

# Department of Education: Sisters School District Investigation

## Summary



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Bill Bradbury, Secretary of State

# Secretary of State Report

### PURPOSE

In November of 2004, the Department of Justice informed the Audits Division of an allegation that Sisters School District (district) was over-billing the Oregon Department of Education for State School Fund dollars. The person who made the allegation stated that the district inappropriately claimed private Christian school students as participants in the district's homeschool program. This person also stated that the district was paying parents to tutor their own children.

The following year, we began an investigation to determine the validity of this allegation. We limited our review to the 1999-2000 through 2003-2004 school years.

### BACKGROUND

Sisters School District offers educational services for homeschooled students in its area. The district pays for these services with State School Fund (SSF) dollars and local revenue. The majority of state funding the district received for its homeschool program during our audit period was for students educated at Sonrise Christian School (Sonrise).

### RESULTS IN BRIEF

We substantiated the allegation regarding the district inappropriately claiming and collecting SSF dollars. Specifically, we concluded that the district's homeschool program operated at Sonrise was not a legitimate program for which the district was entitled to SSF. We reached this conclusion for the following reasons:

- The district's homeschool program took place on the premises of Sonrise Christian School. The overwhelming majority of students the homeschool program "tutors" taught were Sonrise students. This is contrary to a 1973 Oregon Court of Appeals decision, which held that programs in which parochial school students are enrolled in public schools and also receive education from public school teachers in a parochial building violate the constitutional prohibition on use of public money to benefit a religious institution.

- The district employed 15 homeschool tutors for the Sonrise site during our audit period. Twelve of these tutors were employed concurrently as teachers by Sonrise Christian School. Moreover, three of the tutors we interviewed stated that the curriculum they used did not change after the district employed them.
- At least 91 percent of the participants in the district's homeschool program at Sonrise were also enrolled as Sonrise Christian students. Further, we found that the district reported Sonrise Christian hours of instruction as homeschool tutoring hours.
- When we interviewed a sample of parents of the homeschool students, they told us they were unaware that their children were participating in the homeschool program. Yet, according to district officials, students attend this program at the request of their parents.

As a result of the inappropriate ADM claims the district made during our audit period, the Department of Education distributed \$1.2 million in SSF to the district. Sonrise also benefited from this arrangement. The district paid about \$357,000 in tutor salaries and benefits, which offset some of Sonrise's personnel costs.

We also found that Sisters School District used approximately \$51,000, which included SSF, to pay nine parents to tutor their own children at home. We question whether this practice is appropriate.

### RECOMMENDATIONS

**We recommend** that the Department of Education take the following actions:

- Seek reimbursement of the SSF dollars the department distributed to Sisters School District based on the district's inappropriate ADM claims.
- Develop policies and procedures for reviewing district homeschool programs to ensure they are entitled to SSF. The policies and procedures should include a method for identifying all homeschool programs receiving SSF dollars.
- Establish rules concerning whether it is appropriate for districts to use SSF dollars to pay parents to tutor their children.

## Agency's Response

The Department of Education generally agrees with the recommendations.

## Background

Parents have the option to withdraw their children from public schools in order to educate them at home. Parents also have the option of withdrawing their children and enrolling them in a private or parochial school. School districts are not responsible for the education of any child who is withdrawn from public education.

School districts are permitted to provide educational services for homeschooled students. These services may consist of such classes as math, science, art, and drama. Districts may provide these services or contract with an outside program.

The Oregon Department of Education (department) provides State School Fund (SSF) dollars for district homeschool programs based on the average daily membership (ADM) districts report for their homeschool program students.<sup>1</sup>

### Sonrise Christian School

Sonrise Christian School (Sonrise) is an accredited non-denominational parochial school that is registered with the Department of Education as a private school.<sup>2</sup> Sonrise was founded in 1997. Sonrise's mission is to "assist families in the training and education of Godly children who will be able to confidently live

<sup>1</sup> Average Daily Membership (ADM) indicates the average number of students in membership on any given day during the reporting period.

<sup>2</sup> Parochial school is a private school maintained by a religious body or group, usually for elementary and secondary instruction.

out God's purposes for their lives." Sonrise charges its students for tuition and other fees.

### Homeschool Program at Sonrise Christian School

Sisters School District (district) offers educational services for homeschooled students in its area. The district funds these services with SSF dollars and local revenues. According to district records, the homeschool program at Sonrise served an average of 58 students per year during the five school years ending in 2004. The district also provided educational services for homeschooled students other than those at Sonrise. However, the majority of the funding the district received for homeschooled students was for students at Sonrise.

### Overbilling Allegation

In November of 2004, the Department of Justice informed the Audits Division of an allegation that Sisters School District was overbilling the department for SSF dollars. The person who made the allegation stated that the district inappropriately claimed private Christian school students as participants in the district's homeschool program. This person also stated that the district was paying parents to tutor their own children.

The following year, we began an investigation to determine the validity of these allegations. We limited our review to the 1999-2000 through 2003-2004 school years.

## Investigation Results

We found that the district's homeschool program operated at Sonrise was not a legitimate program for which the district was entitled to SSF. We reached this

conclusion for the following reasons:

- The program, which took place on the premises of a private parochial school, consisted of homeschool program "tutors" tutoring primarily Sonrise Christian School students. The Oregon Court of Appeals found a similar practice to be contrary to the Oregon Constitution.
- The majority of the district's homeschool tutors were employed concurrently by Sonrise Christian School as teachers. Moreover, three tutors stated that the curriculum they used did not change after the district hired them.
- At least 91 percent of the participants in the district's homeschool program at Sonrise were also enrolled as Sonrise Christian students. Furthermore, we found that the district reported Sonrise Christian hours of instruction as homeschool tutoring hours.
- When we interviewed a sample of parents of homeschool students, they told us they were unaware that their children were participating in the homeschool program. Yet, according to district officials, students attend this program at the request of their parents.

As a result of the inappropriate ADM claims the district made during our audit period, the Department of Education distributed \$1.2 million in SSF to Sisters School District. Sonrise also benefited from this arrangement. The district paid about \$357,000 to its homeschool program tutors at Sonrise, effectively offsetting some of Sonrise's personnel costs.

As part of our investigation, we also found that the district used about \$51,000, which included SSF, to pay nine parents for tutoring their own children at

home.<sup>3</sup> We question whether this practice is appropriate.

### **District Homeschool Programs in Parochial Buildings Violate Oregon Constitution**

Sisters School District purportedly offered public education in the form of homeschool tutoring at Sonrise. District officials claimed that the homeschool tutors only taught secular subjects, such as math and science.

In an analogous situation, the Oregon Court of Appeals held in 1973 that providing teachers and texts to public school “annexes” held in a parochial school building violated Article I, Section 5 of the Oregon Constitution. Specifically, in 1968, the Clackamas County School District used four classrooms in St. John the Baptist school, a parochial school maintained and operated by the Catholic Church. In the classrooms, public school teachers taught only non-religious subjects. The court found that such “shared time” programs, in which parochial school students are also enrolled in public schools and receive education from public school teachers in a parochial building, violate the constitutional prohibition on the use of public money to benefit a religious institution.

<sup>3</sup> According to the district superintendent, the district pays the homeschool tutors’ salaries from the district’s general fund account. The general fund is comprised of SSF dollars and local tax revenue. We excluded from this finding parents who tutored students in addition to their own children.

### **District Retained Sonrise Christian Teachers and Did Not Change the Curriculum**

During the 1999-2000 through 2003-2004 school years, the district employed 15 tutors for the homeschool program at Sonrise. All but three of these tutors were also employed at the Sonrise Christian School as teachers during the same school year.<sup>4</sup>

Outside the initial application process, the district did not interact with the Sonrise teachers it hired as tutors. For example, the district did not interview them, nor did it evaluate their performance. Two tutors we contacted noted that, beyond receiving a paycheck, they had no interaction with the district.

In addition, three tutors we interviewed explained that the curriculum they used at Sonrise was that same as the curriculum they used before the district hired them.

### **Homeschool Program Participants Also Attended Sonrise Christian School**

We obtained a list of students who participated in the homeschool program at Sonrise during the 1999-2000 through 2003-2004 school years and compared it to a list of students who attended Sonrise Christian School. We found that of the yearly average of 58 students who participated in the homeschool program during our audit period, an average of 53 also attended Sonrise Christian School. However, given that the Sonrise Christian school list was not complete, we concluded that at least 91 percent of the homeschool

<sup>4</sup> We identified three district-employed tutors who taught students enrolled at Sonrise Christian School. However, we were unable to determine whether they were also employed by Sonrise Christian School during the same school year.

program students were also Sonrise Christian School students.

In addition, evidence we obtained shows that the district reported Sonrise Christian hours of instruction as homeschool tutoring hours. The district later claimed ADM for these student hours and received the commensurate amount of SSF dollars.

### **Parents Were Unaware Their Children Were Enrolled in Sisters’ Homeschool Program**

According to the district, students in homeschool programs are there because of parental choice. The district homeschool coordinator stated that the parents decide that public school is not an option for their children, at which point they contact the district to request a tutor for homeschool services. However, we found that was not the case for students in the homeschool program at Sonrise.

Specifically, we randomly selected 20 parents of Sonrise homeschool students. Of the 20 parents we sampled, we were able to interview 13, none of whom were aware that their children participated in the district’s homeschool program. In fact, these parents stated that their children attended Sonrise Christian School fulltime. Also, several parents stated that, outside of sports and music, their children never attended classes or received any instruction from the district during the school years in question.

### **Sisters School District and Sonrise Christian School Benefited from the Homeschool Program**

We reviewed the district’s internal ADM reports, which identified the amount of ADM the district claimed for students at Sonrise during the 1999-2000

through the 2003-2004 school years. Using these reports, we determined that the district inappropriately claimed 237.5 ADM for students at Sonrise, which equates to about \$1.2 million in SSF. We also found that Sonrise benefited from this arrangement. Specifically, the district paid approximately \$357,000 in salaries and benefits to its homeschool program tutors who also taught at Sonrise. These payments effectively offset some of Sonrise's personnel costs.

### **Department Provides Little Oversight of District-Operated Homeschool Programs**

We believe the district inappropriately received SSF in part because the department provides very little oversight of district homeschool programs to determine whether they are entitled to SSF. For example, the department does not require that districts report all homeschool programs receiving SSF dollars and, therefore, may be unaware of some programs that districts offer. In addition, the department does not have adequate processes in place to review the legitimacy of homeschool programs funded with SSF dollars.

### **State School Funds Used to Pay Parents to Tutor Their Own Children at Home**

As a result of our review of Sisters School District's payroll and attendance information for the 1999-2000 through 2003-2004 school years, we confirmed that the district paid nine parents a total of approximately \$51,000, which included SSF, to tutor their children at home. The children involved were not participants of the homeschool program at Sonrise Christian School and, at the time of

the tutoring, were not enrolled at Sonrise Christian School.

In following up on this issue, we found no clear rule or policy that addresses whether paying parents with SSF dollars to tutor their own children at home is appropriate.

### **Recommendations**

We recommend that the Department of Education take the following actions:

- Seek reimbursement of the SSF dollars distributed to Sisters School District based on the district's inappropriate ADM claims.
- Develop policies and procedures for reviewing district homeschool programs to ensure they are entitled to SSF. The policies and procedures should include a method for identifying all homeschool programs receiving SSF dollars.
- Establish rules concerning whether it is appropriate for districts to use SSF dollars to pay parents to tutor their own children.

### **Objectives, Scope and Methodology**

The objective of our investigation was to determine the validity of an allegation that Sisters School District (1) inappropriately claimed ADM and collected SSF dollars for students at Sonrise Christian School and (2) used SSF to pay parents to tutor their own children. To accomplish this we:

- Reviewed the district's ADM claims for students at Sonrise Christian School during the 1999-2000 through 2003-2004 school years;
- Reviewed student enrollment lists, teacher timesheets, payroll records, check registers and cancelled checks for both the

district and Sonrise Christian School;

- Reviewed correspondence between the district and Sonrise;
- Interviewed district staff, Department of Education staff, Sonrise Christian School teachers hired as district homeschool tutors, and parents of students who attended the homeschool program at Sonrise; and
- Reviewed laws and rules regarding homeschool programs.

We also reviewed timecards for the district's tutors to identify parents who tutored their own children. We then confirmed with the district that the tutors we identified were indeed parents who tutored their own children at home. We excluded from this finding parents who tutored students in addition to their own children.

We conducted our fieldwork from April 2005 through March 2006.

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## Oregon Department of Education's Response

*The Department of Education generally agrees with the findings and the recommendations contained in this report. With respect to the findings, ODE agrees that the SOS investigators have clearly described the apparent relationship between the Sonrise Christian School and the Sisters School District and have appropriately characterized the situation as requiring remediation and reimbursement. With respect to the three recommendations, ODE has the following comments:*

- 1. Reimbursement – ODE agrees that reimbursement is appropriate. ODE has sought reimbursement of funds improperly claimed in previous situations. ODE staff is already in conversation with legal counsel regarding the options available to effectuate reimbursement in this case.*
- 2. Policies and procedures for verifying homeschool programs – ODE began two years ago to review alternative education programs statewide, including those programs serving homeschooled students. As a result of that review, the agency took steps to clarify the appropriate funding mechanism for homeschool programs and has drafted significant and far reaching revisions to the administrative rules governing alternative education programs. The draft rules will address the concerns identified in this report regarding the legitimacy of homeschool programs created as alternative education programs. It is ODE's intent to adopt the amended rules in late 2006 or early 2007.*
- 3. Rules regarding parents as paid tutors – ODE agrees in general that the case of parents being paid by a school district to tutor their own children at home, while not widespread, is not clearly addressed in administrative rule and will take action to clarify this situation in rule.*



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*The courtesies and cooperation extended by the officials and staff of the  
Department of Education were commendable and much appreciated.*

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