

California's Charter Schools

Some Are Providing Meals to Students, but a Lack of Reliable Data Prevents the California Department of Education From Determining the Number of Students Eligible for or Participating in Certain Federal Meal Programs

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California Department of Education's response as of January 2011

The Joint Legislative Audit Committee (audit committee) requested that the Bureau of State Audits (bureau) conduct an audit of how the nutritional needs of charter school students are met, so that the Legislature can make future decisions regarding the health and education of California's children.

Finding #1: California Department of Education's (Education) data on the number of schools and their students' eligibility for free and reduced price meals are not sufficiently reliable.

Part II of Education's Consolidated Application for Funding Categorical Aid Programs (ConApp) obtains information from local educational agencies and direct-funded charter schools regarding the number of students eligible for free and reduced-price meals. Specifically, the page titled October 20XX School Level Free and Reduced Price Meals Eligibility Data Collection has three data fields designed to capture the number of students enrolled at the school level, the number of enrolled students who are eligible to receive free meals, and the number of enrolled students who are eligible to receive reduced-price meals. Education instructs the local educational agencies and direct-funded charter schools to include students between the ages of five and 17, to define eligibility as pertaining to students with a household income that meets the income eligibility criteria for receiving free or reduced-price meals in the breakfast or lunch program, and to capture the data on a preselected information day in October of each year. Education uses the information in these three data fields to determine eligibility and funding allocations for a variety of categorical programs, such as the Title I Grants to Local Educational Agencies that benefit children who are failing, or are most at risk of failing, to meet the State's academic standards.

Because the ConApp database is a paperless system, meaning the local educational agencies and direct-funded charter schools enter the data directly into the database, we expected Education to have an internal control process, such as a systematic audit or review of their supporting documentation, for the three data fields that are relevant to our audit. However, Education has not established an internal control process to ensure the accuracy of these three data fields.

Because the data fields are used to determine eligibility and funding allocations for a variety of categorical programs, we contacted staff in Education's School Fiscal Services Division, Categorical Allocation and Audit Resolution Office (fiscal services division),

Audit Highlights . . .

Our review of the California Charter Schools and how the nutritional needs of their students are being met, revealed the following:

- » *The California Department of Education's (Education) databases are not sufficiently reliable to identify the number of charter schools and their students participating in the federal School Breakfast Program (breakfast program) or the National School Lunch Program (lunch program).*
- » *It lacks an internal control process to ensure the accuracy of certain data in its paperless consolidated application database.*
- » *It does not verify certain codes and the site type on the schools' site applications and we found errors.*
- » *It allows school food authorities to combine information for their sites before entering it into the child nutrition database and thus, it cannot differentiate between charter school students and students from traditional schools who participate in the programs.*
- » *Despite Education's data limitations, we identified 815 charter schools active in California. Of these, 451 were participating in the breakfast or lunch program and 151 do not provide meals because instruction is provided outside the classroom—either online or independently.*

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» *We surveyed the remaining 213 charter schools, and of the 133 that responded, 46 stated they offer their students an alternative meal program and have varying methods of providing meals and a range of meal costs; 39 stated they do not provide meals to their students mainly because they lack resources such as funding, staff, and a kitchen, cafeteria, or other facility to prepare and deliver meals; and 41 stated that they do in fact participate in the programs.*

which is responsible for, among other things, allocating funds to local educational agencies. An administrator in the fiscal services division stated that the ConApp database is currently the only database Education uses to collect information on the number of students eligible for free and reduced-price meals. The administrator also stated that the fiscal services division does not review the local educational agencies' and direct-funded charter schools' supporting documentation for the three data fields they enter into the ConApp database. The administrator further stated that Education requires the local educational agencies and direct-funded charter schools to certify that the data they submit are accurate and that it must place some confidence in their certifications. Finally, the administrator stated that local educational agencies and direct-funded charter schools are supposed to have documentation to support the information they enter into the ConApp database. Nevertheless, although Education's ConApp database instructions require the local educational agencies and direct-funded charter schools to electronically certify that they have fulfilled the requirements listed on the page, the instructions do not state that they should retain the documentation.

In addition to the concerns we have with the accuracy of the three data fields that are relevant to our audit, we question the completeness of the data for the purpose of our audit. Education requires local educational agencies applying for categorical aid program funds to submit their information into the ConApp database. However, according to an administrator in its data division, there is no state or federal law that gives Education the authority to require charter schools to submit the ConApp. Therefore, complete data on the number of charter schools and their students eligible for free and reduced-price meals may not be available. Our concerns with both the accuracy and completeness of the data in the three data fields prevent us from concluding that the data are sufficiently reliable to reach an audit conclusion related to the number of traditional and charter schools and their students eligible for free and reduced-price meals.

To ensure the reliability of the ConApp database fields related to the number of students enrolled at the school level, the number of those enrolled students who are eligible to receive free meals, and the number of those students who are eligible to receive reduced-price meals, we recommended that Education modify its ConApp database instructions to require local educational agencies and direct-funded charter schools to retain their documentation supporting the three data fields for a specified period of time. We also recommended that Education establish an internal control process such as systematic review of a sample of the local educational agencies' and direct-funded charter schools' supporting documentation.

Education's Action: Partial corrective action taken.

Education modified its ConApp instructions to require local educational agencies and direct-funded charter schools to retain documentation supporting reported data in accordance with state and federal records retention requirements. However, Education has yet to implement an internal control process such as a systematic review of a sample of local educational agencies' and direct-funded

charter schools' supporting documentation. Education stated it may review a sample of the local educational agencies' and direct-funded charter schools' supporting documentation if it is determined to be cost effective.

Finding #2: Education's nutrition services division is unable to accurately identify charter schools participating in the breakfast and lunch programs.

The Child Nutrition Information and Payment System (CNIPS) database administered by Education's Nutrition Services Division (nutrition services) did not identify all charter schools participating in the breakfast and lunch programs as of October 31, 2009. Consequently, the CNIPS database cannot be used to accurately identify all charter school students participating in the programs.

When applying to participate in the breakfast and lunch programs, a school food authority must complete an application for each of its school sites, and in doing so must indicate the type of site—such as a public school district, direct-funded charter school, or locally funded charter school. A direct-funded charter school may apply to participate in the breakfast and lunch programs as its own school food authority. In contrast, a locally funded charter school must apply to participate in the programs through its chartering entity and must be listed as a site on the application of an approved school food authority. In our comparison of Education's Charter Schools Database and its CNIPS database, we identified 115 direct and locally funded charter schools that were participating in the breakfast or lunch program, but were not identified as participating in these programs because the school food authorities had not identified them as charter schools in the CNIPS database. Nutrition services does not review the applications the school food authorities enter into CNIPS to ensure the accuracy of the information. Further, federal law allows sites to be combined for the purposes of participating in the breakfast and lunch programs if the programs are under the same administrative jurisdiction and are on the same campus. Consequently, it is impossible to determine whether a particular charter school is participating in the breakfast and lunch programs, because it is part of a combined site.

Due to the school food authorities' reporting errors and their ability to combine sites on the same campus, we found that the CNIPS database is not sufficiently reliable to determine the exact number of charter schools or their students participating in the breakfast and lunch programs. However, the database was the only source available to us to use to identify schools that provide alternative meal programs to their students as well as schools that do not provide any meals to their students. Therefore, using the Charter Schools Database and the CNIPS database, we determined that 213 charter schools did not appear to be participating in the breakfast or lunch program. To identify any additional reporting errors, we added a question on our survey asking the 213 charter schools to verify Education's information indicating that they were not participating in the breakfast or lunch program.

Although identified as not participating in the breakfast or lunch program in the CNIPS database, 41 of the 133 charter schools responding to our survey stated that they are in fact participating in the programs. Various reasons exist for this discrepancy. We found that 10 of the schools enrolled in the programs after October 2009 and thus were appropriately excluded from the October 31, 2009, list we generated using the CNIPS database. Eighteen of the schools shared a campus with another school and were reported as combined sites, which is allowable under federal law, as described previously.

Nutrition services requires the school food authorities to enter the county district school (CDS) codes for their public school district sites but not for other site types, such as the charter schools. The remaining discrepancies were related to errors in the CDS codes and the site type. Nutrition services performs reviews of a sample of the schools under the jurisdiction of the school food authorities each year, in accordance with federal regulations, to ensure that the requirements of the lunch program are being met. However, nutrition services' review tool does not include a procedure for verifying the accuracy of the CDS code or the site type reflected on the schools' site applications.

To ensure the accuracy of the CNIPS database, we recommended that Education direct the school food authorities to establish internal control procedures to ensure the accuracy of the application information they enter into the CNIPS database. We also recommended that Education direct nutrition services to modify the tool used to review a sample of the school food authorities' schools to include a procedure for verifying the accuracy of the CDS code and site type reflected on the schools' applications.

Education's Action: Pending.

Education stated each CNIPS application includes a "certification" check box that school food authorities must check in order to submit the application. In addition, Education stated it posted a notice on the first screen of the CNIPS advising sponsors of their responsibility to ensure that they report accurate information. Education also stated it will include a clause in the annual instructions to remind school food authorities of their responsibility to ensure that they report accurate CNIPS information and to suggest that a second person review the information for accuracy before the school food authorities submit the information to Education. Further, Education stated it will clarify that charter schools should be identified as such and not as public schools.

Finally, Education stated nutrition services plans to run monthly data matches against the public school directory at both the school food authority and site level to identify and report anomalies. However, Education did not include in its response the internal controls it has in place to ensure the information in the public school directory is accurate, particularly the CDS code and site type that are found in the CNIPS database.

Finding #3: Education's nutrition services cannot differentiate between charter school students and traditional school students participating in the breakfast and lunch programs.

The CNIPS database has data fields for school food authorities to enter information such as the number of students approved for free and reduced-price meals at each site under their jurisdiction. However, Education allows the school food authorities to combine the information for their sites before entering it into the CNIPS database. Thus, the CNIPS database cannot be used to identify the number of charter school students participating in the breakfast and lunch programs.

Each month the school food authorities must submit a Claim for Reimbursement to nutrition services using the CNIPS database. Education's claim reimbursement procedures require the school food authorities to enter a claim for each site under their jurisdiction as well as a consolidated claim. Both claim types are required to include information such as the number of students approved to receive free and reduced-price meals, total enrollment, and the number of free and reduced-price meals served during the month. In addition, prior to submitting the Claim for Reimbursement, school food authorities are required by federal regulations to review the meal count data for each site to ensure that the site claim accurately reports the number of free and reduced-price meals served to eligible students.

However, nutrition services does not require the school food authorities to report monthly claims for each of their sites separately. For example, the Natomas Pacific Pathways Preparatory Schools, which has a charter middle school and high school, participates in the breakfast and lunch programs through the Natomas Unified School District, which acts as a school food authority for both traditional schools and charter schools. The Natomas Unified School District enters into the CNIPS database the combined number of charter school and traditional school students at all of its sites who are approved to receive free and reduced-price meals. Therefore, although Education can report the total number of students, it cannot differentiate between charter school students and traditional school students who are participating in the breakfast or lunch program.

To ensure that it maximizes the benefits from the State's investment in the CNIPS database, we recommended that Education require the school food authorities to submit a monthly Claim for Reimbursement for each site under their jurisdiction in addition to their consolidated claims. We also recommended that Education establish a timeline for the school food authorities to comply with the requirement.

Education's Action: Pending.

Education stated that, effective January 2011 it began requiring site-level reporting for all school districts. Education also stated that some school food authorities do not have the capability to upload large amounts of site-level data without manually keying in the data for each site and that it would continue to work with them to transition to site-level reporting before the current school year ends. In addition, Education stated that, effective January 3, 2011, it began requiring all new school food authorities to use site-level reporting. However, Education was unable to provide documentation to demonstrate it informed the school food authorities of this requirement. Specifically, Education stated it had not yet provided anything in writing to the school food authorities.

