

Questions for CCS Board of Education w/ Commentary

Introduction: Below are the questions presented to the CCS BOE on January 13, 2014. I used the information attached to the CCS response letter dated February 6, 2014 to answer some of the questions which are represented by the *red italicized* text. Additional personal comments are provided in **blue bold** text. Robert Queen

1. Approximately two years ago, The Star reported that CCS was providing cell phones for school bus drivers. *CCS provided a list of 171 cell phones assigned to school buses and 157 assigned to school, maintenance, and administrative personnel. Copies of Verizon Wireless bills were also provided.*
 - a. Is this program still in effect? *Yes.* If so, how many bus drivers are provided with cell phones? *171. The Board should consider eliminating the bus driver cell phones. I contend that most, if not all, bus drivers have their own cell phones that can be used in an emergency. Most calling plans have unlimited minutes and it does not cost the cell phone owner any additional money to make a few calls related to driving a bus. This could save \$50k per year.*
 - b. Are there any other CCS employees that are provided cell phones or reimbursed for cell phone usage? *Yes, 157. No indication as to whether any employees are reimbursed for cell phone usage. The Board should consider eliminating some of the CCS employee cell phones for additional savings.*
 - c. Are the phones provided by CCS considered smartphones or basic phones? *No answer.*
 - d. Who is the cell carrier providing service and how much are the monthly costs for cell phones? *It appears that there are two separate cell phone accounts. One account costs \$639.86 per month. The second account averages \$7,587.10 per month for the two months shown. This totals \$8,226.96 per month or \$98,723.52 per year. It should be noted that the two bills provided by CCS were both past due. There is no excuse for CCS bills being past due. This is another example of someone not “watching the store.”*
2. At a June 2013 Board meeting, David Pless indicated that the transportation department planned to install GPS on all the school buses. It appears that there was no Board action taken on this.
 - a. Does the Board have input into transportation expenditures or is this handled by the State Board of Education or DPI?
 - b. What prompted the use of GPS on buses? Has there been an issue of keeping track of buses?
There was no attempt to answer or provide information for this question. I expect the State transportation department is “mandating” and paying for this but wanted confirmation. The amount spent on GPS would buy one new bus each year. It may be that we need to complain to the state for wasting money on GPS.
3. According to personnel documents on the Board website, 227 employees (91 Licensed and 136 Classified) have resigned from CCS between November of 2012 and December 2013. This appears to be a resignation rate of over 10%. *CCS provided a 2012-2013 Teacher Turnover Report.*

- a. What are the top three reasons given by employees for separating from CCS? *The top three reasons for resignation was shown as 1.) resigned to teach in another NC public school system, 2.) resigned for family relocation, and 3.) resigned to teach in another state.*
 - b. Is the Board or administration taking steps to improve employee retention? *No answer.*
4. During one of the candidate forums last fall, it became apparent that the four primary high schools are not on the same daily class schedule. This affects the number of advanced placement classes that students can take at a particular high school. The school systems have been merged for many years, why are the high schools still operating on different schedules? Is the Board taking steps to develop one standard schedule for the four high schools?
There was no attempt to answer or provide information for this question. After 10 years, it appears the three school systems are still not truly merged. All the schools, especially middle and high schools, should be on the same clock schedule so all the students can have the same opportunities.
5. I understand the Board has contracted with The Star for communication/advertising services. *CCS provided copies of a March 22, 2010 contract, a September 1, 2012 contract, and a Powerpoint presentation of the CCS Communication Program dated January 14, 2013.*
- a. How many years has the contract been in place and what is the yearly cost? *It appears the contract has been in place since March 22, 2010. The 2010 contract was for \$25k of ad placement and \$38k annually for consultant work. The 2012 contract was for \$28k of ad placement and \$38.5k annually for consultant work. Both contracts automatically renew for one year terms.*
 - b. What does The Star provide as part of the contract? *Photography, marketing feedback, marketing meetings, and ad placement.*
 - c. How many billboards have been used for advertising and what was the cost for each billboard? *No number was given. However, both contracts included \$6k per year in outdoor billboard advertising.*
 - d. Why was the advertising program started? *According to the Powerpoint presentation, the communication program was part of the strategic plan development in 2008.*
 - e. Did Skip Foster or any other Star employee have an individual consulting contract with the Board? *No answer or information provided.*
- It is agreed that CCS needs to have better communication with the community. However, a lot of the billboards and advertisements shown in the Powerpoint appear to be directed at how much better CCS is than local charter schools. While this may be true, CCS should be focused on its own students and parents instead of worrying about charter schools. The superintendent and board members have made it clear that they do not approve of charter schools.**
6. I understand several athletic facilities had to be upgraded to comply with Title IX requirements. *CCS provided a list of all capital projects completed from the 2008/09 school year through the 2012/13 school year. The projects completed specifically for Title IX were not identified. CCS also provided a copy of a Draft Resolution Agreement between CCS and the Office for Civil Rights. The agreement outlined what CCS agreed to accomplish to comply with Title IX requirements.*

- a. Were the upgrades initiated by a complaint from a parent or the public or directly from the federal government? *This question was not answered specifically. It appears the Office of Civil Rights conducted a standard audit of the school facilities and identified areas that needed to be corrected.*
- b. What was the total cost of the Title IX upgrades and where did the funds come from? *A total cost could not be calculated. It appears the funds come from the regular school system capital funds.*

It's understood that the Board had no choice but to comply with Title IX requirements. If the Board would let the public know what had to be done to meet OCR guidelines, the public could petition our elected officials at the national level for some relief. We are all in this together and could help ourselves (school system, students, parents, and taxpayers) if we knew what was going on.

7. At Crest High School, the freshman academy was moved from a side hallway to the hallway next to the bus parking lot. If I understand the capital projects expenditure list, this required approximately \$17,000 for new storefront doors and \$7,000 for a new sidewalk next to the bus parking lot. Students at Crest have told me that they are not allowed to walk down the freshman hall unless they are freshmen. I understand the sidewalk was required to give non-freshmen a path to walk around the freshman hall.
 - a. Why was the freshman academy moved and who approved it?
 - b. Was the approving authority aware it was going to cost \$24k to accommodate the move?
 - c. Were there any other costs associated with actually moving the freshman class materials from one hall to another?
 - d. Why can't non-freshman walk through the freshman hall to get to their classes?

There was no attempt to answer or provide information for this question.

There may have been good reason for moving the freshman academy. The taxpayers should know whether there is an approval process in place for changes like this so that funds are not spent unnecessarily or at the whim of a few individuals.

8. Much has been claimed about the cost of the new Central Services facility and Turning Point Academy. For the items below, please provide separate costs for Central Services and TPA. *CCS provided a copy of the February 27, 2012 board meeting minutes approving the re-purposing contract for the former Shelby Middle School. CCS also provided a copy of the standard AIA contract between CCS and Beam Construction Company, Inc. of Cherryville, NC. Included with the contract was a list of value engineering items and a list of extras and credits. Other documentation provided showed invoices and purchase orders for furniture.*
 - a. What was the cost of the winning bid for the renovation of Shelby Middle into Central Services and TPA? *The original bid by Beam Construction was over \$11.3 million. Value engineering changes dropped the bid to \$8,979,040 which included \$400k of contingency funds.*
 - b. Provide a list of all change orders accomplished during construction. Please provide the cost for the change order and a one or two sentence description of what the change order covered. *This information was provided in the list of extras and credits. \$360,690 of the contingency was spent for unforeseen changes and extras. This left \$39,310 of contingency.*

- c. Provide a list of projects completed at Central Services and TPA after the initial contract was closed. List projects accomplished by the prime contractor, sub-contractors, or third party contractors hired directly by CCS. Please provide the cost of each project and a one or two sentence description of the project. *CCS indicated that additional projects at Central Services were included in the list of capital projects provided for question 6 above. According to this list, \$810,537.27 was spent in school years 2011/12 and 2012/13. According to a capital project list on the board's website from 2-24-14, \$61,813.81 has been spent so far in the 2013/14 school year with \$124,263.94 in encumbered projects.*
- d. Provide a list of projects completed by school maintenance or IT personnel. Please include the cost of the manhours and materials used in each project along with a one or two sentence description of the project. *See question c above.*
- e. Provide a list of any equipment, materials, or furniture purchased for Central Services or TPA that was not included in the lists above. *Based on vendor invoices, it appears \$73,297.56 was spent in new furniture.*

Adding everything listed above together, it appears monies spent on the Central Services and TPA buildings totals \$10,009,642.58 including encumbered projects.

The information provided for this question was the most complete of any. The problem here is that money is continually being spent on Central Services and TPA while teachers have classrooms covered in mold and mildew, their computers are outdated, and furniture is in disrepair. The kids and teachers are not being taken care of first.

9. Regarding Central Services, provide a list of personnel who work in the Central Services building. Please include their title, salary, time in their current position, and a one or two sentence job description. *CCS provided a list of all CCS employees including assignment, location, salary, and hire date. There was no way to determine from this list who actually works inside the Central Services building. I am still researching information as to administrative pay and raises.*
10. I understand CCS has an open account with Denver Restaurant Equipment Company. *CCS provided a CD with copies of purchases from DREC for the time period requested. No attempt was made to arrange the data. I am still reviewing this data for certain purchases.*
 - a. Please provide a list of all equipment purchased since January 2008. Include the cost and where the equipment was originally placed. *No information provided on where the equipment was placed.*
 - b. Please indicate if any of this equipment has been moved to another location or to surplus. *No information provided.*

I am still researching the information provided for any anomalies.

11. I understand the Board has been sued by Thomas Jefferson Classical Academy, Piedmont Community Charter School, and Lincoln Charter School. The lawsuit alleges CCS underfunded them approximately \$102k for the 2009-10 school year. *CCS provided a copy of a letter from the NC School Boards Association indicating that the school's liability insurance through the NCSBA Trust would cover defense costs for this suit. However, the letter further states that the Trust will not cover any judgments for willful violation of any*

law, criminal acts, financial malfeasance, financial dishonesty, financial mismanagement or negligence, and/or bookkeeping, accounting or billing errors.

- a. Is this suit still active or has it been settled? *No information provided.*
- b. How much has the Board spent in legal fees defending the lawsuit? *Based on the letter from the NCSBA, it appears that the Board has not had to pay any legal fees in defense of this suit.*
- c. I have read many of the court documents including a deposition by David Lee. According to his deposition, Mr. Lee transferred approximately \$4.8 million from the current expense fund into a “special fund.” Was the Board aware of and did the Board approve the creation of the special fund and transfer of monies? *No information provided.*

After reading the case information online, it appears that CCS may be correct in the actions they took and the funds calculated for transfer to the charter schools. However, the appearance and timing of transferring the funds does look inappropriate. I can understand why the charter schools filed suit. It would be nice for the public to know the outcome of this case. If CCS loses, it will cost much more than the \$102k in question.

12. At the November 25, 2013 Board meeting, approval was given for three contracts with ESELPI for staffing services. *CCS provided a copy of the three contracts and a copy of the board meeting minutes approving the contracts.*
 - a. The agreement states that ESELPI will provide qualified personnel on an as-needed basis. Exactly what are the personnel qualified to provide? The agreement never specifically addresses the service needed. *At the end of each contract is an Appendix A which shows that one of the contracts was for a Speech Pathologist (\$64.00 per hour) and the other two were for Speech Pathologist Assistants (\$54.50 per hour).*
 - b. What is the total cost of the agreements? Is there a “not to exceed” amount? *Based on the contracts, the Speech Pathologist is guaranteed a minimum of \$53,760 for 21 hours per week for 10 months. Anything over 21 hours is paid at time and a half. One assistant is guaranteed a minimum of \$24,525 for 37.5 hours per week for 3 months. Anything over 37.5 hours is paid at time and a half. The second assistant is guaranteed a minimum of \$13,734 for 7 hours per week for 9 months. Anything over 7 hours is paid at time and a half. Time includes direct treatment time, Medicaid paperwork, progress reports, and travel.*
 - c. Why were three contracts needed? *See response to a above.*
 - d. The agreements were signed and dated by Nellie Aspel before receiving Board approval. One was signed in July of this year. If these contracts required Board approval, why did Ms. Aspel sign them ahead of time? If the contracts had not been approved, how would they have been terminated? *No information was provided to answer this question.*

It is amazing that the speech pathologist and one of the assistants get paid overtime rates for any hours over 21 hours per week or 7 hours per week. The numbers shown above are guaranteed minimums. There does not appear to be any wording in the contracts to limit the amount that can be spent on these services. The finance officer is supposed to guarantee that funds are available for any contracts before they are signed. I don't know how he could do this without a maximum amount defined. Also, the hourly rate of \$54.50 for an assistant seems too high.

13. At the August 26, 2013 Board meeting, approval was given for a contract with Communities in Schools to provide support services for dropout prevention. *CCS provided a copy of the CIS contract along with an organizational chart.*
- The agreement does not state exactly what the support services are. What types of services does CIS provide to CCS? *From the organizational chart, it appears CCS receives Community Learning Centers at Kings Mtn and Shelby middle and intermediate schools. There are after school programs at several elementary schools. There are graduation coaches at the four high schools. There are also mentors with juvenile justice and volunteer coordinators.*
 - How does CCS know that CIS personnel or volunteers are qualified to provide the services? *No information provided.*
 - Which schools are receiving services from CIS? *Schools are identified on the organizational chart. Not all schools are receiving services. There was no indication how the schools were selected.*
 - The contract was signed by Dr. Linda Hopper on August 8, 2013 before receiving Board approval. Does Dr. Hopper have authority to commit the Board to a contract? If the Board had not approved the contract, how would the contract have been terminated? *The original contract on the board website in August was dated on August 8th. The contract currently on the board website was dated August 19th. The copy of the contract supplied by CCS as part of this request was dated August 27th. There was no explanation for the various dates.*
14. Please provide a list of the varsity football coaches and athletic directors for each of the four main high schools. For each coach or AD, please provide the following:
- Base salary and local supplement
 - Additional monies for coaching or AD position
 - List of classes that the coach or AD teaches
- No information was provided to answer this question other than the CCS employee list provided for question 9.*
- It has been rumored that many of the football coaches and ADs do not teach any classes or only teach one or two. It would not seem appropriate to pay someone for coaching or AD duties only. This rumor may not be, and hopefully is not, true. It is understood that coaches and ADs spend a lot of time in the execution of their duties for very little additional pay, but the public should be informed of just what they are getting for the salaries paid.**
15. What spending authority (scope and dollar limit) do the various administrators have without Board approval? Who has the authority to sign contracts on behalf of CCS or the Board? *CCS indicated that their policies could be viewed online. Policies governing finance are generally located in the 7000 series. Policy 7400 covers Contract Administration. The superintendent or his designee is authorized to enter contracts up to \$100k. Contracts over \$100k must receive prior Board approval. School principals are allowed to enter contracts up to \$10k as long as they have funds available in their school accounts.*

16. Much has been stated about Dr. Boyles' employment contract. Please provide the following:
- A copy of Dr. Boyles' employment contract including any addendums or extensions. *A copy of the employment contract and amendments were provided.*
 - Provide a list of "extras" such as travel allowances, food allowances, extra vacation or sick time included in the contract. Assign a yearly value to any extras. *Dr. Boyles began employment with CCS on January 1, 2007 with a base compensation of \$148,400. Contract provisions allow for a \$5000 annual bonus which the Board can increase at any time. Dr. Boyles also received one extra paid vacation day per month, family health insurance, life insurance coverage of \$250k, and \$800 per month for in-county travel allowance. The contract also provided for payment of membership fees for a reasonable number of professional and civic organizations. The initial contract was to end June 30, 2010. In July 2009, the contract was extended to June 30, 2013 with a base salary of \$158,584. In August 2011, the contract was extended to June 30, 2015. In June 2013, the contract was extended to June 30, 2017.*
 - I understand Dr. Boyles can be awarded a yearly bonus. Please indicate the years that the bonus was awarded. Provide the amount of the bonus and the justification for the bonus. Please be specific on the justifications. *No attempt was made to answer this question or provide information.* **Board members should be able to justify giving away \$5000 bonuses to the superintendent.**
17. Please indicate how many work orders were sent to each maintenance division since 2008. I am not asking for a list, just a number.
- What is the average time to complete work orders?
 - How many work orders are currently back logged? If there is a backlog, what is the primary reason for back logged work orders?
No information was provided for this question. I hear story after story of maintenance and work orders not being completed in a timely manner. It would be nice to know if the maintenance departments are under-staffed, under-funded, or just not getting the job done.
18. Regarding capital outlay projects (painting, new flooring, new HVAC equipment, hardscaping, paving, irrigation, etc.),
- How are these projects prioritized and budgeted?
 - Does each school have a budget for capital outlay?
 - How is it determined whether a project is completed by CCS maintenance personnel or private contractor personnel?
No information was provided for this question. It's understood that all the schools have capital projects that need to be completed. It would seem that water leaks, plumbing, electrical, and HVAC issues would take precedence over aesthetic projects. It is difficult to tell from the capital projects lists provided by CCS how projects are prioritized.
19. Please provide a list of all homebound teachers. Provide information on how homebound teachers are selected and what their compensation is. *CCS referred back to the list of CCS employees provided for question 9. There are 31 pages listing employees and no real way to sort the data.* **Rumor has it that some retired principals are working as homebound**

teachers and getting paid at the same rate they were when they were principals. This is strictly rumor that I am trying to confirm or dismiss.

20. After one of the candidate forums last fall, I asked Mr. Danny Blanton for a copy of the school credit card receipts he said he had. He provided a CD with a copy of numerous P-card receipts. As I understand, Mr. Blanton asked CCS for P-card records for 22 specific individuals starting in the year 2007. The records were provided to Mr. Blanton on a CD by CCS. There were approximately 6300 pages of information.

I have reviewed the receipts for the years 2009-2011. Please note that I ignored all receipts related to both maintenance divisions since they have already been investigated. I am providing a spreadsheet for each year listing questionable charges. Behind each spreadsheet are copies of the receipts for the items listed in the spreadsheet. While it is possible to read most of the receipts and tell what was purchased, very few of the receipts tell what the purpose of the purchase was. I will submit spreadsheets and copies of receipts for 2007, 2008, and 2012 at a later date.

For each receipt provided, please provide justification for the purchase. If the receipt is for food or meals, indicate who the parties were that partook of the food and what the purpose of the meeting/meal was.

There was no attempt to answer this question or provide any accountability for purchases.

I fully expect that the majority of the charges listed on the spreadsheets had some legitimate reason for the purchase. However, there are many that are questionable. The items purchased, where they were purchased, and the day and time they were purchased raise concern over the validity of the charges. It would be simple for the Board and CCS administration to provide justification for the various charges and put this issue to rest once and for all.

21. A few receipts deserve special attention and additional questions:
- There is a receipt from January 2009 where Ms. Jada Brown stayed at the Grove Park Inn. Total charged to CCS was \$896.99. According to the dates on the receipt, Ms. Brown arrived on a Saturday and departed on Monday. Ms. Brown reimbursed CCS \$155.05 for the room on the second night. However, there was no reimbursement for charges at the Spa or Spa Café. Please provide information as to the purpose of this trip, why it was on the weekend, and why CCS paid for spa charges.
 - There is a receipt from April 2009 where Ms. Jada Brown spent \$198.64 at Automasters for a Full Service Oil Change for a 2003 Ford Taurus. Was this Ms. Brown's personal vehicle? If so, why is CCS paying for maintenance on personal vehicles? Does Ms. Brown receive a monthly travel allowance as part of her salary?
 - There is a receipt from June 2009 where Ms. Jada Brown purchased a 2 5/16" Hitch Ball from Advance Auto Parts for \$12.91. Why does the nutrition director need a hitch ball?
 - There is a December 28, 2009 receipt where Mr. Gary Blake paid for meals at a Sagebrush in Morganton, NC. Total cost was \$28.40. What was the purpose of this trip? Who was with Mr. Blake? It seems odd that there would be an official school trip between Christmas and New Year's.

- e. There are six receipts from March 15, 2010 where Ms. Cheryl Lutz purchased Wii consoles and games from Walmart. Each receipt totals \$214.42. PO 104358 was issued after the Wii's were purchased. Another PO (#104449) was issued on the same day for Wii games and 32" TVs. Were both of these PO's for the same items? Why did Ms. Lutz pay for each Wii game separately? The time stamp on the receipts show that Ms. Lutz paid for the six items in the same trip but swiped the P-card six times. Are there limits to the amount that can be charged on a P-card at a single swipe? What was the purpose of the Wii games? Which school(s) did they go to? Were they properly inventoried? Are they located at the same schools now?
- f. There is a July 2010 receipt where Ms. Jada Brown purchased \$643.98 worth of cookies, peanuts, crackers, hand sanitizer, dip, and other items. What was the purpose of this purchase?
- g. There are two August 2010 receipts where Ms. Jada Brown spent \$61.47 at Bath & Body Works. The receipts do not identify what was purchased. Are these receipts duplicates or two separate purchases? What exactly was purchased and why? What items does Bath & Body Works carry that are needed by a nutrition director?
- h. There is a May 2011 receipt where Mr. Gary Blake spent \$298.83 at Don Ramon's for meals. Who were the others in attendance at the meal and what was the purpose?
- i. There is an August 2011 receipt where Mr. Gary Blake bought 150 biscuits at Bojangle's for \$279.81. What was the food purchased for?
- j. There are several receipts where Mr. Blake purchased meals at various restaurants. Notations on the receipts indicated that he was attending out-of-town athletic events for Burns or Crest. Some receipts are for single meals and others are for multiple meals. What is CCS or Board policy regarding purchasing meals for attending athletic events? I understand Mr. Blake has retired but did he have a monthly food allowance as part of his salary?

There was no attempt to answer this question or provide any information.

22. After viewing the P-card receipts, I have the following questions:
 - a. What is CCS or Board policy regarding purchasing flowers or gifts for funerals, wedding showers, or baby showers?
 - b. What is CCS or Board policy regarding purchasing coffee for CCS personnel?
 - c. What is CCS or Board policy regarding purchasing food or restaurant meals for CCS personnel?
 - d. What is CCS or Board policy regarding tipping when purchasing meals at a restaurant? Is there a specific percentage or dollar recommendation or limit?
 - e. What is CCS or Board policy regarding purchasing snacks or refreshments for staff meetings?
 - f. When CCS personnel travel out of town for training or meetings, what is CCS or Board policy regarding compensation for use of a personal vehicle? Is a per mile rate used or actual expenses? If a mileage rate is used, what is the rate? If actual expenses are used, how are they determined?
 - g. If a PO is issued for a purchase, why are individual P-cards used to pay for the purchase? Can the purchase be paid for by Central Services?

- h. What P-card policies were changed as a result of the recent investigation into maintenance division purchases?
- i. What is the approval process for P-card purchases?

CCS again referred back to the policies on the board website. There appears to be no specific policies regarding questions a thru d above.

*For question e, Policy 7000 which was adopted on April 23, 2007 and revised June 25, 2012 states that “principals and directors may request advance approval from the finance officer for the purchase of meals or other incidentals for the benefit of school system employees if the expenditures have the primary, direct and immediate purpose of assisting the employees in performing a school function and are limited and reasonable in scope.” **It appears the policy was changed so that the food expenses would now be acceptable (with prior approval). What was wrong before is now acceptable.***

*For question f, Policy 7650 states that reimbursable expenses for out-of-county travel include food, lodging, mileage, registration, and other business related costs. It does not include fuel for personal vehicles. Travel reimbursements must be approved in advance by the superintendent or designee. This policy has been in place since April 23, 2007. **The receipts clearly show that CCS personnel were using the P-cards to put gas in their personal vehicles.***

*Policy 7655 covers travel allowances and was approved June 25, 2012. Employees who receive a travel allowance will not receive any additional reimbursement for in-county travel including but not limited to meals, fuel, and maintenance of personal vehicles. It appears that there was no policy regarding travel allowances before June 25, 2012. **This appears to be a new policy as a result of the spending problems. It explicitly states what is not acceptable for employees receiving a travel allowance. If this policy had been in place before 2012, there are many CCS employees who would have been in violation. Although this policy didn’t exist before 2012, it would seem that any prudent employee would understand that they can’t get paid twice for using their personal vehicle.***

There appears to be no specific policy regarding question g.

A few policies appear to have been revised or created around the June 2012 timeframe.

The finance officer appears to be the primary approving authority for P-card purchases.

- 23. I understand an internal auditor has been hired by CCS. Who is the internal auditor? Do they have forensic accounting qualifications? Has the auditor been instructed to review past purchases such as those listed above?

No information was provided to answer this question. However, from the CCS employee list, it was found that Scott Alexander was hired in October 2012 as the internal auditor. There was no indication as to what his qualifications are or job instructions.