

Third Quarter Report to the Commissioner

Hempstead

April/May/June 2018

Dear Commissioner Elia,

This report covers the last three months of the 2017-18 school year. The fourth quarter/twelve month report will be filed in mid-October.

Very substantial issues remain, issues which are both numerous and significant. These must be addressed if Hempstead is to reclaim the best of its heritage and provide the quality of education the students of this community deserve. Critical areas must continue to receive a high level of attention and efforts must be sustained until problems have been fully and permanently resolved.

The challenges are significant but they are doable. While the glass is still “half- empty”, it is also “half- full”. This is not optimism, although I am optimistic, but a recognition of the significant and real progress being made in many areas, particularly in the past few months. This should be recognized and commended.

In my initial assessment and recommendations report at the end of 2017, I noted that Hempstead’s problem was not a lack of plans---in fact, there had been numerous plans across many areas for decades---but implementation. It is, accordingly, important to underscore that the progress noted in this report is steps actually taken or in process, not simply steps being planned. As a further indication of that progress I note that I have been able to work part-time as of mid-May for the first time since I started at the beginning of October.

As with prior reports, this report is divided into 10 sections. Please note that there are a number of very substantial issues which are or may become part of litigation or which are or may become matters before the District Attorney which are not included in this report.

Please note also that due to personal illness and then a vacation I did not file a monthly report last month. Activity which would have been covered in that report are included in the quarterly report.

GOVERNANCE

In my last report I noted a number of very significant challenges facing the Board which was deeply divided at the time. One of those challenges was the the Board election in May and the potential that the election would further divide the community as well as undermine the vote on the proposed 2018-19 budget and the proposed Rhodes School bond issue. While the Board election was incredibly the extent and duration of long-term damage to the community is hard to ascertain at this point.

Perhaps this is due to the fact that the tumult has been extraordinarily loud and vicious for a long time. I do not know.

The good news, contrary to what I had feared, is that the ugly partisanship of the Board election did not spill over to the budget vote or the Rhodes bond vote. Both were approved by strong margins, hopefully a sign of faith in the future of the District.

The six weeks after the election were also ugly but the Board which took over on July 1 seems cohesive and focused on fulfilling its motto of “students first”.

The new Board has agreed to have the whole Board serve as the audit committee and meet with each of the three audit firms a minimum of twice a year. This is much more appropriate use of the expertise and experience of the audit firms than has been the case and reflects more responsible oversight on the

part of the whole Board. Another significant step forward.

There had been a great deal of speculation (even accusations in the media) that the Board majority in the spring and now the full Board as of July 1 would abandon efforts to pursue corruption and undermine or abandon the Plante Moran forensic audit. Thus far it seems that the opposite is, in fact, the case. For reasons articulated at the beginning of this report, I cannot go into these here but the speculation and accusations have thus far been countered by what has actually happened and the steps the Board continues to take.

Many challenges outlined in prior reports remain---the long-term status of Dr. Waronker, employee group contract negotiations, etc. These are significant challenges. Progress or lack of progress will be noted in future reports to you.

The Board must also deal with vacancies in key positions. Contrary to some statements in the press, the District is not, in fact, paying for two superintendents. Very simply, Regina Armstrong, the Acting Superintendent, is currently functioning in both the Acting Superintendent position and her former position without additional compensation at this point. This is a stretch. The District also badly needs a full time permanent business official to continue the movement towards a fully functional, "normal" business operation.

It is likely that the Board and the District will have to deal with major legal issues for much of the next several months. For the most part they have no choice but I see a genuine desire to conclude these as well as turn over appropriate matters to the Nassau DA's Office once the District has done its part in order to refocus on instructional improvement. This would be a significant turnaround from what I experienced since October.

BUSINESS AND FINANCE OPERATIONS

In my last quarterly report in April I noted that the situation in this area was substantially worse than I had originally realized in my assessment and recommendations report at the end of December. Unfortunately, even that lowered assessment was not as negative as it should have been as more problems that had been hidden have emerged or problems I had been aware of have proven to be deeper than I had realized.

The good news is that very substantial progress has been made over the past few months and that the pace of progress continues to be rapid. Specifically:

- A new budget was developed from the ground up between the last week in February and mid-April. The new budget was both accurate and appropriately formatted. It is a very substantial improvement over the 2017-18 budget which was neither accurate nor formatted in a manner which would pass muster in other districts in the State. To provide some comparison for 2018-19 budget lines, the 2017-18 budget lines were reconfigured to a degree to make them both more accurate and more relevant.
- The 2018-19 budget is the first step toward a more sophisticated budget. The Board and administration have agreed on a timeline and process for the development of the budget for 2019-20 which will allow for much greater Board, community and staff involvement and more informed discussion about budget priorities. The new budget is a big first step but it is only a first step.
- Given the accuracy and formatting of the 2018-19 budget Hempstead should be able to meet the State requirement for budgeting by school and department.
- As noted in previous reports, the 2018-19 budget approved by the Board and then the community in a resoundingly positive vote provides for much needed additions in AIS services, music and facilities and capital improvement. The Board and administration should be

recognized and commended for giving these areas top priority for available funds. (While financial circumstances have sharply squeezed the District at times over the past 20 years, it should be noted that the areas addressed in the 2018-19 are among those identified back in 2004 by the team of 40 from NYSED.)

- Problems with delayed purchase orders and payments persist. These are causing problems for schools and vendors. Throughout the time I have been in Hempstead they have caused substantial frustration. Progress is being made in both areas. The re-introduction of the electronic purchase order system is now complete. That has helped. So has the introduction of standardized procedures and policies thanks to Mr. Cullen. The target of fully “normal” operations by July 1 was not met but there is reason to hope that substantially normal operations can be in place by the start of school.
- Despite some public statements to the contrary, Hempstead had not conducted the kind of mass encumbering strongly recommended by NYSED and the OSC in 2017-18. Given the inadequate nature of the 2017-18 budget and the lack of mass encumbering, the District had minimal knowledge of its financial condition for much of the past school year. With a new more accurate and appropriately formatted budget and new administration, the business office was able to do mass encumbering at the beginning of July. This is a major step forward and will allow the 2019-20 budget to be developed with accurate and up to date financial data.
- In my initial assessment and recommendations report I noted that few if any of the recommendations by the three audit firms over the previous three years or those of the OSC several years ago had been implemented. The business office and administration have begun to implement these systematically over the past several months and asked the internal controls auditor to conduct an audit of the status of all of these through the end of June (What has been implemented, what is in the process of being implemented and what has yet to be implemented.)
- Related to the note above the whole Board has agreed to serve as the audit committee and meet with all three audit firms at least twice a year. The Board also now recognizes its responsibility to work with the audit firms as an independent check on the integrity of District operations.
- A payroll audit was conducted at several of the buildings in June by the internal controls auditor. This was the first payroll audit in several years as I understand it. Had such audits been conducted, anomalies might have been caught earlier.
- The Board hired a new Treasurer and also an outside firm to do accounting. This created a separation of responsibilities in the functions which the District should have had but did not first and foremost. Both have cleaned up past issues over the past few months and are in the process of bringing the District up to date.
 - The External Auditor began work in late June. The District is on track to filing appropriate reports with the State in September, months earlier than reports were filed in 2017.
- While the District is still in the process of resolving very significant issues with the 2016-17 PSSG final expenditure report which included payments for services rendered in 2017-18 as well as many unapproved and unbudgeted items, the District is on track to file expenditure reports for 2017-18 grants which are accurate and in line with approved projects and budgets.

Critical to keeping this progress on track is the appointment of a new assistant superintendent for business. The District needs someone who has both the experience and the expertise in finance, business operations, facilities, school lunch and transportation to keep the District moving forward.

It is important to start with the fact that the track record established at the High School last quarter when the turmoil of the first half of the school year was dramatically reduced continued through the end of the school year. Safety and security need to continue to improve but the High School staff and District Security need to be recognized for the improvement from the fall when there were almost daily fights in the building or on the grounds. The atmosphere is much improved and fear has been greatly reduced.

The District has also made significant progress in upgrading the number and quality of security video cameras.

As of the start of the 2018-19 school year, two school resource officers (SROs) will be in place.

The consultant in school safety and security has offered a full assessment with recommendations for changes in policy and practice, training, deployment of staff, etc. Some of these have been implemented already. The remainder are still waiting implementation.

In prior reports I expressed concern that a full, detailed plan of action had not been developed. I also raised concerns regarding overtime and favoritism. These concerns remain.

FACILITIES

There has been considerable activity of note.

First, the Board recommended and the community approved—by a very substantial plurality—a bond issue to demolish the former Rhodes School and construct a new elementary school in its place plus begin to remove 30-40 year old portable classrooms scattered throughout the District.

Please remember that this building was decommissioned as a school 17 years ago and condemned a decade ago so this step has been a long time coming. The need for this step had been raised by all five Board members as well as by community members and staff from the moment I had arrived. However, while the need was universally acknowledged, no plan had been put in place and, as I noted in prior reports, efforts to pull a plan together this year had become entangled with Board politics. To the credit of the Board and administration, a plan was pulled together just in time for the May vote and effectively publicized.

It will take time to bring this to final fruition given the time required for architectural work, NYSED approval and construction but the process is in motion.

Second, the District appointed a new permanent head of facilities.

Third, the District is on track to pull together a very substantial Energy Performance Contract (EPC). The amount eligible which I had originally estimated to be \$10-15 million may, in fact, be substantially higher due to the fact that there has not been an EPC in Hempstead prior to this.

Fourth, the comprehensive report prepared by the New York State School Facilities Administrators Association team has helped inform the District's efforts to upgrade its building and its facilities operations. A full, detailed plan to address each and every issue identified in that report has not yet been completed but it has been helpful in defining the need for maintenance contracts, etc. Many of these are being put in place.

HIGH SCHOOL INSTRUCTION

Let me start by noting that the 2018 valedictorian will be attending Harvard and the 2018 salutatorian will be attending Yale. This is not to minimize the challenges facing the High School but to illustrate the fact that a portion of Hempstead graduates are fully competitive with graduates anywhere. The challenge is to bring all enrolled students up to achievement which meets their full potential.

The results for the full year will not be complete until after summer school. Accordingly, I would like to wait until a future report to discuss the final 2017-18 academic results. June 2018 Regents results were, however, disappointing.

Over thirty 2018 graduates were awarded the Seal of Bi-Literacy.

During the fall there was a fight in the High School on an almost daily basis. The climate improved significantly at the end of January and remained much more positive and much safer through the end of the school year.

Several years ago the High School offered only four Advanced Placement (AP) courses. As of the 2017-18 school year this had grown to include:

AP Calculus

AP Chemistry

AP English Language

AP English Literature

AP World History

AP US History

AP Physics

AP Spanish Language and Culture

AP Computer Science

For 2018-19 AP courses will be expanded further.

Problems with student data have consumed a great deal of time and energy this quarter. Obviously one aspect of this was carefully and thoroughly cleaning up the situation created when roughly 300 students were dis-enrolled in late November and early December, many of them improperly. This has been a source of considerable embarrassment. The other aspect of this is much broader--appropriately coding and accounting for all students. This is an issue which affects all grades but which has major ramifications for the High School in particular. Part of the challenge is to ensure that all students are correctly encoded in PowerSchool and then correctly uploaded to State databases. A very different part of the challenge is dealing with students who were deported, students who left or may have left the country, students who registered but never showed up even for a day to enroll in classes, etc. Resolving these appropriately has required considerable time and attention but significant progress has been made recently. Key NYSED staff have been most helpful.

PRE-K--8 INSTRUCTION

The report in this section is short but extraordinarily significant. As noted in prior reports the District's elementary schools and Middle School signed up for the International Baccalaureate (IB) Primary and Middle Years programs respectively. All appropriate administrators attended the IB workshop on implementing the programs in June. All schools are now "candidate schools" and will take the next two years to implement the program and become certified as full IB schools.

I have noted this before but I think that it is significant that Hempstead is the first public or private school on Long Island to implement the IB Primary Years Program.

Another significant addition for 2018-19 is that the budget provides for increased AIS services. This had been a significant gap.

SPECIAL EDUCATION

The implementation of the corrective action plan agreed to with NYSED continues.

Please note that many past issues of non-compliance have been successfully resolved.

ENGLISH LANGUAGE LEARNERS

The implementation of the corrective action plan agreed to with NYSED continues.

As noted in the section on High School instruction, over 30 seals of Bi-Literacy were awarded to 2018 graduates.

NUTRITION AND FOOD SERVICES

I had not written about this area in previous reports. Unfortunately, a review by NYSED this spring indicated serious deficiencies, deficiencies which had not been evident in a previous NYSED review a couple of years ago. Both the Food Service Director and the Assistant Superintendent for Business who had been overseeing the Hempstead food program are no longer with the District. A new Food Service Director has been hired and the District is currently looking for a new assistant superintendent. The District has committed to correcting all noted deficiencies.

INFORMATION TECHNOLOGY

Work on the SmartSchools continued. Considering that the District had done nothing with this prior to last fall, this is a significant step forward.

As noted in the section on High School instruction a great deal of work has been done on the District's student data. The IT department has led the effort to bring all relevant staff up to speed on PowerSchool, ensure that data is properly coded and that PowerSchool data and data for State purposes are correctly aligned. This is still a work in process. As previously noted, the District has received significant help in this area from key NYSED and Nassau BOCES staff.

Implementation of security cameras, both replacements for inoperable or defective cameras as well as new cameras where needed, continued.

The District's 911 system which had not been tested for some time was tested with BOCES assistance. Problems were identified and corrected.

Internet capacity was upgraded to accommodate greater use in the future as wifi has been upgraded throughout the District.

A couple of old contracts which were unnecessary were cancelled saving almost \$100,000 per year as part of a review of all IT services and contracts.

Respectfully submitted,

Jack Bierwirth

July 20, 2018

The rapid progress in this area continued through the quarter. BOCES continues to work with the District as an effective partner.