash was hired by OPSRC as a consultant in October 2014. We found no evidence that Cash's employment was related to the District's decision to implement SPLC. However, District Board members interviewed had no knowledge about this contractual arrangement. (Pg. 20)
- It appears Superintendent Cash conducted work in support of OPSRC on District time. Three vacation days should have been taken to account for absences incurred while in travel status for OPSRC. (Pg. 21)
- No nepotism existed in the hiring of Superintendent Dave Cash's spouse and sister. It should also be noted that both individuals were properly qualified, the positions were properly posted, and the Board approved their contracts. (Pg. 23)
- The grade reporting process for SPLC science courses in the Spring 2017 semester was not properly followed. However, none of the grades were changed nor did any student unduly receive course credit. Of all other grades reviewed only one grade was improperly changed. (Pg. 25)
- The District paid substantial bond issuance costs and, although not required, failed to take advantage of a competitive selection process. In one instance, the District paid \$451,310 for bond issuance services that would have cost less than half this amount had the service provider been selected by competitive bid. (Pg. 33)

## Chickasha Public School District - Petition Audit

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**Introduction** The Chickasha Public School District Number 1, Grady County, Oklahoma, (District) is part of the Oklahoma State System of Public Education as described in 70 O.S. §§ 1-101 *et seq.* of the Oklahoma School Code.

The governing body of the District is the Board of Education (Board). As provided for in 70 O.S. § 5-117, the Board shall have the power to maintain and operate a complete public-school system of such character as the board of education shall deem best suited for the needs of the school district. The superintendent acts as the executive officer of the District.

### **Objectives**

#### **Defined**

In a petition<sup>1</sup> verified by the Grady County Election Board on February 23, 2018, the citizens of the District requested the assistance of the Oklahoma State Auditor and Inspector (SA&I) in conducting an audit of the following alleged concerns.

1. A review of all Oklahoma Public [sic] Resource Center contracts for possible misuse of public funds.
2. Review all technology-related purchases for comparison with current inventory records.
3. Review and compare the 260-262-day calendar contracts to actual days worked.
4. Review high school Student Personalized Learning Campus (SPLC) attendance records, reported to actual, for online curriculum logins.
5. Review possible double-dipping by former superintendent and other administrators related to the SPLC contract(s).
6. Review possible nepotism of district personnel between former superintendent and family members.

These allegations are reported on as “Objectives” in the following pages of this report. Two additional objectives that were not part of the petition, Student Grade Changes and Bonds, are also included in the report.

### **Organizations**

#### **Entities and**

#### **Terms**

The key entities and terms referred to throughout this report include:

- Student Personalized Learning Campus (SPLC) – SPLC is a concept representing a self-paced learning path for students outside of the traditional classroom environment. SPLC uses technology to customize education for students allowing them to learn in their preferred style and at their own pace. SPLC is for all levels of students yet it enables high-achieving students to accelerate academically, while it provides struggling students with additional time and help to gain competency. The program is designed to provide quality-learning options to better prepare students for post-secondary education and career opportunities.

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<sup>1</sup> A copy of the “Citizen Petition” is at Exhibit 1.

- Odysseyware – Odysseyware is an online school curriculum with over 300 available courses. According to their website, the curriculum is designed to be flexible in meeting the needs of all learners including those with special needs and those needing remediation. In the District, Odysseyware was utilized as course curriculum. *Odysseyware was not the official system for recording grades and attendance.*
- PowerSchool – PowerSchool was the official recordkeeping system for the District. PowerSchool was used to manage grades and attendance, along with the official reporting of this information. For SA&I's purposes, *PowerSchool was the official source for student grades and attendance.*
- Time Clock – Time Clock is a software program utilized for the recording of time that is normally used for payroll and timecard purposes. Time Clock was used by the District for the tracking of attendance for SPLC students.
- Oklahoma Public School Resource Center (OPSRC) – OPSRC is funded through private foundations and their services are open to all public schools in Oklahoma. Per their website, they offer consulting services, professional development, along with other services aimed toward assisting school districts with the challenges they face. OPSRC is not associated exclusively or in any special manner to the Chickasha Public School District.

***Perspective*** The developments leading up to the ‘Citizen Petition’ audit appeared to begin with the onset of a new administration, coupled with the implementation of SPLC, and the subsequent change both brought to the District. The “outside the box,” innovative concept of learning provided by the SPLC divided students, teachers, administrators, and ultimately the community.

SPLC was uncharted territory and some elements of the concept were not well planned or implemented. Tracking attendance, curriculum criteria, and monitoring progress of completion were some of the areas where questions began to emerge, and answers were either not readily available or properly disseminated.

Disinformation became common place and communication between the various factions broke down. The magnitude of negative comments made on both sides of the conflict, along with disinformation being widely communicated on social media, resulted in series of events detrimental to not only the District but to the community as a whole.

This situation, which could have easily been avoided, needlessly created a financial strain on limited District resources and promoted an unpleasant environment that was not conducive to providing the District’s students with the learning opportunities they deserved.

**OBJECTIVE I Oklahoma Public School Resource Center Contracts**

*Petition Objective*     *A review of all Oklahoma Public School Resource Center contracts for possible misuse of public funds.*

**Background**     Petitioners questioned contracts between the District and the Oklahoma Public School Resource Center (OPSRC). Their concern was about potential payments between the District and OPSRC in relation to the implementation of the District’s Student Personalized Learning Campus (SPLC).

**Memorandum of Understanding**

**Finding**     **The Memorandum of Understanding between the Chickasha Public School District and the Oklahoma Public School Resource Center appeared appropriate and included no SPLC related costs for the District.**

We reviewed the Memorandum of Understanding (MOU) between the District and OPSRC regarding any costs to the District associated with developing their Student Personalized Learning Campus.

The MOU dated January 12, 2016, defined the relationship between the District and OPSCR stating in part:

“collaboration between Chickasha and OPSRC, for the purpose of working with Ken Grover, principal, Innovations Early College High School (“Innovations”) ...consenting to consulting services by Kenneth Grover and participating in future discussions regarding implementation of Innovations’ educational model at Chickasha Public Schools.”

The MOU provided an outline for a collaborative idea to visit Innovations, obtain consulting services, and potentially implement the same educational strategy at Chickasha. The MOU specifically stated the costs and expenses of any visits to Salt Lake City, as well as any costs associated with consultations, or meetings with designated OPSRC representatives, would be provided at no charge to the District. There were no financial commitments between the District and OPSRC in the implementation of the SPLC.

**Services.** OPSRC and Chickasha agree to send representatives from both organizations to Innovations in Salt Lake City, Utah during 2016, the cost and expenses of such visit to be paid by OPSRC.

OPSRC's payment of costs associated with developing the District's SPLC was a benefit offered to any Oklahoma school district interested in implementing a personalized learning program.

**Personalized Learning/Momentum Schools:** OPSRC has developed a program for which members can apply to implement a personalized learning model on their campuses. OPSRC covers training and travel costs for the selected schools and supports the implementation of this new academic model. See [momentumschools.org](http://momentumschools.org) for more information.

**Invoices**

**Finding**

**The four contractual payments made by the Chickasha Public School District to the Oklahoma Public School Resource Center, between July 2014 and June 2018, were for an appropriate purpose and were supported with properly documented invoices.**

We reviewed all invoices and payments between the District and OPSRC. There were four payments made by the District, two for \$2,500 annual membership fees covering the 2014-2015 and 2015-2016 school years; and two for \$2,600, \$2,500 annual membership fees along with a \$100 annual web hosting fee for school years 2016-2017 and 2017-2018.

The fees charged and paid were consistent with any school district attaining the services of OPSRC<sup>2</sup>. We found no misuse of public funds in the financial transactions between the District and OPSRC.

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<sup>2</sup> See OPSRC Membership Flyer at Exhibit 2.

**OBJECTIVE II**

**INVENTORY**

*Petition Objective*      *Review all technology-related purchases for comparison with current inventory records.*

**Background**      The petitioners were not concerned about the maintenance of accurate inventory records, but instead alleged the District did not have sufficient funds available to pay for all the Information Technology (IT) equipment purchased over a two-year period. It was questioned as to whether OPSRC provided some of the IT equipment at low or no cost to the District in order to gain influence, or possibly to receive special favors.

It was also questioned if money donated by the Chickasha community to the Catalyst Education Fund, a program managed by OPSRC, was improperly used to purchase the equipment.

**Finding**      **There was no evidence that any equipment was purchased or donated by the Oklahoma Public School Resource Center or any other outside entity as a means of gaining undue influence with the District.**

The District made substantial IT purchases in the 2016-2017 as well as the 2017-2018 school years. In the 2016-2017 school year, according to the Oklahoma Cost Accounting System (OCAS), the District spent \$238,320.57 on technology related supplies. This correlates with the \$233,006.37 spent on IT purchases as documented in the District's accounting records. In the 2017-2018 school year an additional \$217,825.19 in IT related purchases were made.

We interviewed former and present administrators, teachers, and IT employees to ascertain whether any IT equipment had been donated to the District. No one was aware of any IT equipment being donated to the District.

**Catalyst Education Fund**

It was also suggested that OPSRC may have used money donated by the community through the Catalyst Education Fund to purchase IT equipment for the District.

**Finding**      **The money donated by the Chickasha community through the Catalyst Education Fund was returned to the District in full through the grant process.**

The Catalyst Education Fund (Fund) is a tax credit program that allows local businesses to directly support educational programs in Oklahoma's rural

public schools. OPSRC manages the Fund as the designated Educational Improvement Granting Organization<sup>3</sup>.

The Chickasha community donated \$220,000 between December 29, 2017 and January 3, 2018. On April 27, 2018, the District was awarded two grants totaling \$225,129, of which \$220,000 was donated by the Chickasha community and \$5,129 was awarded from unrestricted funds available through the Fund.

These grant funds were awarded to support the Chickasha High School Robotics Team and for District-wide purchases of information technology equipment.

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<sup>3</sup> See information on the Catalyst Education Fund at Exhibit 3.

**OBJECTIVE III**

**SCHOOL EMPLOYEE CONTRACT COMPLIANCE**

***Petition Objective***      ***Review and compare the 260-262-day school calendar contracts to actual days worked.***

**Background**      A concern was conveyed by a petitioner that District support personnel were employed under contracts requiring 260-262<sup>4</sup> work days per year but were not required to be present for all of those days.

According to school calendars, *every* school employee, both support personnel and teaching staff, received days off for spring break, the week of Thanksgiving and an extended Christmas holiday break. The petitioner maintained that District support employees should not have been paid for time off that resulted in the contractually required 260-262 work days not being fulfilled.

**Finding**      **The Board acted within their authority by authorizing the entire school district to close during spring break, the week of Thanksgiving, and for an extended period over the Christmas/New Year’s holidays. However, some of the employee contracts did not accurately reflect the decision of the Board regarding the number of work days required per school year.**

The master contracts<sup>5</sup> for the Chickasha United Teaching Association (CUTA) incorporated the approved school calendar each year with a work requirement of 1080 hours of classroom instruction as required by law. The approved school calendar incorporated days off for spring break, Thanksgiving week, and the extended Christmas holiday. The CUTA master contracts were the negotiated agreements between the certified teachers and the Board of Education of the District.

The master contracts for the Chickasha Association of Support Employees (CASE) did not specify a specific number of work days<sup>6</sup>. The 2016-2017 CASE contract did include a school calendar that reflected when the administration building would be closed but did not specify that support employees would be off work during those extended holidays.

The CASE contracts also included Sections 9.1 and 9.2 of Article IX: “Individual Contract” which reflected that all individual contracts would include the same details as the master contracts. Article IX stated:

<sup>4</sup> School Year 2015-2016 was 262 days; School Year 2016-2017 was 261 days; School Year 2017-2018 was 260 days.

<sup>5</sup> Contracts reviewed included school year 2015-2016, 2016-2017, and 2017-2018.

<sup>6</sup> Except for bus drivers and bus monitors, which included a 260-262 requirement.

**ARTICLE IX: INDIVIDUAL CONTRACT**

- 9.1 Each support employee shall enter into an individual contract with the Board. This contract shall give details as to salary, hours and contract days. Such contract will be consistent with the terms of this agreement.
- 9.2 All terms of this agreement shall be considered as terms of the individual contract between the Board and the support employee.

A sample of individual contracts were reviewed. The contracts for Administration Office Staff reflected salaries were figured on 260-262 days, including holidays and paid vacation as per the CASE negotiated agreement. The master contracts for some support employees stated pay was for anywhere from 262 days for grounds maintenance to 186 days for bus drivers or teachers' aides.

The school calendars for the three years reviewed were Board approved by unanimous vote and included the extra time off for spring break, Thanksgiving week and the Christmas holidays. The approval of the calendars took place before the CASE, CUTA, and any individual contracts were negotiated and signed.

We interviewed the five Board members who approved the 2016-2017 school calendar to determine if their intent, when voting for the number of work days required, was for all school employees to be off during the spring break, Thanksgiving, and Christmas holidays. Two of the Board members could not specifically recall the vote and the other three stated the intent of the Board was to give "the entire district" the extended time off. The Board President stated she, other Board members, and the superintendent, had specifically discussed ways of rewarding employees without giving them pay raises that the District could not afford.

Superintendent Cash also stated it was the District's intent to grant support employees the extra time off. He acknowledged employee contracts should have been written to reflect the number of days off per the board calendar, but not doing so was strictly an oversight.

Support employees were salaried employees and did not receive any additional money above their authorized salary amounts.

Although individual support employee contracts did not designate the required number of work days or the approved days off, the contracts did reference each contract would be in agreement with the master CASE contract.

The District has chosen to continue with the same general schedule for the 2018-2019 school year, with all employees receiving spring break, the week of Thanksgiving, and an extended period over the Christmas/New Year's holidays off. Current contracts reflect this schedule.

**OBJECTIVE IV      STUDENT PERSONALIZED LEARNING CAMPUS ATTENDANCE**

*Petition Objective      Review high school Student Personalized Learning Campus (SPLC) attendance records, reported to actual, for online curriculum logins.*

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**Background**      The petitioners interviewed, as well as several current and former District employees, voiced strong concerns about the adequacy and accuracy of the SPLC student attendance tracking system and process. Based on their comments we performed the following:

- 1) Evaluated the SPLC attendance tracking process for the 2016-2017 and 2017-2018 school years;
  - 2) Determined if the SPLC attendance tracking system contained sufficient controls to reasonably prevent abuse;
  - 3) Determined the accuracy of PowerSchool<sup>7</sup> attendance data for SPLC students; and
  - 4) Reviewed other attendance issues.
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**1) Evaluation of the SPLC Attendance Tracking Process**

Prior to the implementation of SPLC, discussions were held regarding the type of attendance recording system to be implemented, ranging from thumb print readers to swipe cards. A decision was made to utilize Virtual Time Clock<sup>8</sup> (Time Clock) with an approximate cost of \$300. Greg Hackney, the former IT Director, stated he proposed a biometric system that interfaced directly with PowerSchool for \$2,000 to \$3,000, but the decision to use Time Clock was made by Superintendent Cash because it was the “cheapest” solution.

Superintendent Cash confirmed he had discussions with Hackney regarding the purchase of the Time Clock system but denied responsibility for the purchasing decision, stating Hackney “was in charge of this.”

The District operated under the supposition that SPLC students had the same attendance requirements as non-SPLC students; only time spent at the school between 7 AM and 4 PM counted toward SPLC attendance.

**Tracking Process 2016-2017**

Paper sign in logs were used to track attendance for the first few months of the 2016-2017 school year. A school secretary collected these logs and

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<sup>7</sup> PowerSchool was the official attendance recordkeeping system for the District.

<sup>8</sup> Time Clock was the SPLC attendance tracking system students used to log in using a four-digit student code.

entered the information into PowerSchool. In October 2016, two Time Clock terminals were installed at the door of the “Freshman Building”<sup>9</sup> and students logged in/out with their unique 4-digit code. Once Time Clock became functional, the secretary printed out the “Activity Detail Report” from Time Clock daily and entered attendance information into PowerSchool.

**Tracking Process 2017-2018**

Due to the increase in size of the SPLC program in year two<sup>10</sup>, the SPLC program was moved out of the Freshman Building into a wing of the high school. Paper sign-in logs were used from the first day of school until September 12<sup>th</sup> at which time two Time Clock terminals were mounted just inside the side door of the high school, the main entrance to the SPLC wing.

There appeared to be no valid reason as to why Hackney did not have the Time Clock program operational at the beginning of the school year.

**Finding**

**Time Clock terminals at the main entrance into the SPLC wing were not directly monitored by a District employee with nothing preventing students from logging in and leaving and/or logging in classmates.**

Additional Time Clock terminals were eventually installed in each SPLC teacher’s room allowing teachers to monitor students signing in; but the unmonitored terminals at the main door were never deactivated. According to the Assistant Principal for SPLC, leaving the terminals by the entry/exit door active was a conscious decision due to the large number of students leaving after fifth period for athletics. Without these terminals the District anticipated that there would be a back-log in students exiting the building.

**Finding**

**The decision to hire an SPLC attendance secretary instead of implementing a biometric attendance system capable of directly interfacing with PowerSchool appeared to be a questionable financial decision.**

On October 1, 2017, due to perceived attendance issues, a SPLC specific attendance secretary was hired in a newly created position. It’s questionable as to why there were funds available to pay approximately \$2,000 per month for the position of attendance secretary but there were insufficient funds to pay for a biometric attendance system that could interface with PowerSchool at an approximate cost of \$2,000 to \$3,000.

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<sup>9</sup> During the 2016-2017 school year the SPLC program was housed in an annex to the main high school building referred to as the “Freshman Building.”

<sup>10</sup> Student count approximately doubled in year two.

Several SPLC teachers, administrators, the SPLC Assistant Principal, and the SPLC attendance secretary, indicated that, despite the obvious limitations with the Time Clock system, there was good oversight of SPLC attendance. They knew the students individually and knew which students warranted special monitoring.

The new attendance secretary created a cloud-based document that provided student attendance data for SPLC teachers and administrators. She stated that while tracking attendance, she was only personally aware of one student that had abused the system.

2) **Attendance Tracking System Control Issues**

Although Time Clock could be used for student attendance, it was designed for payroll purposes. The following issues were identified in the use of the system:

- Time Clock had no interface capability with PowerSchool so all attendance issues, once identified, had to be manually entered into PowerSchool daily.
- For the first year of SPLC, Hackney set the Time Clock software so that any student that clocked in during the day but failed to clock out by 4 PM was automatically clocked out at 4 PM by Time Clock.
- Time Clock lacked adequate error checking capability. In one instance an improper manual entry into Time Clock credited a student with nine hours and six minutes (9+06) instead of the three hours and six minutes (3+06) that the student was in attendance. The intent was to remove the first entry for six hours and replace it with the second entry for 3+06. However, the system did not flag the duplicate entry for the same time period.

Mon	1/29	8:20 AM	2:20 PM	In	6:00	A
		8:24 AM	11:30 AM	In	3:06	9:06 AM

- Any student could clock other students in/out of Time Clock if they were in possession of their 4-digit student code.
- Time Clock terminals were not directly monitored in any of their locations. Terminals in classrooms were not in a position where the teacher could see what was being entered. Terminals at the entry/exit door allowed students that wanted to take advantage of the system, especially in the 2017-2018 school year, the ability to do so.

3) *Accuracy of PowerSchool Attendance Records*

*2016-2017 School Year*

**Finding**

**The failure of having an adequate back-up system resulted in the loss of all Time Clock attendance data for the 2016-2017 school year. Because insufficient data was available we could not make a determination regarding the accuracy of PowerSchool attendance records for SPLC students for the 2016-2017 school year.**

Neither the paper sign-in sheets nor the “Activity Detail Reports” generated out of Time Clock, all of which were supposedly retained, could be located for the 2016-2017 school year. Furthermore, according to Hackney, the hard drive containing Time Clock records crashed and the data could not be recovered.

*Since there was no attendance source data available* to compare to PowerSchool, our only option was to review PowerSchool absentee data. Data was reviewed for 35 SPLC students for the Spring 2017 semester. For these students, we attempted to identify unusual differences between recorded absences for SPLC classes versus non-SPLC classes. No unusual differences were noted.

If unusual differences had been noted, it would have been indicative that problems in the transfer of SPLC attendance data into PowerSchool existed. Since no unusual differences were observed, we could not determine if the handwritten or Time Clock records had been properly transferred to PowerSchool.

*2017-2018 School Year*

Virtually none of the paper sign-in sheets nor the printed “Activity Detail Reports” generated from Time Clock could be located for the 2017-2018 school year. However, *electronic* Time Clock records were available as of September 13, 2017, and were compared to PowerSchool attendance data.

To determine whether attendance records were properly transcribed into PowerSchool for the 2017-2018 school year:

- We compared 10% of the SPLC student Time Clock electronic records for September 2017, October 2017, and April 2018<sup>11</sup> against

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<sup>11</sup> The new SPLC specific attendance secretary was responsible for transfer of absenteeism data into PowerSchool beginning in October 2017.

PowerSchool to determine if attendance information from Time Clock had been properly transferred into PowerSchool<sup>12</sup>.

**Finding**                    **For September 2017<sup>13</sup> there was an excessively high error rate in the transfer of student attendance information between Time Clock data and PowerSchool.**

Between September 13, 2017 and September 30, 2017, there were 48 instances where a student failed to log into Time Clock for the entire day with only 18 corresponding absences recorded in PowerSchool, a 37.5% accuracy rate.

There were 33 instances where a student failed to log the number of required SPLC hours with only three correct corresponding entries in PowerSchool, a 9.1% accuracy rate.

**Finding**                    **Based on our review of 24 SPLC students for October 2017, we identified 57 instances where Time Clock records were not properly reflected in PowerSchool.**

Beginning in October 2017, the newly hired SPLC specific attendance secretary was responsible for entering PowerSchool attendance data. Based on our review of attendance for 24 students for school days between October 6<sup>th</sup> and October 31<sup>st</sup>, we identified the following 57 exceptions:

- “16” students that did not log into Time Clock were not marked absent in PowerSchool;
- “35” students failed to log the required number of SPLC hours in Time Clock and there was no corresponding entry in PowerSchool<sup>14</sup>;
- “3” students logged less than the required amount of time in Time Clock but were not marked absent for all of the hours they lacked in PowerSchool.
- “3” students were present according to both the Time Clock and the attendance secretary’s spreadsheet but were marked absent in PowerSchool<sup>15</sup>.

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<sup>12</sup> We added four students to the random sample selection to ensure preferential or discriminatory treatment was not provided. Those added were two students related to school board members, one student related to an administrator, and one student whose parent voiced strong opposition to the SPLC program and the school administration.

<sup>13</sup> At this time the school secretary was responsible for transfer of absenteeism data into PowerSchool.

<sup>14</sup> For 27 of these entries the SPLC attendance secretary rounded up the time logged by students to the next whole hour when less than 40 minutes had been recorded.

<sup>15</sup> This could be for valid reasons such as the fact that it was discovered that the student was logged into Time Clock but was not physically present at the school.

**Finding**                      **As a whole, April 2018 Time Clock records were properly reflected in PowerSchool.**

We reviewed the April 2018 records to determine if SPLC attendance recording had improved since October 2017. We reviewed 28 student records for the 12 days school was in session, resulting in 336 entries. There were only three exceptions noted:

- “1” student failed to log into Time Clock but was not marked absent in PowerSchool;
- “2” students logged inadequate time in Time Clock but based on the rounding methodology used by the SPLC attendance secretary, no absence was recorded in PowerSchool<sup>16</sup>.

**4) Other Attendance Issues**

The following attendance issues were also reviewed:

- Students logging other students into Time Clock;
- Allegedly “tiny dots” in PowerSchool Attendance Reports were indicative of the removal of previously entered absences;
- Comparison of attendance issues for SPLC to non-SPLC students;
- Attendance data for one specific SPLC student.

**Students Logging Other Students into Time Clock**

**Finding**                      **There was no conclusive evidence a SPLC student logged in other SPLC students for the month of January 2018.**

We interviewed one SPLC student that claimed she logged in seven students for the entire month of January 2018. Four of the student’s names were provided from a text and three additional student names were provided during the interview. The student claimed she logged in all seven students within five minutes of her arrival time. The student provided a text asking her to log four of the seven students into Time Clock; the text provided the login codes for the four students.

We reviewed Time Clock data for all eight students to determine if the student’s login time was within five minutes of the login time of the other

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<sup>16</sup> For both entries, the SPLC attendance secretary rounded up the time logged by students to the next whole hour when less than 40 minutes had been recorded.

seven students. We found no evidence this student logged in any of the seven students at any time during the month of January as claimed.

The SPLC student who allegedly logged in the others was suspended from school for three days and the student sending the text received three days of in-school restriction.

**“Tiny dots” in PowerSchool Attendance Reports**

**Finding**

**According to evidence obtained, the “tiny dots” noted in the PowerSchool attendance reports were not indicative of removed absences.**

Per a notarized affidavit, dated January 29, 2018, the former high school counselor, stated “I know of hundreds of improper daily attendance changes.” During a subsequent interview SA&I requested supporting evidence for this assertion. Per the counselor, she did not remove any documentation from the District due to FERPA<sup>17</sup> but stated, “when an attendance record is changed in PowerSchool, a tiny dot remains.”

In order to verify this statement, we performed the following:

- Attempted to replicate the “tiny dot” in PowerSchool by deleting an absence;
- Contacted PowerSchool tech support to discuss the “tiny dot” issue; and
- Reviewed student records for correlation between “tiny dots” and absences.

We attempted to replicate the creation of a “tiny dot” by deleting an absence in PowerSchool. The deletion did not create a “tiny dot.”

According to a PowerSchool technical support representative, the “tiny dots” noted in the PowerSchool attendance reports were an indicator that a class was not scheduled for a period; unlike a full “dash” which was an indicator that school was not in session. The representative indicated there was “no symbol” on a PowerSchool attendance page that reflected an absence of any type had been removed.

We also reviewed student attendance records. In one instance an eighth-grade student had approximately 160<sup>18</sup> “tiny dots” in her attendance record. This student had three hours in excused absences and no unexcused

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<sup>17</sup> FERPA – Family Educational Rights and Privacy Act

<sup>18</sup> Each dot would represent one hour within a single school day.

absences for the entire 2017-2018 school year. According to the school secretary, this student had “great attendance” and the “tiny dots” could have appeared due to a “change of schedule.”

There would be no apparent motive for middle school personnel to delete absences improperly. It would also be highly unlikely that someone deleted 160 absences without these actions being detected and questioned by administration.

*Based on the overall evidence, there was no indication that hundreds of absences were improperly deleted in PowerSchool.*

### **Comparison of SPLC to non-SPLC Attendance Issues**

#### **Finding**

**There was not a significant difference in the documented attendance issues between SPLC students in the Fall of 2017 and non-SPLC students in the Fall of 2018.**

We reviewed the SPLC assistant principal’s disciplinary issues binder for SPLC students for September 2017 through November 2017. There were 10 attendance related issues included in the binder.

- “4” instances of a student leaving the high school without clocking out;
- “1” student was clocked in but could not be located in the high school;
- “1” student logged in a friend;
- “1” student had someone else log him in; and
- “3” instances of truancy without specific details.

We then compared the *number*<sup>19</sup> of binder attendance issues to the *number* of non-SPLC student attendance issues that occurred between September 2018 and November 2018. Forty-one issues were noted in the Fall of 2018 in comparison to 10 issues noted in the Fall of 2017.

Once adjustments were made for the difference in student population, it appeared there was no significant differences between documented attendance SPLC issues during the Fall of 2017 and documented attendance issues in the high school during the Fall of 2018.

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<sup>19</sup> SPLC was no longer in existence so the type of attendance issues would not be comparable; as such, we only compared the number of attendance issues.

**Attendance Data for one Specific SPLC Student**

**Finding**                    **One week of Canadian Valley Technology Center absences was not properly annotated in PowerSchool.**

**Finding**                    **Due to the lack of Time Clock data for the 2016-2017 school year, we were unable to ascertain whether the student's SPLC attendance record was properly documented in PowerSchool.**

Concerns were voiced that attendance data in PowerSchool did not accurately reflect a student's actual attendance for the Spring 2017 semester. The student was scheduled for three hours of SPLC classes each morning and for three hours at the Canadian Valley Technology Center (VoTech) each afternoon. Attendance records obtained from VoTech were compared to the corresponding PowerSchool records and the following issues were noted:

- Between May 1, 2017 and May 19, 2017, the student was absent every school day at the VoTech but was never marked absent for SPLC classes during the same time period in PowerSchool.

Because Time Clock records were not available for the 2016-2017 school year, there was no way to ascertain whether the student was absent from SPLC or if he was absent without those absences being properly logged into PowerSchool.

It appeared unique circumstances may have existed that made it possible the student went to SPLC in the morning and did not attend VoTech in the afternoon.

- For the week of May 15-19, 2017, VoTech records reflected the student was absent from his VoTech classes and these absences were not recorded in PowerSchool.

**Observation**                    Many of the allegations received concerning the lack of adequate attendance recording and tracking in SPLC came from teachers and administrators of the District. No documentation for these allegations could be provided and the first documented complaint we found of evidence of was almost **one year** after the implementation of SPLC.

**OBJECTIVE V**

**OPSRC PAYMENTS TO DISTRICT EMPLOYEES**

*Petition Objective*      *Review possible double-dipping by former superintendent and other administrators related to the SPLC contract(s).*

**Background**

Petitioners expressed concerns regarding the relationship between the OPSRC and District employees. It was questioned whether former Superintendent Dave Cash and other administrators had been paid by OPSRC for SPLC related work performed during District work hours.

Petitioners were under the misconception there were SPLC related contracts<sup>20</sup> between OPSRC and District administrators. SPLC is strictly an educational method; there is no SPLC company; there are no SPLC contracts or owners; and no one directly benefits financially from SPLC.

**Employment History**

**Finding**

**We found no evidence that the October 2014 employment of Superintendent Dave Cash as an OPSRC consultant was related to the January 2016 Board decision to implement SPLC.**

Superintendent Cash was employed with the District via a transitional contract on May 16, 2014 and began full-time employment with the District on July 1, 2014.

OPSRC hired Cash as a “Financial Services Committee Member” consultant, for \$1,000 per month, on October 9, 2014, to provide financial and consulting services to OPSRC and its member schools. According to OPSRC, he was one of three superintendents throughout the state hired to provide consulting services as a “1099 employee.”

Board members interviewed had no knowledge that Cash was employed by OPSRC while working for the District. We found nothing in Cash’s contract that precluded the outside employment agreement or required Board notification.

It should be noted the Board did not approve the implementation of SPLC until January 12, 2016, approximately 15 months following Cash’s employment as a consultant with OPSRC.

<sup>20</sup> Except for the Memorandum of Understanding discussed in Objective I.

**ITEM 7- Discussion and possible action on a Memorandum of Understanding between the Oklahoma Public Schools Resource Center and Chickasha Schools for assistance In Implementation of Innovations Education Model at Chickasha High School**

Mr. Ken Grover, principal at Innovations High School in Salt Lake City, UT, addressed the board about his school's education model. He said it is really about meeting each student's needs where they are at. Mr. Cash said the model fits very closely with Team Chickasha's vision and values, and makes perfect sense. Essentially, it is a school within a school that teaches a student at their level.

On a motion from Mr. Brown, seconded by Mr. Ludwell, the board voted to approve the Memorandum of Understanding between the OPSRC and CPS to implement the Innovations Education Model at CHS. Voting AYE: Ludwell, Badgett Sinn, Hibbard, Brown, Franco

**OPSRC Payments**

**Finding**

**It appears Superintendent Dave Cash conducted work in support of OPSRC on District time. Three vacation days should have been taken to account for absences incurred while in travel status for OPSRC.**

We reviewed all payments made by OPSRC to District employees for the purpose of determining if any employees were paid by OPSRC while working for the District. Except for travel related expenses for District employees to visit the SPLC equivalent program in Salt Lake City, Utah<sup>21</sup>, the only payments noted were to Superintendent Cash.

In addition to the \$1,000 monthly consulting fee, we noted four travel payments made to Cash by OPSRC during the time he was employed with the District. These payments were reviewed to determine whether the travel was District related. If the travel was not District related, we determined whether Cash used vacation time.

In three instances, Cash conducted business on behalf of OPSRC which was not relative to District business. He failed to use vacation time on these occasions. Cash did not receive any "pay" from OPSRC for these days but did receive mileage reimbursements totaling \$433.62.

Mileage Reimbursements Paid by OPSRC to Former Superintendent Dave Cash				
Travel Date	Expense	Day of the Week	Vacation Leave Taken	Amount of Reimbursement
July 13, 2017	Mileage	Thursday	No	\$211.68
July 18, 2017	Mileage	Tuesday	No	\$156.60
July 20, 2017	Mileage	Thursday	No	\$65.34
			Total	\$433.62

<sup>21</sup> These costs were paid by OPSRC as per the Memorandum of Understanding, see discussion in Objective I.

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Other than the \$1,000 monthly consulting fee and mileage, we found no evidence of any other disbursements to Cash. Outside of Salt Lake City travel reimbursements, we found no evidence of any payments to other District employees from OPSRC.

Cash was subsequently hired full-time by OPSRC effective November 1, 2017. At that time, the District retained Cash on a modified contract as the Superintendent Emeritus for a stipend of \$2,500 per month until the end of the 2017-2018 school year. The March 13, 2018 board meeting minutes reflected Cash resigned effective March 13, 2018 and his \$2,500 per month payment ceased as of January 16, 2018.

The board voted to modify the superintendent's contract to reflect that Mr. Cash will be the Superintendent Emeritus for the remainder of the 2017-2018 school year with duties to include, but not limited to, financial oversight, reporting and recommendations, to include budget preparation for the next fiscal year; leadership guidance; and policy review, analysis and recommendations for a stipend of \$2500 per month. Mr. Cash will not receive his normal salary and benefits but will only receive the \$2500 monthly stipend.

**OBJECTIVE VI**

**NEPOTISM**

*Petition Objective*    *Review possible nepotism of district personnel between former superintendent and family members.*

**Background**            Petitioners expressed concerns that the District hiring the spouse and sister of the former Superintendent Dave Cash was nepotism. There were also concerns these individuals lacked the proper qualifications, and that the appropriate hiring process was not followed.

*Nepotism*

**Finding**                **No nepotism existed in the hiring of Superintendent Dave Cash’s spouse and sister.**

Statute defines nepotism for school districts in 70 O.S. § 5-113.1(A) which states in part:

Except as otherwise provided in this section, no person may be employed or put under contract by a school district if that person is *related to a member of the board of education* of that school district within the second degree of consanguinity or affinity.  
[Emphasis added]

In addition, the Board maintained two employment policy letters neither which prohibited the hiring of individuals related to the school superintendent. The policy letter titled “Employment Practices” specifically addressed the District’s compliance with 70 O.S. § 5-113.1 stating in part:

In accordance with Oklahoma Statutes Title 70, Section 5-113.1, the board of education shall not consider for employment in any capacity a relative within the second degree of consanguinity or affinity of a board member.

As per statute and policy, the employment of Superintendent Cash’s spouse and sister did not constitute nepotism.

*Proper Qualifications*

**Finding**                **Superintendent Cash’s spouse and sister had the proper qualifications and/or certifications for the positions hired, the positions were properly posted, and the Board approved all initial and renewal contracts, including the amount of salary paid.**

Licensing requirements were reviewed for the positions held by Superintendent Cash’s spouse and sister. The spouse held the appropriate

certification for her position as a part-time Title I teacher at Lincoln Elementary School during 2015-2016 school year. Her positions of Data Teacher Trainer and Data Coach held during the 2016-2017 and 2017-2018 school years did not require certification.

The superintendent's sister was employed as the Alternative Education Director during the 2017-2018 school year and held an emergency teaching certificate for the same time period. Per the State Department of Education Director of Alternative Education, teachers employed in alternative education only need to hold a teaching certificate. The certificate does not have to be grade or content specific, as such the sister was properly certified for the position held.

The Chickasha School Board approved all employment actions related to the initial contracts and all subsequent renewal contracts involving the Cash's spouse and sister. The current Board president also articulated that Cash discussed the hiring of his spouse and sister with the Board and stated, "that if anyone on the Board had a problem with either hire, that he would not do it." No opposition was posed.

The positions for Cash's spouse and sister appeared to have been properly posted<sup>22</sup> and the salaries paid both employees were approved and within the norm.

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<sup>22</sup> According to the Chickasha United Teaching Association Master Contract all vacancies for any professional teaching position or extra duty position must be publicly posted.

**OBJECTIVE VII**

**GRADE CHANGES**

*Objective Determine if grades were changed improperly by Michelle Pontikos, the former high school principal.*

**Background** The State Department of Education requested the Office of Attorney General to conduct an investigation of improper grade changes in the District. The Oklahoma State Bureau of Investigation (OSBI) was then tasked by the Office of Attorney General to investigate “violations involving grade tampering of an online school program.”

Although a review of grade changes was not an original objective of the “Citizen Petition” a significant amount of data and information was obtained pertaining to *alleged* improper grade changes during interviews with concerned citizens, petitioners, and District employees.

Based on this information, it was determined a *limited* investigation would be conducted into alleged grade changes. For our investigative purposes, *a grade change was defined as changing an official grade that already existed in PowerSchool*<sup>23</sup>.

To further define our specific investigative procedures:

- 1) We performed an evaluation of the grades assigned to Lori Pettijohn’s Spring 2017 SPLC science students, specifically for the Biology, Chemistry, and Environmental Science courses.
- 2) We reviewed a PowerSchool report, provided by the attorney of a school employee, titled “List Records: Stored Grades” containing 100 student grade entries. The list represented grades that were allegedly changed by Michelle Pontikos, high school principal, after the end of the Spring 2017 semester.
- 3) We verified that six computer science grades entered into PowerSchool matched the grades documented per the teacher’s records.
- 4) We reviewed every grade assigned to thirteen students, including children of board members, children of administrators, and students or students whose parents had a personal relationship with the high school principal. This review was conducted for the Fall 2016, Spring 2017, and Fall 2017 semesters.

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<sup>23</sup> PowerSchool is the official recordkeeping system for the District and is used to track attendance, record grades, and create all official transcripts.

1) **Spring 2017 Science Grades**

The District employees involved in the posting of Spring 2017 science grades included:

- Lori Pettijohn – SPLC Science Teacher
- Jamie Wilson – Registrar
- Michelle Pontikos – High School Principal

Standard high school policy for the reporting of grades for all SPLC teachers required the following:

- a) Grades were to be e-mailed to the registrar;
- b) The registrar was to enter all grades into PowerSchool;
- c) A “Chickasha High School Check Out Sheet” was to be completed, signed, and submitted to administration by each teacher<sup>24</sup>;
- d) A copy of all final grades for each class taught was to be turned in by the teacher to one of the assistant principals; and
- e) Each “Check Out Sheet” was to be signed by the high school principal signifying the process was complete.

**Finding**

**It appears Lori Pettijohn failed to e-mail end-of-semester grades to the registrar as required.**

We reviewed all e-mails sent or received by Lori Pettijohn during May 2017. She sent e-mails on May 8, 2017, May 17, 2017, and May 20, 2017, to Jamie Wilson containing a total of 13 grades<sup>25</sup> for over 100 students.

As noted in the expected grade reporting policy defined above, *all* grades should have been emailed to the registrar.

**Finding**

**Jamie Wilson failed to notice that Lori Pettijohn had not provided her with all semester grades. She also failed to follow-up with Pettijohn to determine the status of the grades.**

According to the grade reporting policy noted above, Wilson was responsible for entering all grades into PowerSchool for SPLC teachers. For the Spring 2017 reporting period there were only five SPLC teachers. Wilson failed to notice she was missing the email reporting Pettijohn’s end-of-semester grades.

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<sup>24</sup> See an example of the Check Out Sheet at Exhibit 4.

<sup>25</sup> Nine for Semester 1 - Fall courses and four for Semester 2 - Spring courses.

**Finding**

**Michelle Pontikos failed to contact Pettijohn, or the assistant principal, in order to ascertain the status of the missing grades for the science class students.**

In June 2017, Pontikos became aware that approximately 100 science grades had not been entered into PowerSchool. Upon review she determined the grades had never been received by the registrar via e-mail.

At this time Pontikos *chose not to contact* Pettijohn<sup>26</sup>, nor did she attempt to contact the assistant principal who should have received a copy of all final grades as per the final “Check Out Sheet.” As the final signatory on the “Check Out Sheet,” Pontikos should have been aware of the requirement to turn in a hard copy of grades to an assistant principal.

**Pontikos’ Process for Determining Science Student Grades**

*Failure to take the appropriate action by Pettijohn, Wilson, and Pontikos resulted in grades, as assigned by Pettijohn, not being recorded in PowerSchool.*

As a result, Pontikos attempted to determine what grades Pettijohn would have assigned based upon Fall Odysseyware scores and the grades Pettijohn had submitted for the science students in the fall semester, along with current semester scores recorded for these students in Odysseyware.<sup>27</sup>

The grade determination process used by Pontikos was reviewed, in varying levels of detail, by Superintendent Cash, an assistant principal, and an SPLC teacher, in order to help ascertain the reasonableness of the process. They found the grade determination process used by Pontikos reasonable. However, the implementation process contained several errors.

**Finding**

**Based on a review of Pettijohn’s actual curve data, Pontikos’ determination that Pettijohn had utilized a four-point curve in the previous semester appeared reasonable.**

The majority of Pettijohn’s science grades were not recorded for the Spring 2017 semester, therefore Pontikos attempted to determine what grade each student should have received from Pettijohn based on Odysseyware data and the curving pattern used by Pettijohn during the previous semester.

Based on Pettijohn’s fall semester grades and the spring semester Odysseyware scores, Pontikos concluded Pettijohn had curved an average of four points. As such, Pontikos decided to apply a four-point curve to the

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<sup>26</sup> Pettijohn had taken a position at another school district.

<sup>27</sup> Odysseyware is a multimedia online curriculum providing more than 300 standards-aligned courses.

Odysseyware scores for the Spring 2017 Biology, Chemistry, and Environmental Science students.

**Finding**

**For the Spring 2017 semester, Pontikos applied the four-point curve to Biology, Chemistry, and Environmental Science scores, whereas Pettijohn only curved Chemistry scores.**

There were twenty-five instances where the grade assigned by Pontikos was one letter grade higher than the grade assigned by Pettijohn, twelve Biology, ten Environmental Science, and three Chemistry grades. Twenty-two of these differences were caused by the fact that Pontikos applied a four-point curve to all three of the science classes when unbeknownst to her, Pettijohn had only curved the Chemistry scores for spring and only by three points.

Of the three Chemistry grades that were different, two were the result of mathematical errors in the curve application and the third was caused by the application of a four-point curve by Pontikos when a three-point curve was applied by Pettijohn.

**Finding**

**All students receiving a grade from Pontikos earned course credit.**

Pontikos used a “Gradebook Report” out of Odysseyware provided by an assistant principal, to determine each student’s course status which was comprised of a completion percentage and a final course score.

Only students with 100% “Progress,” meaning they had completed all course work, received a final grade from Pontikos.

**Did Pontikos Change Grades In PowerSchool?**

**Finding**

**No Spring 2017 science grades were changed by Pontikos.**

We reviewed PowerSchool data to determine who actually entered the final science grades for Pettijohn’s 109 students. Eleven students did not complete their assigned course and did not receive course credit or a grade; 17 grades were entered by the registrar; one grade was entered by a counselor; and 80 grades were *entered* by Pontikos.

None of the 80 grades entered into PowerSchool by Pontikos **changed** an existing grade. These 80 grades were determined by the evaluation and curving process discussed above and resulted in the **initial** assignment of grades in PowerSchool; there were no existing grades that were changed.

**Did Pontikos Apply the Four-Point Curve Consistently?**

**Finding**

**With exception of four curving errors, Pontikos consistently applied the four-point curve to Spring 2017 semester grades.**

We obtained the Odysseyware grades used by Pontikos, added four points, and compared the resulting scores against the transcript grades in PowerSchool to determine if Pontikos applied the four-point curve consistently.

There were four grades where the curve was not applied consistently:

- Two grades were not curved up one letter grade after adding the four-point curve; a 76.5, curved to an 80.5, remained a C and an 85.8, curved to an 89.8 remained a B. Both grades were reported to the current administration and have since been corrected.
- Two students received grades above what they earned. A 76.9 which already included the four-point curve (72.9+4) became a B and an 88 which also included the four-point curve (84+4) became an A. We informed administration of these instances.

**Review of Science Grades After They Were Located by the District**

**Finding**

**After the science grades were located by the District, an internal review failed to discover that one student had been assigned a grade by Pontikos in PowerSchool one letter lower than the grade assigned by Pettijohn.**

The District's review of the newly located grades was to ensure that no student received course credit that was not due. However, their review failed to discover that one student had in fact earned an "A" from Pettijohn but had only been credited with a "B" in PowerSchool.

SA&I determined this by comparing each grade assigned by Pettijohn against the corresponding grade entered into PowerSchool by Pontikos. This grade was reported to the current administration and has been corrected.

**Summary of Spring 2017 Science Grades**

There were multiple points of failure in the assigning of the Spring 2017 science grades:

- Pettijohn failed to e-mail grades to the registrar as required;
- Wilson failed to notice that she had not received Pettijohn's grades;

- Pontikos failed to contact Pettijohn and/or the assistant principal to ascertain if grades had been emailed or if a hard copy of the grades had been turned in by Pettijohn;
- The process used by Pontikos to determine grades assumed that grades in all three science courses had been curved in the second semester as in the first semester; however, Pettijohn only curved Chemistry scores in the second semester;
- The process applied to determine grades by Pontikos, while logically sound, was not always followed, resulting in four grades being improperly curved; and
- The review of the actual grades, once located, failed to notice that one student was given a lower grade than the student had earned.

2) 100 “List Records: Stored Grades”

**Finding**

**Of the 100 entries presented in the “List Records: Stored Grades” report, we found evidence of one improper grade change. Pontikos changed one existing fall semester grade because, according to her, she failed to notice that a grade had already been entered. The grade she entered for this Environmental Science student was consistent with the grades (including her curve) that she assigned to other Environmental Science students.**

We reviewed a list of 100 student records titled “List Records: Stored Grades” provided by the attorney of a school employee. The list allegedly represented grades that were changed by Pontikos after the end of the Spring 2017 semester. The report did not contain student names, only student identification numbers.

We were able to identify 81 of the 100 entries by name and reviewed 76 grade entries after removing four duplicate records and one record that did not contain a grade.

The data for the 76 entries reviewed included:

1. Sixty-six initial grades for Pettijohn’s science students;
2. Seven initial grades for other courses; and
3. Three entries for grade changes.

The 66 initial science grades listed in this document *were part of* Pettijohn’s science students previously discussed in this report on page 26-29.

For the seven initial grades recorded by Pontikos, four of the teachers concurred and two had no specific recollection. In one instance there was dissension on whether the grade Pontikos assigned was earned by the

student. However, the decision to award the grade was made by Pontikos after meeting with the student's parent and the school counselor.

Statute does not specifically define the final authority for grade assignments. Based upon conversations with State Department of Education counsel, and current and former principals and administrators, it appears that Michelle Pontikos, as the high school principal, would have been the final authority in grade decisions.

For the **three** grade changes entered by Pontikos, two of the changes were for the same student in an Individualized Education Program (IEP). Two "F's" were changed to two "D's" after the mother of the student voiced an issue with the F's because she believed the IEP was not followed properly.

The assistant principal called in the "case manager" for the student and together they determined the "grade justification," which is required when failing an IEP student, was either not completed or was filled out incorrectly. In addition, the parent was not contacted prior to the grade being assigned, which is also required when an IEP student is assigned a failing grade.

Based on the joint review by the assistant principal and the case manager, it was determined the IEP was not followed properly and the student should have received a "D." Pontikos was informed and agreed that the "D" was warranted. The assistant principal informed the registrar, the principal, the case manager and a special education teacher of the decision by e-mail.

The third grade change was for a Fall 2016 Environmental Science student that did not complete the course until the end of the Spring 2017 semester. This student had a recorded grade of "D" in PowerSchool which was changed to a "C" by Pontikos.

This student was on the list used by Pontikos to enter missing science grades for the Spring 2017 semester as discussed above. Based upon applying the four-point curve, the student would have received a "C" as per Pontikos' curving process. According to Pontikos, her policy was to only enter grades for students that did not already have a grade in PowerSchool; however, she admitted that the grade was changed erroneously. It did not appear that this student was connected or related to any Board member or administrator.

### 3) **Computer Science Grades**

A teacher voiced a concern that six of her students who earned "F's" during the Spring 2016 semester may have had their grades changed. The teacher provided the course titles and the student names for review.

**Finding**                    **All six student transcripts indicated the grades remained as originally assigned by the teacher.**

We reviewed the transcripts for six computer science students from May 2016 to determine if any of the “F’s” assigned by the teacher had been changed by the District administration. School records indicated a grade of “F” had been assigned for each student.

**4) Review of Selected Student Grades**

**Finding**                    **It appeared that three grade entries made by Pontikos were appropriate.**

We reviewed every grade assigned to thirteen selected students that were related to board members, administrators, as well as students or students’ with parents who had a close relationship to Pontikos. The review was conducted for the Fall 2016, Spring 2017, and Fall 2017 semesters.

We noted Pontikos had entered one grade for three different students. Two of these grades were for Pettijohn’s science students as previously discussed. For the third grade in question, the student’s teacher stated that the grade entered by Pontikos was correct.

**OBJECTIVE VIII**

**BONDS**

*Objective*

*Discuss costs associated with the issuance of school bonds.*

**Background**

Bond related issues were not an original objective of the “Citizen Petition.” Board members and District administration voiced a strong desire for costs and expenses related to the issuance of bonds approved by the voters be reported to the citizens of the District.

Voters in the District approved the following bond issues between 2004 and 2018. As part of the ballot voters also approved property-tax assessments to pay for the bonds.

<b>Bond Issues Approved</b>	
<b>Date of Ballot Approval</b>	<b>Amount</b>
April 6, 2004	\$11,515,000 <sup>28</sup>
April 4, 2006	\$450,000 <sup>29</sup>
April 1, 2008	\$13,265,000 <sup>30</sup>
April 6, 2010	\$20,235,000 <sup>29</sup>
<b>Total</b>	<b>\$45,465,000</b>

The District subsequently *issued* these bonds in series over subsequent years.

**Finding**

**The District paid substantial bond issuance costs and, although not required, failed to take advantage of a competitive selection process.**

Per the Oklahoma State Bond Advisor, in a 2014 e-mail conversation with a District board member, Chickasha overpaid bond issuance costs. The e-mail reflected in part:

“In the case of the Chickasha ISO, the financial advisor, bond counsel, and underwriter each charged \$141,200 (one percent 1.0% of the issue size) -not including an additional fee of \$3,000 for bond counsel expenses and \$24,710 for Authority counsel. While lease transactions of this type are more complicated than the normal general obligation bond issues marketed by Oklahoma school districts, they are not uncommon and the documentation is fairly standard. ***In my opinion, there is nothing in this transaction that could justify fees of \$451,310*** for the referenced services. Had these service providers been competitively selected and the fees based on work performed, rather than a percentage of the issue size, ***the District could have secured an equal or better transaction for less than one-half of this cost.***” [Emphasis added]

<sup>28</sup> \$11,215,000 to construct, equip, repair, and remodel school buildings; acquire school furniture, fixtures, and equipment; and acquire and improve school sites, and \$300,000 to purchase transportation equipment.

<sup>29</sup> To construct, equip, repair, and remodel school buildings; acquire school furniture, fixtures, and equipment; and acquire and improve school sites

<sup>30</sup> \$12,765,000 to construct, equip, repair, and remodel school buildings; acquire school furniture, fixtures, and equipment; and acquire and improve school sites, and \$500,000 to purchase transportation equipment.

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Although state government entities are required to competitively bid costs of issuance, school districts and other local governments are not. Few if any school districts, including the Chickasha Public School District, take advantage of competitive bidding in relation to bond issuance costs.

### Finding

**The District has paid \$1,731,264 to financial advisors, law firms, banks, and others as “costs of issuance” of the bond issues.**

The District issued its general-obligation bonds in series over subsequent years following voter approval. Costs of issuance were paid every time a series was issued. Likewise, costs of issuance were paid when the District contracted for the issuance of lease-revenue bonds in conjunction with its general-obligation bonds. As such, costs of issuance were paid multiple times in relation to the same bond issues.

The following firms and individuals received payment as costs of issuance for District bond issues:

<b>Costs of Issuance</b>		
<b>Entity</b>	<b>Purpose</b>	<b>Amount</b>
Stephen H. McDonald & Assoc.	Financial Advisor	\$584,450
Floyd Law Firm	Bond Counsel	\$254,100
D.A. Davidson & Co.	Underwriter	\$248,100
BancFirst	Trustee	\$101,000
Kirkpatrick Pettis	Underwriter	\$100,000
Stephen L. Smith Corp.	Financial Advisor	\$99,906
Johanning & Byrom	Bond Counsel	\$96,000
UMB Bank	Trustee	\$63,900
Phil Gordon	Authority Counsel	\$50,985
Grady County School Finance Authority	Authority	\$27,483
Ted Pool	Authority Counsel	\$20,000
Kutak Rock	Underwriter Counsel	\$15,000
Okarche Economic Development Authority	Authority	\$14,400
S & P	Rating	\$14,000
Moody's	Rating	\$13,000
County Treasurer's Trustee	Mortgage Tax	\$9,600
Image Master	Printer	\$6,060
School Legal Services	District Counsel	\$5,000
Park, Nelson, Caywood & Jones	District Counsel	\$4,500
Phillips Murrah	Bond Counsel	\$3,780
	<b>Total</b>	<b>\$1,731,264</b>

**Exhibit 1**

**CITIZEN PETITION REQUEST FOR SPECIAL AUDIT BY THE STATE AUDITOR & INSPECTOR**

We, the undersigned electors of the Chickasha Public School District, Grady County, do hereby petition and request you to examine the books of said School District pursuant to 74 O.S. § 212(L), for the period including, but not limited to, January 1, 2015 through June 30, 2017. Specifically, our investigation will include, at a minimum:

1. A review of all Oklahoma Public School Resource Center contracts for possible misuse of public funds.
2. Review all technology-related purchases for comparison with current inventory records.
3. Review and compare the 260-262 day school calendar contracts to actual days worked.
4. Review high school Student Personalized Learning Campus (SPLC) attendance records, reported to actual, for online curriculum logins.
5. Review possible double-dipping by former superintendent and other administrators related to the SPLC contract(s).
6. Review possible nepotism of district personnel between former superintendent and family members.

Some of the concerns identified above may reference a time period shorter or longer than stated due to the nature of the concern and the time frame in which it is alleged to have occurred. The Office of the State Auditor is not precluded from examining other records or issues of which we become aware that may be outside the scope of the audit stated on this petition.

The estimated cost of said investigation will range from \$50,000 to \$75,000 which shall be paid by the Chickasha Public School District, Grady County, Oklahoma, in accordance with 74 O.S. § 212(L)(7). The estimated cost is based on estimated audit hours and travel expenses.

We further understand that the circulators of the petition have thirty (30) days from the date this petition was emailed by the State Auditor and Inspector to obtain the requisite number of signatures and return it to the State Auditor and Inspector.

74 O.S. § 212(L)(8) states the names of the signers of any petition shall be confidential and neither the State Auditor and Inspector, the county election board, nor the county treasurer may release them to any other person or entity except upon an order from a court of competent jurisdiction.

**A F F I D A V I T**

We, the undersigned being of lawful age, upon oath or affirmation and subject to the criminal penalty for perjury, as prescribed by 21 O.S § 500, to the best of his/her knowledge and belief declare that he/she is a resident of the Chickasha Public School District, an elector in Grady County, and that he/she resides at the address designated on this petition.

NAME (PRINT)	ADDRESS (PRINT)	SIGNATURE	County	DATE
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**DUE BACK February 6, 2018, BY 5:00 PM**

**EXHIBIT 2**

**Why Should I Join?**



**OPSRC membership costs \$2,500/year, and members have access to the following benefits:**

**Consulting Services:** The OPSRC's five directors are some of the most talented folks in the state within their respective fields of finance, technology, teaching & learning, communications and legal counsel. As a member, you get full access—phone, email, or in person—to all five individuals.

**Professional Development:** With OPSRC membership, you get access to all our professional development, both in person and online. Visit our website ([opsrc.net](http://opsrc.net)) for details on all scheduled events. However, if you have need for a specific training that isn't listed, we will work hard to accommodate your requests. Furthermore, we allow schools—with SDE approval—to use Title II funds should they want access to our PD.

**Products:**

- **Website Offering:** We have developed a cutting-edge website offering that provides significant cost savings to schools. We train you to manage your site, and you will only pay \$100 or \$350/year thereafter depending on specific functionality. For an additional fee, schools can pay for a parent messaging tool. Please visit our website for details.
- **NWEA Subsidy:** OPSRC provides a significant subsidy for use of NWEA's Measuring Academic Progress (MAP) assessment tool. Details on the subsidy are as follows:
  - Your district pays \$1000 for the "Getting Started with MAP" online training. NWEA pricing is a 3-year tiered system.
  - Year 1: the district pays \$4.50 per student and OPSRC pays \$8.00.
  - Year 2: the district pays \$6.50 per student and OPSRC pays \$6.00.
  - Year 3: the district pays \$8.50 per student and OPSRC pays \$4.00.
  - NWEA and OPSRC will host regional training workshops that representatives from your district can attend.
- **Employee Benefits:** OPSRC and Educational Benefits, Inc. have joined forces to offer school districts savings in benefits administration and employee benefit costs.

**Personalized Learning/Momentum Schools:** OPSRC has developed a program for which members can apply to implement a personalized learning model on their campuses. OPSRC covers training and travel costs for the selected schools and supports the implementation of this new academic model. See [momentumschools.org](http://momentumschools.org) for more information.



**EXHIBIT 3**

## WHAT IS CEF?

The Catalyst Ed Fund (CEF) is a unique tax credit program that allows businesses to directly support innovative educational programs in Oklahoma's rural public schools.

The scholarship act requires that each EIGO dispersed at least 90% of the money it receives each calendar year as grants for eligible schools during the following academic year, with no more than 10% of contributions available to pay administrative costs.

These funds will significantly impact public schools' ability to deliver an excellent education to students in Oklahoma's rural public schools.

## ABOUT THE OPSRC

The Oklahoma Public School Resource Center (OPSRC) is a non-profit organization that provides support services and technical assistance to all of Oklahoma's public schools in the areas of school finance, law, technology, communications and teaching and learning. The center is an advocate for quality public education for all students and is a resource to all educational stakeholders to provide accurate, current information about best practices and policy information. The OPSRC EIGO, Inc. serves as the Educational Improvement Granting Organization (EIGO) for the Catalyst Education Fund (CEF).

All donations to the CEF are welcome and appreciated, and we will acknowledge all who contribute. Please remit all donations to: Catalyst Ed Fund, Inc.

Source: [www.catalystedfund.org](http://www.catalystedfund.org)

**EXHIBIT 4**

**CHICKASHA HIGH SCHOOL - CHECK OUT SHEET 2016-17**

Mrs. Russell:

\_\_\_\_\_ All activity accounts are closed out; receipt book is turned in.

\_\_\_\_\_ All keys are labeled and turned in.

Mrs. Snow

\_\_\_\_\_ List of all students who received a failing grade. (F LIST)

\_\_\_\_\_ Copy of all final grades for each class.

Mrs. Nelson

\_\_\_\_\_ Classroom has been cleaned; all items have been removed from walls.

\_\_\_\_\_ End of year survey/information sheet

Mrs. Widener

\_\_\_\_\_ All technology is returned to media center.

\_\_\_\_\_ All textbooks have been inventoried in classroom and obligation list has been submitted to Mrs. Widener.

Mr. Bray

\_\_\_\_\_ Teacher binder turned in with sub folder and emergency folder.

Teacher Name \_\_\_\_\_

Address \_\_\_\_\_

Contact Number \_\_\_\_\_

Mrs. Pontikos

\_\_\_\_\_ Room Assignment/ Tentative Teaching Assignment

\_\_\_\_\_ Checkout sheet complete.

***DISCLAIMER***

In this report, there may be references to state statutes and legal authorities which appear to be potentially relevant to the issues reviewed by the State Auditor & Inspector's Office. This Office has no jurisdiction, authority, purpose, or intent by the issuance of this report to determine the guilt, innocence, culpability, or liability, if any, of any person or entity for any act, omission, or transaction reviewed. Such determinations are within the exclusive jurisdiction of regulatory, law-enforcement, prosecutorial, and/or judicial authorities designated by law.



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