



## UNITED STATES DEPARTMENT OF EDUCATION

Office of Innovation and Improvement

November 4, 2015

Dr. Richard A. Ross, Superintendent of Public Instruction  
Ohio Department of Education  
25 South Front Street  
Columbus, OH 43215

Re: Charter Schools Program; Grant Award No. U282A150023

Dear Dr. Ross:

I am writing regarding the Fiscal Year (FY) 2015 Charter Schools Program (CSP) State Educational Agencies (SEAs) grant competition and the grant in the amount of \$32,671,373 that the United States Department of Education (Department) awarded to the Ohio Department of Education (ODE or Ohio) on September 28, 2015 (Grant Award No. U282A150023). As we stated during our telephone call on October 26, 2015, at various stages during and after the competition, the Department became aware of concerns regarding ODE's Office of Quality School Choice and the circumstances surrounding the resignation of the executive director of that office. In the call, you expressed your agency's commitment to cooperating with the Department as we work to address some unresolved concerns regarding oversight and accountability with respect to Ohio's charter schools.

As we indicated on the phone call, in making the original grant award, the Department conducted an expedited review of information available at that time and made a preliminary determination that these concerns and issues should not disqualify ODE from the FY 2015 CSP SEA competition. The Department took such concerns into consideration when awarding ODE's grant, however, and placed special conditions on the grant, pending receipt of more information regarding these matters. Since awarding the grant to ODE, the Department has received additional information that raises continuing concerns regarding ODE's ability to administer its CSP SEA grant properly, particularly in the areas of oversight and accountability with respect to Ohio's charter schools. For these reasons, the Department is leaving in place the special conditions that originally were imposed on ODE's CSP SEA grant, and is taking additional actions to safeguard public funds in order to enable the Department to review these matters further. These safeguards will remain in place while the Department is working with ODE to verify the accuracy and completeness of its application, and to ensure that ODE will be able to carry out its proposed project in accordance with statutory and regulatory requirements and the terms of its approved application, including all of ODE's grant-related assurances.

The Department appreciates ODE's acknowledgement, during our recent call, of our request that ODE refrain from drawing down any CSP funds from the Department's G5 Grants Management System or incurring any expenses or obligations related to ODE's CSP SEA grant, pending a determination from the Department that ODE has responded fully to the requests for information that are included in this letter, and can meet all grant conditions and applicable program requirements. Consistent with this request and ODE's acknowledgement, the Department has put in place a temporary "route payment" status on the CSP SEA funds awarded to ODE under the FY 2015 grant competition. This will enable ODE to drawdown funds for this project **only** with the approval of an appropriate Department official.

400 MARYLAND AVE. S.W., WASHINGTON, D.C. 20202  
[www.ed.gov](http://www.ed.gov)

*The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.*

In order to gather more information, the Department has an initial set of requests that require ODE's response, listed below. Please provide written responses to Kathryn Meeley at [Kathryn.Meeley@ed.gov](mailto:Kathryn.Meeley@ed.gov) within the time frames noted below:

1. Request for Review and Certification of Accuracy of Information in Application (within 14 days of the date of receipt of this letter)
  - a. After a review of its CSP SEA grant application, ODE will notify the Department of the extent to which any information in the application is out-of-date, inaccurate, incomplete, or misleading, with a written explanation of how the information is out-of-date, inaccurate, incomplete, or misleading, and ODE will provide the correct and complete information; and
  - b. ODE will provide a written certification from the Ohio Superintendent of Public Instruction that all information in the approved grant application, with the changes noted under (1a), is accurate.
2. Request for Report on Audits (within 30 days of the date of receipt of this letter)
  - a. ODE will provide a report summarizing the findings in all audits performed by State auditors related to Ohio charter schools for the past seven years and whether any of the findings or recommendations remain open or unresolved;
  - b. ODE will provide copies of all of the relevant audits and the responses or copies of documents describing any actions taken by State officials; and
  - c. In a subsequent letter, we may request copies of a sample of audits performed by local auditors related to Ohio charter schools and the responses or copies of documents describing any actions taken by State, local, or charter school officials.
3. Requests for Additional Information, Including Charter School Accountability (within 14 days of the date of receipt of this letter)
  - a. ODE will describe what, if any, changes have been made since the competition's close on July 16, 2015, to the proposed process for reviewing and assessing charter school authorizers as described in its CSP SEA grant application. Additionally, ODE will include in this response:
    - i. Any additional systems to review and to verify the charter school authorizer evaluation process;
    - ii. Any additional systems to ensure the integrity of charter school and charter school authorizer data and evaluations;
    - iii. Any additional reporting procedures that will facilitate a transparent charter school authorizer and charter school review process;
    - iv. Any deletions or revisions to systems or processes relevant to Ohio's charter school authorizer review process as described in its CSP SEA grant application; and
    - v. An updated timeline for ODE's charter school authorizer review process.
  - b. ODE will provide a copy of ODE's ethics and conflict of interest guidelines and policies;
  - c. ODE will describe any changes made to its internal controls that affect officials responsible for oversight of Ohio's charter school sector;
  - d. ODE will describe any changes to the timeline for the charter schools planning and implementation subgrants described in its CSP SEA grant application;
  - e. ODE will describe how the charter school legislation recently signed into law in Ohio, will impact the operation of the project described in its CSP SEA grant application;
  - f. ODE will describe how personnel changes that have occurred within ODE's Office of Quality School Choice affect the capacity of ODE to implement the project described in its CSP SEA grant application; and
  - g. ODE will describe any current or anticipated problems or challenges in the implementation of the project described in its CSP SEA grant application that are not addressed in the preceding requests.

The Department also plans to seek input from relevant State officials, including the Ohio State Auditor and the Ohio Inspector General, regarding ODE's past performance and how it might affect ODE's ability to implement its CSP SEA grant project in a manner that meets all applicable requirements. Once we receive this information and responses to the above requests, the Department will decide whether we need further information or whether further

400 MARYLAND AVE. S.W., WASHINGTON, D.C. 20202  
[www.ed.gov](http://www.ed.gov)

*The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.*

actions or conditions are warranted. This may include requiring ODE to provide the Department with a report, on an expedited basis, from an independent auditor chosen in consultation with the Department using “agreed upon procedures” to help determine, among other things, whether ODE is implementing its charter school authorizer evaluation and rating system in accordance with relevant State law, regulations, policies and procedures.

The Department appreciates the cooperative spirit that ODE demonstrated during our recent call. We appreciate ODE’s interest in the CSP and Ohio’s goal of improving educational opportunities for all of its students, including better serving the educational needs of Ohio’s disadvantaged students through high-quality public charter schools. The Department expects that, in meeting these conditions and addressing fully any additional requests for information, ODE will be able to implement the plan described in its approved CSP SEA grant application and will be successful in creating high-quality public charter schools for its students, especially its most vulnerable students. Please let us know if you have any questions about any of the matters discussed in this letter.

Sincerely,

/s/

Stefan Huh  
Director  
Charter Schools Program

400 MARYLAND AVE. S.W., WASHINGTON, D.C. 20202  
[www.ed.gov](http://www.ed.gov)

*The Department of Education’s mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.*