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## News for Immediate Release

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### **Auditor General DePasquale Uncovers Loophole that Keeps Public In Dark on Charter School Construction**

*Lehigh Valley Charter High School for Arts is one of best in state, but illustrates problems with law*

**BETHLEHEM, PA** – Auditor General Eugene DePasquale today said his latest audit uncovered a loophole that allows charter schools to avoid public bidding requirements on construction projects.

“First, I want to congratulate students at the Lehigh Valley Charter High School for the Arts for scoring well above state benchmarks on all standardized tests,” DePasquale said.

“This audit illustrates major accountability and transparency problems that show why Pennsylvania’s Charter School Law is the worst in the nation,” he said during a news conference at Northeast Middle School in the Bethlehem Area School District.

#### **Construction Loophole**

“My team reviewed the construction contract and bidding process for the charter’s new \$25 million school building. We did not find any issues to report because the construction project was completed using a loophole in the Charter School Law.”

Instead of doing the construction project under the name of the charter school — which is subject to the state’s public bidding process — the new school was built in the name of the charter school’s foundation.

“That simple paperwork maneuver could have allowed the \$25 million school construction project to circumvent some of the public bidding requirements that a traditional school district would have to follow,” DePasquale said, noting that his team can audit charter school records, but does not have authority to access a charter foundation’s records unless they are voluntarily provided.

“I commend the Lehigh Valley Charter High School for the Arts for voluntarily opening its foundation’s records related to the construction project, but taxpayers should be outraged that charter school foundations and management companies are not subject to the same public bidding requirements and transparency rules that other schools must follow.”

DePasquale noted that during a [2015 audit of the Fell Charter School in Lackawanna County](#) he had to take the school to court to obtain basic tuition, enrollment, and principal certification documentation that was held by the charter’s management company that refused to turn over the information.

#### **Audit Findings**

The 29-page audit report released today covers 2013 to 2017; it includes two findings and six recommendations for improvement at the Lehigh Valley Charter School for the Arts.

Auditors found that the charter school didn’t have the right number of certified staff required by the Charter School Law.

“The real problem is what my team found when they dug a little deeper,” DePasquale said. “Charter school administrators believed they were in compliance with the law, but they were using a different calculation method than the Pennsylvania Department of Education.

“What that means is that the Charter School Law is so confusing that one of the best charter schools in the commonwealth and the state department of education are using two different calculations to determine the correct number of certified staff to teach students.

“Harrisburg needs to fix the Charter School Law so that schools can put more focus on educating students.”

Auditors also found the public was kept in the dark because the charter school board violated the state’s Sunshine and Ethics Acts. During the audit period, the charter’s board went into executive session at 30 out of the 31 meetings and never announced — or documented — the reason for each executive session as required by the Sunshine Act.

“The public has a right to know the topics that are discussed during those closed door sessions,” DePasquale said.

The board also failed to document when members abstained from votes as required by the Ethics Act.

“Not recording the abstentions of board members could be hiding potential conflicts of interest from the public,” he said. “The requirement exists because taxpayers deserve to know where their tax dollars are going.

“Because of my audit, the Lehigh Valley Charter High School for the Arts is implementing recommendations to fix these problems.

“That is a major step toward accountability and transparency and it shows the importance of why we do these audits,” DePasquale said.

The Lehigh Valley Charter High School for the Arts audit report is [available online at: www.PaAuditor.gov](http://www.PaAuditor.gov).

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