

Fresno County 2012-2013 Grand Jury Report # 4

Investigation of the New Millennium Institute of Education

INTRODUCTION

On September 16, 2012 the *Fresno Bee* published a story detailing problems with a charter school within Fresno Unified School District (FUSD), the New Millennium Institute of Education. The article alleged that the school operated in violation of its charter and perhaps was allowed to continue to operate due to the area it served and the presence of a FUSD board member on its payroll. Subsequently two citizens came forth with formal complaints regarding the school.

After a preliminary review of the issues and interviewing people with knowledge of the school's operations, it was concluded that a full-scale investigation by the grand jury was warranted.

BACKGROUND

California Education Code Section 47600 was enacted in 1992 to permit community members to establish schools that operate independently from the school districts in which they are formed. The intent was to allow more creative ways of delivering curriculum, while still holding the schools accountable for meeting established school outcomes. These "charter schools" could focus on targeting the needs of specific student populations. Each charter was granted initially for a period of five years, with the possibility for subsequent five-year renewals based on satisfactory performance.

While charter schools are established under the authority of a local school board, they operate independently of that board's policies. The chartering school board has a limited oversight role that entails making an annual site visit, designating a contact person, reviewing the fiscal condition of the school, and ensuring the school files all reports required of it.

Charter schools, as well as traditional schools, are funded by the State at a per-student rate that is based on average daily attendance (ADA). There are also several other state and federal funding sources which are based on such factors as poverty, lunch programs, non-English speaking students, etc.

New Millennium Institute of Education (NM) was originally chartered in 1998 by Fresno Unified School District (FUSD) under the auspices of Youth Opportunities Unlimited. This organization underwent name and focus changes and is currently called Fresno Career Development Institute, Inc. (FCDI). It continues to be the sponsoring agency of NM. The school's target

population has always been the at-risk students from the West side of Fresno, most of whom had either dropped out or been expelled from traditional schools.

The article in the Fresno Bee and the complainants alleged that NM was being grossly mismanaged, the students were being poorly educated, and there was no financial accountability. Reference was made to the charter renewal process in 2008 when several stipulations were made of NM, but most of those seemed to have been ignored. Further, the article alleged a change in the method of how the students were taught was made, from a “seated” program to one based almost exclusively on independent study, without approval of FUSD.

PURPOSE OF THE INVESTIGATION

After conducting initial interviews and taking a tour of New Millennium facilities the grand jury decided to make an independent recommendation to Fresno Unified School District as to whether the charter for the school should be renewed, as scheduled, at the end of the 2012-13 school year.

DISCUSSION

In May 2008 the charter of New Millennium was renewed with a set of 14 stipulations that were to have been addressed within one year. The most egregious of these issues was the potential need to repay as much as \$2 million to the State Department of Education (CDE) due to failures within the independent study program to properly document the work completed. As of the fall of 2012 there was little documentation that showed the problems had been resolved. The financial issue, however, was negotiated with the CDE whereby the school is repaying \$800,000 over 8 years.

The grand jury decided against getting involved with the issue of a FUSD Board member being in the employ of NM. A FUSD Board member cannot be an employee of a school within FUSD, but charter schools are considered outside the district, hence such employment is acceptable.

The role of the FUSD board concerning oversight of charter schools was questioned during this investigation. Currently the board only reviews the schools when the charters come up for renewal or they become a regular agenda item. FUSD has a one-person office in charge of oversight responsibilities for charter schools. With currently ten schools to oversee, and with an average of two coming up for renewal every year, this person’s ability to monitor programs for compliance is limited. In the case of a school such as New Millennium, where many sanctions are imposed as conditions of renewal, the school may not receive the necessary scrutiny. It may be advisable for the FUSD board to have a procedure in place to ensure the school remedies the noted problems.

If stability is the cornerstone of a school, NM is a classic example of an organization in constant flux. The leader of the board has not changed, but he is an individual with admittedly no background in education. Since the 2008 charter renewal there have been at least 6 people

overseeing academics, with such titles as superintendent, principal, and vice principal. The board of directors has lost three of its seven members, and the ten person teaching staff has no members who were with the school in 2008. There clearly is a lack of stability and continuity.

This is a school that claims to have the students foremost in mind, but the evidence points that the primary interest is retaining the charter and the funding associated with it. There are numerous examples of actions taken to meet a standard or impress those with oversight, only to revert back to business as usual once the appropriate notice has been taken of the action. These actions range from seeking WASC (Western Association of Schools and Colleges) accreditation to purchasing unnecessary and unused computerized teaching aids.

In an independent study program students are given a packet of assignments that may encompass several subjects. They are expected to work on that packet during the week, at the end of which they are required to meet with a teacher for one hour to discuss the work. There is no formal instruction of the material by the teacher. At the end of the session with the teacher forms are signed, which become the basis for the payment of ADA money by the CDE. Such a system is ripe for abuse and was the basis for the conditions under which the school was required to repay \$800,000 in unearned funds from a 2008 audit.

The CDE code allows for schools to deliver curricula on an independent study basis. It recognizes there is a student population for which this is an appropriate mode of instruction. There is a web page devoted to the subject: "Is Independent Study Right for My Student?" It notes that in order to be successful, students electing independent study need to be motivated and highly committed, with sufficient academic preparation. The students at NM do not fit this profile. These students have either been expelled or have dropped out of traditional programs and are usually performing below grade level upon entry into NM. They require more, rather than less, attention to their academic needs.

The bottom line is this school, which is chartered to target its programs towards the academic success of a particular student population, has failed miserably to accomplish this goal. After fifteen years of operation the test scores of its students are among the lowest within the schools of FUSD, including other charter and continuation schools, with fewer than five percent proficient in any of the core subject areas. Table 1, STAR Test Results by School/District by Year details these results. In addition to the raw data, there is no indication that any progress is being made to correct these deficiencies. In contrast, FUSD test results show that each year its students reach a higher level of proficiency in every subject area. This is what one should expect from a school chartered to serve a specific student profile.

On page 21 of their 2008 renewal petition, New Millennium made a commitment "...ALL students will participate in the STAR and CAHSEE testing opportunities to demonstrate their progress toward meeting state standards" (emphasis theirs). They note that in the latest year available at that time, 2006-07, a significantly higher percentage had participated in the testing process than ever before (this percentage was 87.2%). It should be noted that the very next

year the percentage dropped to 64%. It would appear the commitment was to charter renewal, not the evaluation of student progress.

The poor performance of New Millennium's students cannot be attributed to a lack of funds. With annual revenues in excess of \$2.2 million (over \$9,000 per student) the school seems to be doing very well financially. For the fiscal year ending 6/30/12 the school had a surplus of \$166,000, which led to a net asset balance of \$464,000. This is after repaying \$100,000 to CDE for the 2009 settlement and \$112,000 to FCDI for administrative services. Over \$400,000 went to "other expenses", a category that excludes any student services or support. It appears New Millennium had resources it could have used to provide additional help to its struggling students.

The grand jury interviewed more than a dozen people with knowledge of New Millennium's operations. Only those who are currently associated with the school believed the school's charter should be renewed. Several derisive comments were made concerning the school, including one that said the school was considered a joke by the community. The first-day enrollment numbers (Table 1) indicate support for the school by the local community is declining. The students being served by this school clearly need to be accommodated, but equally clearly, New Millennium is not the answer. There are a number of alternative schools available to these students, both within FUSD and other charter schools. These students deserve a better opportunity at getting their high school diplomas.

CONCLUSION

After almost fifteen years of operation, New Millennium has shown no indication that it is capable of providing a competent education to its target student constituency. The common criteria for comparison of schools is the standardized tests administered annually to all schools and New Millennium has performed at a rate far below that which should be expected of a school chartered expressly to serve a targeted set of students. We recommend the charter not be renewed.

FINDINGS

- F401 New Millennium utilizes a mode of instruction that is largely inappropriate for their student population.
- F402 After fifteen years, no more than five percent of New Millennium's students are proficient in subject matter considered essential for a high school graduate. This is far less than a comparable charter school, S.O.U.L. (Table 1)
- F403 The Fresno Unified School District Board needs to be more involved in ensuring the conditions and stipulations specified in the Memorandums of Understanding and Notices to Cure are responded to in a timely manner and appropriate actions are taken.

RECOMMENDATIONS

The 2012-13 Fresno County Grand Jury recommends that the following be implemented:

- R401 The Fresno Unified School District Board not renew the charter for New Millennium Institute of Education when it comes up for renewal as of July 1, 2013. (F401, F402)
- R402 The Fresno Unified School District Board implement a process, such as using a subcommittee, whereby charter MOU's are reviewed on a timely basis. (F403)

REQUEST FOR RESPONDENTS

Pursuant to Penal Code §933.05, the Fresno County Grand Jury requests responses to each of the specific findings and recommendations. It is required that responses from elected officials are due within 60 days of the receipt of this report and 90 days for others.

RESPONDENTS

- President, Fresno Unified School District Board of Trustees with concurrence of other board members (F401, F402, F403, R401, R402)

SOURCES AND REFERENCES

“Troubled Charter Keeps Getting Chances”; Alan Wileman and Sam Cosby; Fresno Bee, Sept. 16, 2012, pg 1.

California State Department of Education Web Site: <http://www.cde.ca.gov>; numerous references including test results and statutes

2010-11 and 2011-12 Audited Financial Statements for New Millennium Institute of Education

Witnesses Interviewed included but were not limited to:

Board members and administrators of New Millennium Institute for Education
Former teachers and administrators at New Millennium
Board members, administrators, and staff of Fresno Unified School District

ATTACHMENTS

Table 1

STAR Test Results by School/District by Year

New Millennium Institute of Education													
Year	Total enroll 1st Day	Total number tested	Pct Tested	English - Language Arts		History		Mathematics		Science CTS		Science End-of-course	
				Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv
2008	570	365	64.0%	359	3.90%	202	1.50%	224	2.70%	136	2.20%	134	0.70%
2009	264	259	98.1%	254	2.40%	166	4.80%	198	3.00%	59	11.90%	134	2.20%
2010	309	255	82.5%	243	5.30%	147	2.70%	137	6.60%	65	3.10%	75	4.00%
2011	235	176	74.9%	165	2.40%	124	1.60%	98	0.00%	56	0.00%	67	3.00%
2012	184	176	95.7%	167	4.20%	93	1.10%	159	0.60%	48	4.20%	84	4.80%
Cambridge Continuation High School													
Year	Total enroll 1st Day	Total number tested	Pct Tested	English - Language Arts		History		Mathematics		Science CTS		Science End-of-course	
				Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv
2009	241	240	99.6%	240	3.80%	208	5.80%	146	1.40%	77	2.60%	78	12.80%
2010	230	225	97.8%	216	4.20%	195	11.30%	126	4.00%	43	0.00%	51	25.50%
2011	234	232	99.1%	228	3.50%	213	12.70%	198	1.50%	49	10.20%	94	21.30%
2012	245	245	100.0%	242	5.00%	227	16.30%	144	0.70%	49	6.10%	87	11.50%
School of Unlimited Learning (S.O.U.L.)													
Year	Total enroll 1st Day	Total number tested	Pct Tested	English - Language Arts		History		Mathematics		Science CTS		Science End-of-course	
				Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv
2009	185	155	83.8%	151	6.00%	94	8.50%	77	3.90%	43	4.70%	46	13.00%
2010	155	154	99.4%	153	6.50%	117	6.80%	71	2.80%	46	8.70%	64	9.40%
2011	146	132	90.4%	120	10.00%	93	4.30%	64	3.10%	44	4.50%	57	10.50%
2012	147	146	99.3%	138	9.40%	87	6.90%	81	4.90%	43	7.00%	63	6.30%
Fresno Unified School District *													
Year	Total enroll 1st Day	Total number tested	Pct Tested	English - Language Arts		History		Mathematics		Science CTS		Science End-of-course	
				Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv	Students w/scores	Pct Proficient or adv
2009	56,212	55,572	98.9%	52,456	35.90%	15,230	28.50%	51,690	37.10%	15,187	35.00%	13,724	20.50%
2010	55,291	54,868	99.2%	51,442	37.80%	14,836	32.10%	50,646	39.50%	14,932	37.70%	13,171	24.40%
2011	54,550	53,964	98.9%	50,284	39.20%	14,336	34.70%	48,783	40.10%	14,354	39.80%	12,679	26.20%
2012	54,201	53,654	99.0%	49,899	42.10%	14,281	35.70%	49,668	42.30%	14,215	42.30%	12,868	25.90%
* It is noteworthy that in every subject area, each year the percentage of students who are proficient has increased.													