



STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

FINANCIAL AND MANAGEMENT AUDIT OF

THE TEACHERS ACADEMY FOR
MATHEMATICS AND SCIENCE

APRIL 2003

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OFFICE OF THE AUDITOR GENERAL
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*To the Legislative Audit Commission, the Speaker
and Minority Leader of the House of
Representatives, the President and Minority Leader
of the Senate, the members of the General
Assembly, and the Governor:*

This is our report of the Financial and Management Audit of the Teachers Academy for Mathematics and Science.

The audit was conducted pursuant to House Resolution Number 304, which was adopted May 25, 2001. This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

The audit report is transmitted in conformance with Section 3-14 of the Illinois State Auditing Act.

A handwritten signature in black ink, appearing to read "William G. Holland".

WILLIAM G. HOLLAND
Auditor General

Springfield, Illinois
April 2003

REPORT DIGEST

FINANCIAL AND MANAGEMENT AUDIT

TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE

Released: April 2003



State of Illinois
Office of the Auditor General

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SYNOPSIS

The Teachers Academy for Mathematics and Science (Academy) provides professional development services for teachers in academically under-performing schools, which often serve students coming from poor families.

The State of Illinois has become the major funding source for the Academy. During FY01, the Academy received 94 percent of its total revenue from the State. The General Assembly has appropriated over \$32.5 million to the Illinois State Board of Education (ISBE) for the Academy since FY95.

During the audit we found that:

- No formal grant agreement exists between ISBE and the Academy for funding received from ISBE.
- During FY01, in addition to the \$5.5 million received as a named entity in ISBE's appropriation, the Academy received \$2.28 million in State funds from other ISBE grant programs, which resulted in ISBE foregoing other planned projects around the State.
- While there have been increases in test scores for students taught by Academy-trained teachers, scores also increased for the Chicago Public Schools overall, as well as schools Statewide during the same period. ISBE has performed no analysis to determine whether or not the gains have been commensurate for the funding level received.
- ISBE has established no guidelines to govern the Academy's use of State funds. Additionally, there is an overreliance at ISBE on self-reporting of expenditures by the Academy. These conditions resulted in our questioning costs due to:
 - Lack of documentation to support the expenditure;
 - Overpayment for purchased meals; and
 - Non-program related expenditures.
- The Academy distributed over \$222,000 in excess materials to a school district that already received their required teacher materials for being in the program.
- The Academy was placing interest earned on State funds into an unrestricted account, which is used to finance non-State expenditures.
- ISBE allowed the Academy to carry over State funds from one fiscal year to the next, although ISBE's documented policy is that carryover of funds for State-funded programs is not allowed.

REPORT CONCLUSIONS

The State of Illinois has become the major funding source for the Teachers Academy for Mathematics and Science (Academy). During FY01, the Academy received 94 percent of its total revenue from State grants. The Academy's mission is to provide professional development services for teachers in the areas of mathematics and science. The Academy focuses its efforts on academically under-performing schools, which often serve students coming from poor families.

The Academy received a \$5.5 million grant during FY01 specifically appropriated to it as part of the Illinois State Board of Education (ISBE) budget. While we found that the Academy does not receive entitlement funds – funds guaranteed to an entity based on a formula – the Academy has received funds from the State as a named entity in ISBE's appropriation every year since FY95. Increases in the Academy's specific appropriation amount over the years were generally tied to increases in Academy services conducted statewide. From FY95 through FY02, \$32,531,900 was appropriated to ISBE for the Academy.

Professional development expansion in East St. Louis and Joliet resulted in the Academy receiving an additional \$2.28 million from ISBE during FY01. These funds were provided from other grant programs at ISBE (\$1.9 million) that have historically gone to various entities such as schools and school districts, and a legislative transfer (\$380,000) of General State Aid. A "misunderstanding" between the Academy and ISBE resulted in the State Superintendent having to find additional funds for the Joliet project that caused ISBE to forego other planned projects around the State.

No formal contract or grant agreement exists between ISBE and the Academy for the funding received through appropriations to ISBE by the General Assembly. The Academy does submit proposals (after the appropriation amount has been passed by the General Assembly) and year-end cost reports. ISBE views these documents, in total, as an agreement. However, as these proposals are developed by the Academy, they lack any mention of issues such as: outcome goals to achieve for the funding level; what are appropriate and inappropriate uses of the funds; or any of the certifications and assurances other ISBE grants contain.

ISBE allowed the Academy to carry over State funds from one fiscal year to the next, although ISBE's documented policy is that carryover of funds for State-funded programs is not allowed. This resulted in the Academy expending \$589,000 for FY00 expenses from its FY99 ISBE funding. Likewise, during the Academy's FY01, they expended \$644,000 in previous year (FY00) State funds. According to the Executive Director of the Academy, this practice was stopped pursuant to

an oral directive from an ISBE official after this audit began. That directive was reversed ten days later by ISBE, and the Academy was allowed to carry over FY01 funds through the end of June 2002.

The proposals developed by the Academy for FY01 did not delineate outcome goals that needed to be achieved to receive funding from the State. While the Academy has set internal goals as part of its strategic planning, ISBE does not provide the Academy with specific goals or performance measures for the funding received from ISBE. Without setting outcome goals for the Academy and monitoring the completion of these documented goals, ISBE cannot ensure that State resources are appropriately utilized. Additionally, the proposals are vague with regards to some of the activities and trips that will be sponsored by the Academy. We also found that not all teachers received the required number of in-class visitations as delineated in the Academy's proposals and reported at the end of the year in the Academy's evaluation report.

There is an overreliance at ISBE on self-reporting by the Academy. The Academy submits program information to ISBE reporting on the number of teachers served, activities conducted by the Academy throughout the year, student test score evaluations, as well as financial information on expenditures. ISBE does not verify this information submitted by the Academy.

The Academy has reported to ISBE that its program has raised math and science scores in the six regions in Illinois where the program has been implemented. While our analysis showed that test scores for Chicago Academy schools increased, scores for the Chicago Public Schools overall, as well as schools Statewide, also increased during the same period.

While there have been increases in test scores for students taught by Academy-trained teachers, there has been no analysis performed by ISBE to determine whether or not the gains have been commensurate for the funding level received. We found that students within the same schools taught by Academy-trained teachers performed better on ISAT tests than did the students taught by non-Academy trained teachers. This analysis, however, does not take into account any other factors that may cause differences in test scores, such as differences in teacher ability and skill or differences in student aptitude within the classrooms. Finally, we concluded that in all three Academy regions, participating teachers improved on the basic skills test after one or two years in the Academy program.

Guidelines on how organizations can spend State funds are an important management control to ensure that the funds are spent

efficiently and for the purpose intended by the General Assembly. Such guidelines set parameters as to the specific type of allowable expenses, as well as any general restrictions on the use of State funds. We found that ISBE has established no guidelines to govern the Academy's use of State funds. Additionally, there is an overreliance at ISBE on self-reporting of expenditures by the Academy. These conditions resulted in our finding that:

- In 9 percent of the expenditures tested, the Academy had not maintained supporting receipts for credit card purchases charged to State funds that totaled \$25,857. The undocumented expenditures were for purchases identified as, among others, travel, meals and lodging on the credit card statements.
- In 7 percent of the expenditures tested, meals were charged to State funds without an indication of who benefited from the expenditure. Additionally, we found that the Academy needs a better method for confirming attendance by teachers and parents at professional development sessions, especially those held at remote locations. This resulted in inefficiencies in purchases of meals and refreshments that are also charged to State funds.
- There were instances of expenditures charged to State funds that appeared to be outside the Academy's role as providers of professional development. For instance, in September 2001 the Academy purchased \$28,588 in physical fitness and stereo equipment to set up a work out gym for employees.

The Illinois Grant Funds Recovery Act (30 ILCS 705/10) requires that interest earned on grant funds become part of the grant principal and is to be treated accordingly unless the grant agreement provides otherwise. Additionally, ISBE grant policy indicates that all interest earned on grant funds during the grant period must be spent by the grantee during the grant period, but only for purposes authorized by the grant. The Academy proposal with ISBE has no mention of how interest is to be processed. While ISBE did inform the Academy that State funds should not be held by the Academy and earning interest, we found that the Academy does earn interest on State funds and places those earnings into an *unrestricted* fund. Unrestricted funds at the Academy are sometimes used for purposes other than those that might be allowable or chargeable to a State grant. Academy calculations show \$616,121 of a total of \$896,375 (69 percent) in interest earnings since 1992 are from State monies. In FY01, the Academy recognized \$121,489 in interest from State monies, or 81 percent of total interest of \$149,721 in FY01. Additionally, the Academy deposits activity fees from its clients into the unrestricted fund as opposed to using those funds to offset costs of the activities. Expenditures for these activities are generally paid with State funds.

The Academy had over \$222,000 of excess materials for distribution to teachers at the end of FY01 that they gave to the school district in East St. Louis. These materials were in addition to the materials provided to East St. Louis teachers who were enrolled in the Academy's professional development program. The Academy was unable to provide information on who received these materials that were purchased with State funds. Without documentation on who received the materials, we were unable to determine whether these State resources were provided to recipients that actually needed, or were trained in using, the materials. The Academy's response to the audit contained certifications signed by East St. Louis principals to the receipt of the materials. These certifications were dated four days prior to our exit conference with the Academy.

The Academy has failed to perform formal performance appraisals of its staff in violation of its Employee Manual. Timely evaluations provide essential feedback to employees as well as providing a documented basis for salary adjustments, promotion, demotion, or layoff.

The Academy's proposals to ISBE do not contain any requirements that address fixed assets purchased with State funds and disposition of those assets in the event of discontinuance in funding from the State. Failure to include this type of requirement by ISBE could result in assets purchased with taxpayer funds not being recoverable by the State if funding were terminated. (pages 1-3)

BACKGROUND

On May 25, 2001, the Illinois House of Representatives adopted Resolution Number 304 directing the Office of the Auditor General to conduct a financial and management audit of the Teachers Academy for Mathematics and Science (Academy). House Resolution Number 304 directed the Auditor General to determine:

- Whether some grants for the Academy were made by the State Board of Education from programs designed only for individual schools and school districts;
- Whether other grants for the Academy made by the State Board of Education were in excess of their entitlement;
- Whether the Academy has met goals it set with the State Board of Education in return for substantial increases in State funding; and
- Whether the substantial expenditure of State funds over the last 5 years on the Academy has resulted in improvements in math and science scores at participating schools. (page 4)

ACADEMY FUNDING IN THE STATE BOARD OF EDUCATION BUDGET

The Academy has received funds as a named entity in the State budget every year since FY95. The funds are appropriated to the Illinois State Board of Education (ISBE) for the Academy and are generally disbursed to the Academy in three installment payments. While these funds are appropriated for Academy use, they are not technically entitlement funds. Entitlement funds guarantee, based on the funds appropriated or received in a grant award, that eligible fund recipients or other entities will receive a specific amount of funds based on a formula.

Funding Levels

Since 1995, the State of Illinois has become the major funding source for the Academy. During FY01, the Academy received 94 percent of its total revenue from State grants. From FY95 through FY02, \$32,531,900 was appropriated to ISBE for the Academy. This included a 19 percent increase from FY01 to FY02.

Funds are distributed to the Academy based on a grant, according to ISBE documentation. The base appropriation *For Funding the Teachers Academy for Math and Science in Chicago* for FY01 was \$5.88 million (\$380,000 of that amount was a supplemental appropriation for the Academy attached to the FY02 budget). Digest Exhibit 1 presents the appropriation history for the Academy in the ISBE budget.

As presented in Digest Exhibit 1, the funding level for the Academy has increased from \$1.05 million to \$5.5 million to \$7.0 million. These increases coincided with the Academy’s expansion beyond Chicago.

Digest Exhibit 1 ACADEMY SPECIFIC STATE APPROPRIATIONS FY95-FY02	
Fiscal Year	Amount
2002	⁽¹⁾ \$7,001,900
2001	⁽²⁾ \$5,880,000
2000	\$5,500,000
1999	\$5,500,000
1998	\$5,500,000
1997	\$1,050,000
1996	\$1,050,000
1995	\$1,050,000
Total:	\$32,531,900
Notes:	
⁽¹⁾ ISBE reduced the appropriation by \$1.5 million in January 2002.	
⁽²⁾ includes a \$380,000 supplemental appropriation as part of FY02 budget bill.	
Source: State of Illinois Appropriations Report and ISBE website.	

The State of Illinois has become the major funding source for the Academy.

During FY01, the Academy received 94 percent of its total revenue from ISBE.

We found that the funding process for the Academy is an informal process. Staff from ISBE reported that the Academy submits a request to ISBE, asking for a specific amount of money. ISBE officials stated they then adjust the number, usually downward, to meet the ISBE overall budget plan. After negotiations with the Academy, the budget staff and Superintendent then make decisions, with final approval by the Board. Further, ISBE officials stated that they view themselves as a flow through entity; there are no competitive proposals submitted by the Academy and the amounts are ultimately decided by the General Assembly. Finally, ISBE staff stated that no research has ever been conducted to determine the appropriate funding level for the Academy.

The funding process for the Academy is an informal process.

Academy officials report a different process that is supported by documented dates on proposals. The Academy Executive Director stated a proposal is not submitted usually until after the budgeted appropriation amount has been passed by the General Assembly. We found that the FY00 proposal submitted by the Academy, for the amount as named in the appropriation, was dated September 14, 1999. The FY01 proposal for the named amount in the appropriation was dated September 7, 2000.

Funding Proposals

No formal contract or grant agreement exists for the funding the Academy receives from the ISBE.

No formal contract or grant agreement exists between ISBE and the Academy for the funding received through appropriations to ISBE by the General Assembly. The Academy does submit proposals **after** the appropriation has been passed by the General Assembly and approved by the Governor, and after the fact cost reports to ISBE for funds received as a named entity in the appropriation bills. ISBE views these documents, in total, as an agreement. However, these proposals, developed by the Academy, lack key components to help ensure accountable uses of these funds, such as: outcome goals to achieve for the funding level; what are appropriate and inappropriate uses of the funds; or any of the certifications and assurances other ISBE grants contain.

The proposals submitted by the Academy are not signed by ISBE, do not outline what constitutes permissible expenditure of funds, or contain the provision to return unused funds to the State. Academy officials reported that they have not received any direction from ISBE relative to what they can and cannot spend funds on. While the proposal spells out what activities and amount of teacher training and support is being proposed, there is no indication that ISBE approves this plan or monitors Academy activities to ensure that the work was completed and that the funds were spent based on the proposal.

Carryover Funds

ISBE allowed the Academy to carry over State funds from one fiscal year to the next, in violation of ISBE policy. This resulted in the Academy expending, from its FY99 ISBE funding, \$589,000 during the Academy's FY00. Likewise, during the Academy's FY01, they expended \$644,000 in previous year (FY00) State funds. According to the Executive Director of the Academy, this practice was stopped pursuant to an oral directive from an ISBE official after this audit began. That directive was reversed ten days later by ISBE, and the Academy was allowed to carry over FY01 funds through the end of June 2002.

From our review, it appears that the Academy used the carryover funds to pay for expenditures incurred in the subsequent year rather than to complete the activities in the previous fiscal year proposal. Additionally, by the time the Academy had asked to carry over funds, the State had appropriated more funding for the current school year – when the Academy was incurring these additional expenses.

We recommended that ISBE develop formal grant agreements with the Academy for the funding received as a named entity in the ISBE budget that includes appropriate and inappropriate uses of funds, program specifications, budget guidelines and terms for the grant. (pages 14-19)

ADDITIONAL STATE GRANTS TO THE ACADEMY

Professional development expansion in East St. Louis and Joliet necessitated the Academy receiving an additional \$2.28 million from ISBE during FY01. Additional funding included a \$1.5 million grant for the Academy's efforts in East St. Louis and another \$780,000 for work in Joliet. These funds were provided from other grant programs at ISBE (\$1.9 million) and a legislative transfer (\$380,000) of General State Aid. A "misunderstanding" between the Academy and ISBE resulted in the State Superintendent having to find additional funds for the Joliet project that forced ISBE to forego other planned projects around the State.

Fiscal Year 2001 was the first time since FY97 that the Academy had received funds from other ISBE grant programs – outside of the amount named in the ISBE budget. Digest Exhibit 2 identifies the four ISBE grant programs from which funds were used to provide this additional funding to the Academy during FY01.

ISBE allowed the Academy to carry over funds from one fiscal year to the next, in violation of ISBE policy. The Academy used \$589,000 of FY99 funds and \$644,000 in FY00 to pay for subsequent year's activities.

The Academy received \$2.28 million in additional grant funding from ISBE during FY01. ISBE was forced to forego other planned projects around the State.

Digest Exhibit 2		
SUMMARY OF OTHER ISBE FUNDING PROVIDED TO THE ACADEMY		
Fiscal Year 2001		
Funding Received	ISBE Program	ACADEMY Funding as a %age of Total Appropriation
\$1,550,000	For all costs associated with Professional Development Statewide	52 percent (\$1,550,000 of \$3,000,000)
\$200,000	For Operational Costs and Grants for Family Literacy	20 percent (\$200,000 of \$1,000,000)
\$100,000	For Operational Costs and Grants for Mathematics Statewide	10 percent (\$100,000 of \$1,000,000)
\$50,000	For Grants Associated with Scientific Literacy Programs, Math and the Center for Scientific Literacy	.79 percent (\$50,000 of \$6,328,000)
\$1,900,000	Total – Other Grant Funds	
Note: The Academy also received a \$380,000 legislative transfer from General State Aid.		
Source: OAG summary of Comptroller data and State appropriations book.		

An ISBE official explained that ISBE issues several different kinds of grants. Some are more competitive and require a request for proposal process with supporting documentation. We found that none of the funding mechanisms to the Academy were competitive in nature. Additionally, the official explained that often the original funding proposal is the only written document to support the agreement.

During our review of other recipients that received grant funds from the same ISBE programs as the Academy, we found that ISBE had formal agreements in place for only 48 percent (34 of 71) of the organizations. We recommended that ISBE enter into formal agreements with entities, including the Academy, which receive grant funding from ISBE and maintain documentation to show how funds were used. (pages 20-26)

ACADEMY GOALS

ISBE has not set formal outcome goals for the Academy for funding received from the State.

The proposals developed by the Academy for FY01 did not delineate outcome goals that needed to be achieved to receive funding from the State. While the Academy has set internal goals as part of its strategic planning, ISBE does not provide the Academy with specific goals or performance measures for the funding received from ISBE. Without setting goals for the Academy and monitoring the completion of these documented goals, ISBE cannot ensure that State resources are appropriately utilized.

We recommended that ISBE provide the Academy with documented outcome goals prior to the fiscal year in return for funding

received from the State. Additionally, we recommended that ISBE monitor the Academy’s performance to ensure State resources are being used for the purposes intended. (pages 28-30)

ACADEMY PROFESSIONAL DEVELOPMENT ACTIVITIES

ISBE has not provided the Academy with guidance for spending State appropriated funds. Additionally, ISBE does not perform on-site monitoring at the Academy to verify the activities in the final evaluation report were actually performed. We reviewed documentation at the Academy to determine whether the proposed number of schools and individuals received the services outlined in Academy FY01 proposals. For a sample of teachers in the Academy’s program during FY01, we found that the proposed activities were generally provided during FY01 with the exception being the number of in-class visits to teachers.

An integral part of the Academy program involves implementation support for participating teachers via 15 in-class visits per year. The final evaluation reports submitted by the Academy to ISBE details that 15 visits were conducted for the teachers in the program. However, we found that the Academy failed to conduct the required 15 visits for 57 percent (43 of 75) of the teachers in our sample. Digest Exhibit 3 illustrates the in-class visit breakdown by region.

Digest Exhibit 3					
NUMBER OF IN-CLASS VISITS BY REGION					
Academic Year 2000-2001					
Region	15+ Visits	10-14 Visits	1-9 Visits	0 Visits	Replacement Teachers
Chicago	0	3	3	6	13
Joliet	16	4	0	3	2
East St. Louis	16	2	0	3	4
Note: Academy proposals and final evaluation reports state that 15 visits are required. Replacement teachers are teachers from schools that have previously participated in the intensive Academy program who were not employed during the intensive training.					
Source: OAG Summary of Academy Database.					

ISBE does not perform on-site monitoring of the Academy.

The Academy did not perform all the required in-class visits to teachers enrolled in the program. Fifty-seven percent of the teachers in our sample did not receive the required 15 visits.

Required Professional Development Training

The Academy's Professional Development Program provides 120 hours of instruction over two years to teachers of participating schools. The Academy expects teachers to be present for at least 80 percent of the instructional sessions during a given year, and in the school application, the Academy requests the principal's commitment to this standard. We sampled 25 teachers from each of the three regions that were enrolled in the Academy program in FY01 (Chicago, Joliet and East St. Louis) and reviewed session logs to test how many hours of Professional Development training they received. We found that 23 percent (17 of 75) did not maintain regular attendance as required by the Academy. (pages 30-34)

ACADEMY EVALUATION AND RESULTS

ISBE does not verify the information supplied by the Academy on activities conducted by the Academy or student test score evaluations.

There is an overreliance at ISBE on self-reporting by the Academy. The Academy submits program information to ISBE reporting on the number of teachers served, activities conducted by the Academy throughout the year, student test score evaluations, as well as financial information on expenditures. ISBE does not verify this information submitted by the Academy.

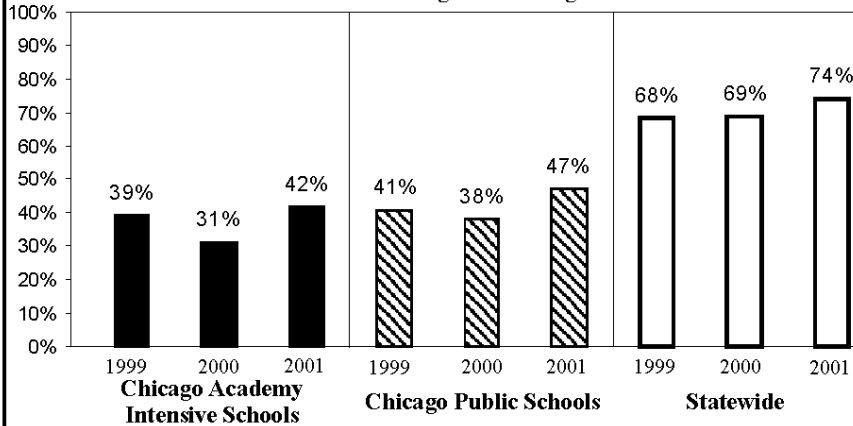
Student Scores

The Academy has reported to ISBE that its program has raised math and science scores in the six regions in Illinois where the program has been implemented. The math and science scores at participating schools in the Intensive Program in Chicago increased from 1999 to 2001 for the tests we compared. Joliet and East St. Louis figures were not included in our analysis because they started the 1st year of the Academy's Intensive Program during the 2000-2001 school year. While test scores for Chicago Academy schools increased, there were also increases for the Chicago Public Schools overall as well as schools Statewide.

Digest Exhibits 4, 5 and 6 present the results of our various analyses of student test scores by children in Academy schools in Chicago.

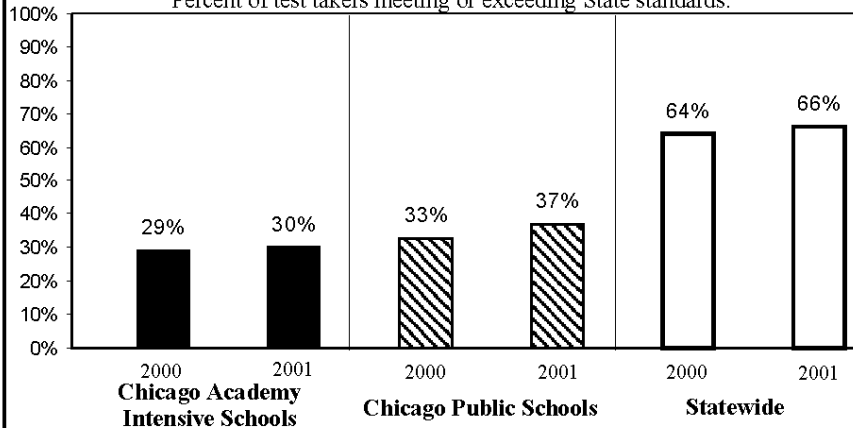
**Digest Exhibit 4
COMPARISON OF 3RD GRADE MATH ISAT RESULTS FOR ACADEMY
SCHOOLS, CHICAGO PUBLIC SCHOOLS & STATEWIDE
1999-2001**

Percent of test takers meeting or exceeding State standards.



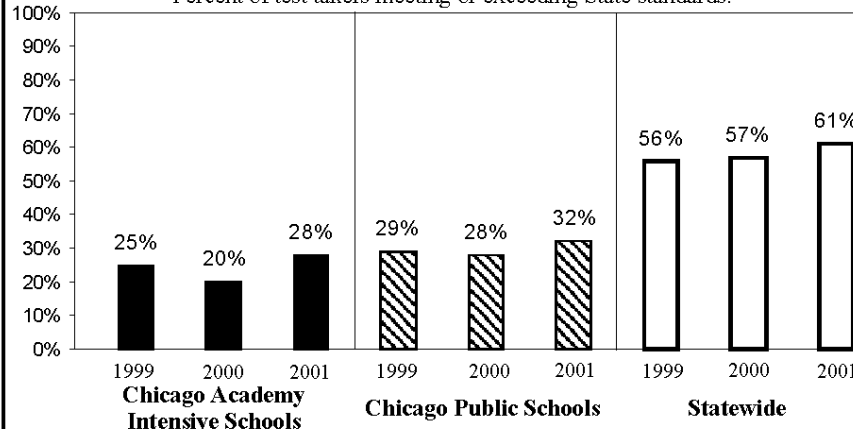
**Digest Exhibit 5
COMPARISON OF 4TH GRADE SCIENCE ISAT RESULTS FOR
ACADEMY SCHOOLS, CHICAGO PUBLIC SCHOOLS & STATEWIDE
2000-2001**

Percent of test takers meeting or exceeding State standards.



**Digest Exhibit 6
COMPARISON OF 5TH GRADE MATH ISAT RESULTS FOR ACADEMY
SCHOOLS, CHICAGO PUBLIC SCHOOLS & STATEWIDE
1999-2001**

Percent of test takers meeting or exceeding State standards.



Source: OAG analysis of Academy student scores database.

Academy vs. Non-Academy Classrooms

Students within the same schools taught by Academy-trained teachers performed better on ISAT tests than students taught by non-Academy trained teachers. However, other factors, such as differences in teacher ability or differences in student aptitude, can also influence test score differences.

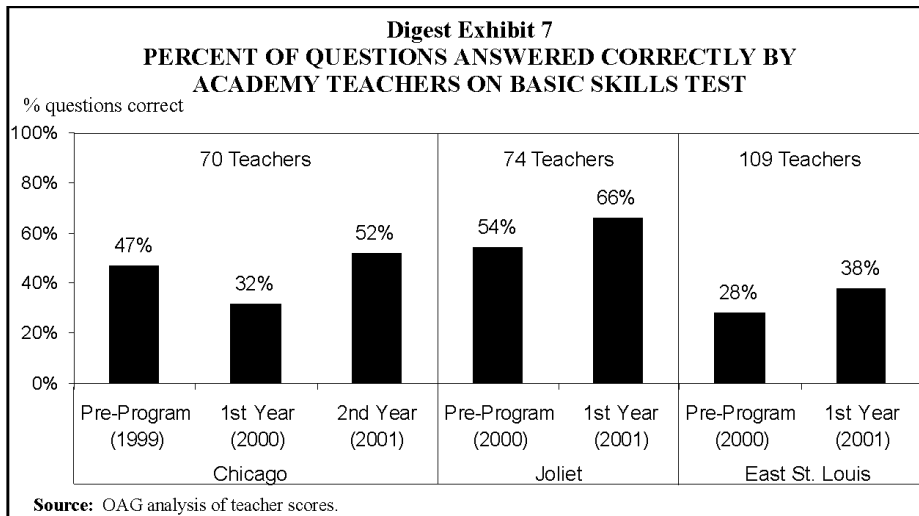
We found that students within the same schools taught by Academy-trained teachers performed better on the Illinois Standards Achievement Tests (ISAT) than did the students taught by non-Academy trained teachers. This analysis, however, does not take into account any other factors that may cause differences in test scores, such as differences in teacher ability and skill or differences in student aptitude within the classrooms.

The percent of students meeting or exceeding State ISAT standards for 3rd grade math students taught by Academy-trained teachers was 34 percent, whereas the percent of students meeting or exceeding State ISAT standards in the same schools taught by non-Academy trained teachers was 19 percent. The percent of students meeting or exceeding State ISAT standards for 4th grade science students taught by Academy-trained teachers was 27 percent, whereas the percent of students meeting or exceeding State ISAT standards in the same schools taught by non-Academy trained teachers was 17 percent.

Teacher Basic Skills

We found that teacher test scores had increased on a basic skills test administered by the Academy at various times during the course of the Academy program. The Academy's Professional Development program attempts to impact students through the training of teachers. One of the tools used to measure progress made by teachers is a basic skills test in mathematics and science. Teachers are tested three times throughout the Academy's program: at the beginning and end of the 1st year and at the end of the 2nd year of the program.

As illustrated in Digest Exhibit 7, the 70 Chicago teachers who took all three tests scored, on average, 5 percent better after the 2nd year in the program than on the basic skills test administered prior to beginning the Academy program. Both Joliet and East St. Louis schools were in the 1st year of the Academy's intensive program during the 2000-2001 school year. Therefore, our analysis included the pretest and 1st year post-test only.



We recommended that ISBE should establish a system to monitor the performance of the Academy by developing and implementing procedures governing the review of Academy prepared documents. We recommended that the system should include reconciling proposed services to what is actually delivered. Additionally, we recommended that ISBE should verify the information submitted in the Academy’s evaluation reports and determine whether the increases in test scores are commensurate for the funding level received by the Academy. (pages 34-42)

EXPENDITURE TESTING

Guidelines on how organizations can spend State funds are an important management control to ensure that the funds are spent efficiently and for the purpose intended by the General Assembly. Such guidelines set parameters as to the specific type of allowable expenses, as well as any general restrictions on the use of State funds.

We found that proposals developed by the Academy do not contain any guidelines on how State funds can be expended. Additionally, there is lack of direction from ISBE on acceptable uses of State funds. An Academy official told us that ISBE had never provided the Academy guidance pertaining to how the Academy could expend ISBE funds. The Illinois Grant Funds Recovery Act (30 ILCS 705/4) requires that all grant agreements specify permissible expenditure of grant funds and the financial controls applicable to the grant.

There is a lack of direction from ISBE on acceptable uses of State funds.

We tested 100 transactions, selected from the Academy’s FY00 and FY01 general ledgers, to ascertain if the expenditures charged to State funds were program-related and if documentation maintained by the Academy adequately supported the expenditure. We found:

The Academy lacked sufficient supporting receipts for \$25,857 in expenditures charged to State funds.

The Academy lacked an efficient method for estimating attendance at training sessions which resulted in unnecessary purchases of meals.

The Academy expended State funds on apparent non-program related expenses including \$28,588 for physical fitness and stereo equipment.

- **Undocumented Expenditures:** In 9 percent of the cases tested we found that the Academy had not maintained supporting receipts for credit card purchases charged to State funds that totaled \$25,857. The undocumented expenditures were for purchases identified as, among others, travel, meals and lodging on the credit card statements.
- **Food and Refreshments:** In 7 percent of the cases tested we found instances where meals were charged to State funds and it was not possible to identify who received the meals purchased. Academy credit cards were used to charge \$1,929 in meals for which there was no listing or indication as to who benefited from the meals.
- **Overpayment of Purchased Meals:** We found that the Academy needs a better method for confirming attendance by teachers and parents at professional development sessions, especially those held at remote locations. A lack of attendance resulted in inefficiencies in purchases of meals and refreshments that are also charged to State funds. We identified five instances where the Academy could have saved from \$279 to \$1,439 for meals purchased but not needed due to a lack of attendance.
- **Non-Program Related Expenditures:** The Academy's main business function is to provide professional development training to teachers. During testing we found instances of expenditures that were charged to State funds but that appeared to be outside the Academy's role as providers of professional development. These included:
 - At the end of September 2001 (the end of the Academy's fiscal year), the Academy spent \$28,588 for physical fitness and stereo equipment to set up an employee work-out gym. These expenditures were charged to State funds and, as of October 2002, no gym had been established.
 - In August 2000, the Academy spent \$12,657 to finance food, lodging and rentals for a conference at an East Peoria Inn and Conference Center for which only three Academy staff attended.
 - Also in August 2000, the Academy spent \$432 on a boat tour of Chicago. The Academy was unable to provide information on who attended this tour nor was a receipt maintained for the expenditure.
- **Other Non-Program Related Expenditures:** Other expenditures that were charged to unrestricted funds included:
 - The Academy made a donation of \$3,678 worth of computer equipment to the Governor's Humanitarian Mission to Cuba during FY00. This equipment was expensed to unrestricted funds of the organization and not booked to State funds.

- During FY00, the Academy provided a short-term loan of \$25,767 to prepay expenses for the Humanitarian Mission to Cuba. Documentation shows that the Academy was reimbursed approximately one month later. This expenditure was also paid from unrestricted funds at the Academy. However, during FY00, the unrestricted fund had expenses that exceeded revenues by over \$300,000.

We recommended the Academy take the necessary steps to ensure that expenditures charged to State funds: are adequately documented and supported by original receipts; have adequate support for who benefited from meals charged to agency credit cards; take advantage of sales tax benefits of being a not-for-profit; and are program related expenses that fall within the purposes for the funding provided by the General Assembly. We also recommended that ISBE develop administrative rules that identify what are allowable and unallowable uses of State funds provided to grantees, including the Academy. Further, we recommended that ISBE should follow up on questioned expenditures to see if there is any need to recover State funds. (pages 44-50)

DISTRIBUTION OF EXCESS TEACHER MATERIALS

The Academy had over \$222,000 of excess materials for distribution to teachers at the end of FY01 that were provided to the East St. Louis school district in August and September 2002. These materials were in addition to materials provided to teachers who were enrolled in the Academy program in that district.

An Academy official explained that the \$222,000 in excess Year 1 and Year 2 teacher materials were purchased over the years but had not been distributed. According to an Academy official, since the Academy was not being allowed to carry over funds after FY01, they felt the districts had a right to the materials purchased. So, since East St. Louis was the neediest of the school districts participating in the Academy program, the materials were shipped to that district. Good business practice would dictate that the Academy use these materials in the next year or return them to the vendors for credits or refunds – thus saving the State taxpayers that financed the original purchases.

We recommended that the Academy ensure that materials for teachers purchased with State funds are only distributed to those who are actually participants in the Academy’s professional development program. Further, the Academy should, after consultation with Illinois State Board of Education officials, explore other ways to dispose of excess material inventories such as using the materials in subsequent years or returning to vendors for credit. Additionally, we recommended the Academy follow

The Academy distributed excess materials to a school district instead of using them in the next year or seeking refunds or credits for the materials purchased with State funds.

up with East St. Louis district officials to ascertain to whom the materials were distributed to ensure that State resources were used for appropriate purposes. The Academy's response to the audit contained certifications signed by East St. Louis principals to the receipt of the materials. These certifications were dated four days prior to our exit conference with the Academy. (pages 50-52)

ACADEMY UNRESTRICTED FUNDS

The Academy deposits interest earned on State funds into an unrestricted fund, in violation of ISBE policy.

The Illinois Grant Funds Recovery Act (30 ILCS 705/10) requires that interest earned on grant funds become part of the grant principal and is to be treated accordingly unless the grant agreement provides otherwise. Additionally, ISBE grant policy indicates that all interest earned on grant funds during the grant period must be spent by the grantee during the grant period, but only for purposes authorized by the grant. We found that the Academy does earn interest on State funds and places those earnings into an *unrestricted* fund.

Academy calculations show \$616,121 earned in interest on State funds since 1992.

Academy calculations show \$616,121 of a total of \$896,375 (69 percent) in interest earnings since 1992 are from State monies. In FY01, the Academy recognized \$121,489 in interest from State monies, or 81 percent of the total of \$149,721 in FY01. The Academy recognizes this revenue as being able to be used on any expenditure. This interest, after then being combined with other sources of "unrestricted" funds, is used for such purposes as holiday parties, dining, and hotel expenses that are not specifically charged to other funding sources.

We recommended that the Academy should use revenue, such as interest income, generated from State funds for State program purposes. Additionally, the Academy should take steps to ensure that only true sources of unrestricted funds are deposited into this fund and that revenue collected for special projects should clearly be used to offset expenses of those activities before charging State funds for the expenses. We also recommended that ISBE should monitor the use of interest income on State funds to ensure that these funds are used for the same purpose as the principal of the grant. Additionally, ISBE should examine the Academy's use of interest revenue and recover any funds that were used for non-grant purposes. (pages 52-55)

OTHER ISSUES

The Academy has failed to perform formal performance appraisals of its staff in violation of its Employee Manual. Timely evaluations provide essential feedback to employees as well as providing a documented basis for salary adjustments, promotion, demotion, or layoff. Ninety-five percent (19 of 20) personnel files tested did not contain

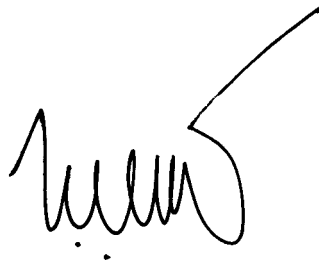
evidence that a performance appraisal had been completed during 2000 or 2001.

Proposals between the Academy and ISBE do not contain any requirements that address fixed assets purchased with State funds and disposition of those assets in the event of discontinuance in funding from the State. Failure to include this type of requirement by ISBE could result in assets purchased with taxpayer funds not being recoverable by the State if funding were terminated.

We recommended that the Academy should ensure that annual performance appraisals of its employees are conducted to provide documentation of the individual's performance, as required by the Academy's Employee Manual. Further we recommended that ISBE should develop criteria, to be included in formal grant agreements with the Academy, that returns fixed assets purchased with State funds by the Academy to the State in the event ISBE discontinues funding of the Academy program. (pages 55-57)

AUDIT RECOMMENDATIONS

The Audit contains nine recommendations which are all detailed in this digest. The Teachers Academy for Mathematics and Science and the Illinois State Board of Education generally agreed with the recommendations. Appendix F to the audit report contains the agency responses.



WILLIAM G. HOLLAND
Auditor General

WGH\MJM
April 2003

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Chapter One

BACKGROUND

REPORT CONCLUSIONS

The State of Illinois has become the major funding source for the Teachers Academy for Mathematics and Science (Academy). During FY01, the Academy received 94 percent of its total revenue from State grants. The Academy's mission is to provide professional development services for teachers in the areas of mathematics and science. The Academy focuses its efforts on academically under-performing schools, which often serve students coming from poor families.

The Academy received a \$5.5 million grant during FY01 specifically appropriated to it as part of the Illinois State Board of Education (ISBE) budget. While we found that the Academy does not receive entitlement funds – funds guaranteed to an entity based on a formula – the Academy has received funds from the State as a named entity in ISBE's appropriation every year since FY95. Increases in the Academy's specific appropriation amount over the years were generally tied to increases in Academy services conducted statewide. From FY95 through FY02, \$32,531,900 was appropriated to ISBE for the Academy.

Professional development expansion in East St. Louis and Joliet resulted in the Academy receiving an additional \$2.28 million from ISBE during FY01. These funds were provided from other grant programs at ISBE (\$1.9 million) that have historically gone to various entities such as schools and school districts, and a legislative transfer (\$380,000) of General State Aid. A "misunderstanding" between the Academy and ISBE resulted in the State Superintendent having to find additional funds for the Joliet project that caused ISBE to forego other planned projects around the State.

No formal contract or grant agreement exists between ISBE and the Academy for the funding received through appropriations to ISBE by the General Assembly. The Academy does submit proposals (after the appropriation amount has been passed by the General Assembly) and year-end cost reports. ISBE views these documents, in total, as an agreement. However, as these proposals are developed by the Academy, they lack any mention of issues such as: outcome goals to achieve for the funding level; what are appropriate and inappropriate uses of the funds; or any of the certifications and assurances other ISBE grants contain.

ISBE allowed the Academy to carry over State funds from one fiscal year to the next, although ISBE's documented policy is that carryover of funds for State-funded programs is not allowed. This resulted in the Academy expending \$589,000 for FY00 expenses from its FY99 ISBE funding. Likewise, during the Academy's FY01, they expended \$644,000 in previous year (FY00) State funds. According to the Executive Director of the Academy, this practice was stopped pursuant to an oral directive from an ISBE official after this audit began. That directive was reversed ten days later by ISBE, and the Academy was allowed to carry over FY01 funds through the end of June 2002.

The proposals developed by the Academy for FY01 did not delineate outcome goals that needed to be achieved to receive funding from the State. While the Academy has set internal goals as part of its strategic planning, ISBE does not provide the Academy with specific goals or performance measures for the funding received from ISBE. Without setting outcome goals for the Academy and monitoring the completion of these documented goals, ISBE cannot ensure that State resources are appropriately utilized. Additionally, the proposals are vague with regards to some of the activities and trips that will be sponsored by the Academy. We also found that not all teachers received the required number of in-class visitations as delineated in the Academy's proposals and reported at the end of the year in the Academy's evaluation report.

There is an overreliance at ISBE on self-reporting by the Academy. The Academy submits program information to ISBE reporting on the number of teachers served, activities conducted by the Academy throughout the year, student test score evaluations, as well as financial information on expenditures. ISBE does not verify this information submitted by the Academy.

The Academy has reported to ISBE that its program has raised math and science scores in the six regions in Illinois where the program has been implemented. While our analysis showed that test scores for Chicago Academy schools increased, scores for the Chicago Public Schools overall, as well as schools Statewide, also increased during the same period.

While there have been increases in test scores for students taught by Academy-trained teachers, there has been no analysis performed by ISBE to determine whether or not the gains have been commensurate for the funding level received. We found that students within the same schools taught by Academy-trained teachers performed better on ISAT tests than did the students taught by non-Academy trained teachers. This analysis, however, does not take into account any other factors that may cause differences in test scores, such as differences in teacher ability and skill or differences in student aptitude within the classrooms. Finally, we concluded that in all three Academy regions, participating teachers improved on the basic skills test after one or two years in the Academy program.

Guidelines on how organizations can spend State funds are an important management control to ensure that the funds are spent efficiently and for the purpose intended by the General Assembly. Such guidelines set parameters as to the specific type of allowable expenses, as well as any general restrictions on the use of State funds. We found that ISBE has established no guidelines to govern the Academy's use of State funds. Additionally, there is an overreliance at ISBE on self-reporting of expenditures by the Academy. These conditions resulted in our finding that:

- In 9 percent of the expenditures tested, the Academy had not maintained supporting receipts for credit card purchases charged to State funds that totaled \$25,857. The undocumented expenditures were for purchases identified as, among others, travel, meals and lodging on the credit card statements.
- In 7 percent of the expenditures tested, meals were charged to State funds without an indication of who benefited from the expenditure. Additionally, we found that the Academy needs a better method for confirming attendance by teachers and parents at professional development sessions, especially those held at remote locations. This

- resulted in inefficiencies in purchases of meals and refreshments that are also charged to State funds.
- There were instances of expenditures charged to State funds that appeared to be outside the Academy's role as providers of professional development. For instance, in September 2001 the Academy purchased \$28,588 in physical fitness and stereo equipment to set up a work out gym for employees.
 - The Academy provided stipends, charged to State funds, to teachers and parents for attending the professional development sessions. This was in addition to meals and refreshments that were provided at State expense. Parent stipends were in the form of expense reimbursements. However, we were unable to determine what expenses the parents incurred since State funds paid for session expenses.

The Illinois Grant Funds Recovery Act (30 ILCS 705/10) requires that interest earned on grant funds become part of the grant principal and is to be treated accordingly unless the grant agreement provides otherwise. Additionally, ISBE grant policy indicates that all interest earned on grant funds during the grant period must be spent by the grantee during the grant period, but only for purposes authorized by the grant. The Academy proposal with ISBE has no mention of how interest is to be processed. While ISBE did inform the Academy that State funds should not be held by the Academy and earning interest, we found that the Academy does earn interest on State funds and places those earnings into an *unrestricted* fund. Unrestricted funds at the Academy are sometimes used for purposes other than those that might be allowable or chargeable to a State grant. Academy calculations show \$616,121 of a total of \$896,375 (69 percent) in interest earnings since 1992 are from State monies. In FY01, the Academy recognized \$121,489 in interest from State monies, or 81 percent of total interest of \$149,721 in FY01. Additionally, the Academy deposits activity fees from its clients into the unrestricted fund as opposed to using those funds to offset costs of the activities. Expenditures for these activities are generally paid with State funds.

The Academy had over \$222,000 of excess materials for distribution to teachers at the end of FY01 that they gave to the school district in East St. Louis. These materials were in addition to the materials provided to East St. Louis teachers who were enrolled in the Academy's professional development program. The Academy was unable to provide information on who received these materials that were purchased with State funds. Without documentation on who received the materials, we were unable to determine whether these State resources were provided to recipients that actually needed, or were trained in using, the materials. The Academy's response to the audit contained certifications signed by East St. Louis principals to the receipt of the materials. These certifications were dated four days prior to our exit conference with the Academy.

The Academy has failed to perform formal performance appraisals of its staff in violation of its Employee Manual. Timely evaluations provide essential feedback to employees as well as providing a documented basis for salary adjustments, promotion, demotion, or layoff.

The Academy's proposals to ISBE do not contain any requirements that address fixed assets purchased with State funds and disposition of those assets in the event of discontinuance in funding from the State. Failure to include this type of requirement by ISBE could result in assets purchased with taxpayer funds not being recoverable by the State if funding were terminated.

INTRODUCTION

On May 25, 2001, the Illinois House of Representatives (House) adopted Resolution Number 304 directing the Office of the Auditor General to conduct a financial and management audit of the Teachers Academy for Mathematics and Science (Academy). House Resolution Number 304 directed the Auditor General to determine:

- Whether some grants for the Academy were made by the State Board of Education from programs designed only for individual schools and school districts;
- Whether other grants for the Academy made by the State Board of Education were in excess of their entitlement;
- Whether the Academy has met goals it set with the State Board of Education in return for substantial increases in State funding; and
- Whether the substantial expenditure of State funds over the last 5 years on the Academy has resulted in improvements in math and science scores at participating schools.

TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE

The Teachers Academy for Mathematics and Science (Academy), located in Chicago, Illinois, is an autonomous alliance of leaders in education, government, mathematics, science, business and community organizations. Originally incorporated June 27, 1990, as the Chicago Education Federation, the organization was renamed the Teachers Academy for Mathematics and Science on August 13, 1991. The organization’s mission is “to create and facilitate a continuous improvement process that ensures excellence in teaching and learning mathematics and science so that every child is equipped with the knowledge, skills and competencies to function in and contribute meaningfully to a global society.”

The Academy was originally established with funding from the U.S. Department of Energy, the National Science Foundation, and the Illinois State Board of Education (ISBE). The Academy is organized as a private, not-for-profit professional development organization under Section 501 (c)(3) of the Internal Revenue Code and is not affiliated with any formal educational organization (i.e., public school district, college or university).

During FY01, a 26-member Board of Trustees governed the organization with the Academy’s Executive Director overseeing daily operations. The Academy employed 91 staff during FY01 (the Academy’s fiscal year runs October 1 to the following September 30), an increase in headcount of 5 from the previous year. Salaries, wages and fringe benefits totaled \$4.1 million, or 52 percent of the Academy’s expenditures, in FY01. During FY01, in addition to four officer positions, the Academy employed:

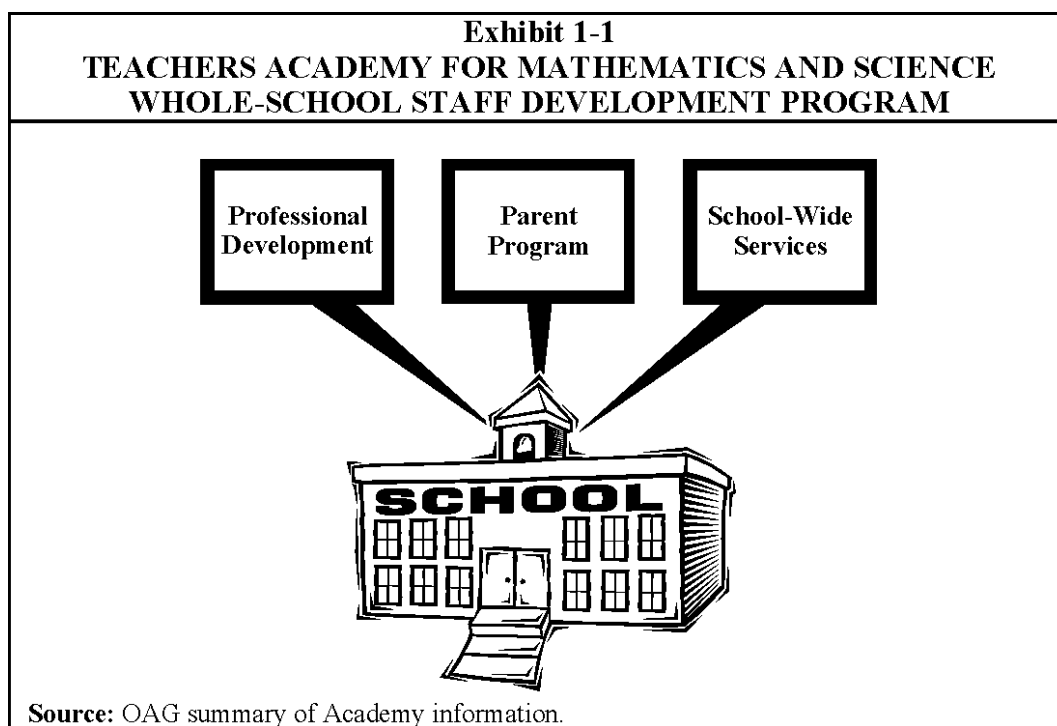
- 43 Professional Development staff who deliver services directly to teachers,
- 34 Support staff (includes data and evaluation staff),

- 6 Intern positions, and
- 4 Department heads.

The Academy leases their current facility from the Illinois Institute of Technology (IIT). In August 2000, the Academy entered into an agreement to purchase property at 501-505 West 35th Street in Chicago. The purchase price for the property was \$1,050,000.

ACADEMY PROFESSIONAL DEVELOPMENT PROGRAM OVERVIEW

The Academy's approach to professional development involves a comprehensive, school-wide program. Staff work not only with the teachers, but also with school administrators, parents and the community in general to ensure that all constituents are supportive of the long-term goals of the program. The complete program centers on a three-year involvement with the Academy (two years of intensive professional development and a third year of support services and special programs). Exhibit 1-1 illustrates the three elements of the whole-school staff development program provided by the Academy – Professional Development, Parent Program, and School-Wide Services.



In the *Professional Development* part of the program, teachers are provided 60 hours of instruction per school year in mathematics and science. The math and science programs are aligned with national and state standards. Technology is integrated throughout the math and science instruction sessions so that the teachers become familiar in the use of computers, video, audio and other technology to stimulate engaged learning. The schools receive thousands of dollars worth of practical instructional materials, including calculators, geometric solids, magnets, balances, and many other hands-on manipulatives (see Appendix B for Materials Distribution list). Additionally, Academy staff make 7-10 classroom visits and provide 7 pre-post conferences

during the school year. Teachers can receive a stipend of \$15/hour for attending sessions during non-school hours and may receive credit towards their State recertification.

The *Parent Program* recruits parent volunteers and encourages them to become leaders within the school community. Parents average 40-50 contact hours with Academy staff. The parents attend up to 21 hours of development training, 12 hours of family math and 12 hours of family science classes with Academy staff to help develop the skills necessary to support their children and become active members of the school community. Family Math is a project that focuses on developing problem-solving skills and building a conceptual understanding of math using inexpensive hands-on materials (i.e., beans, blocks, toothpicks, etc.). Family Science is a project to demonstrate the relevance of science to a student’s future by having children and parents perform activities around the home.

School-Wide Services provide broad support for the schools’ math and science programs. Academy professional developers help with leadership development for principals and teachers, provide grant writing workshops and resources, and provide on-going support and communication between the school and the Academy.

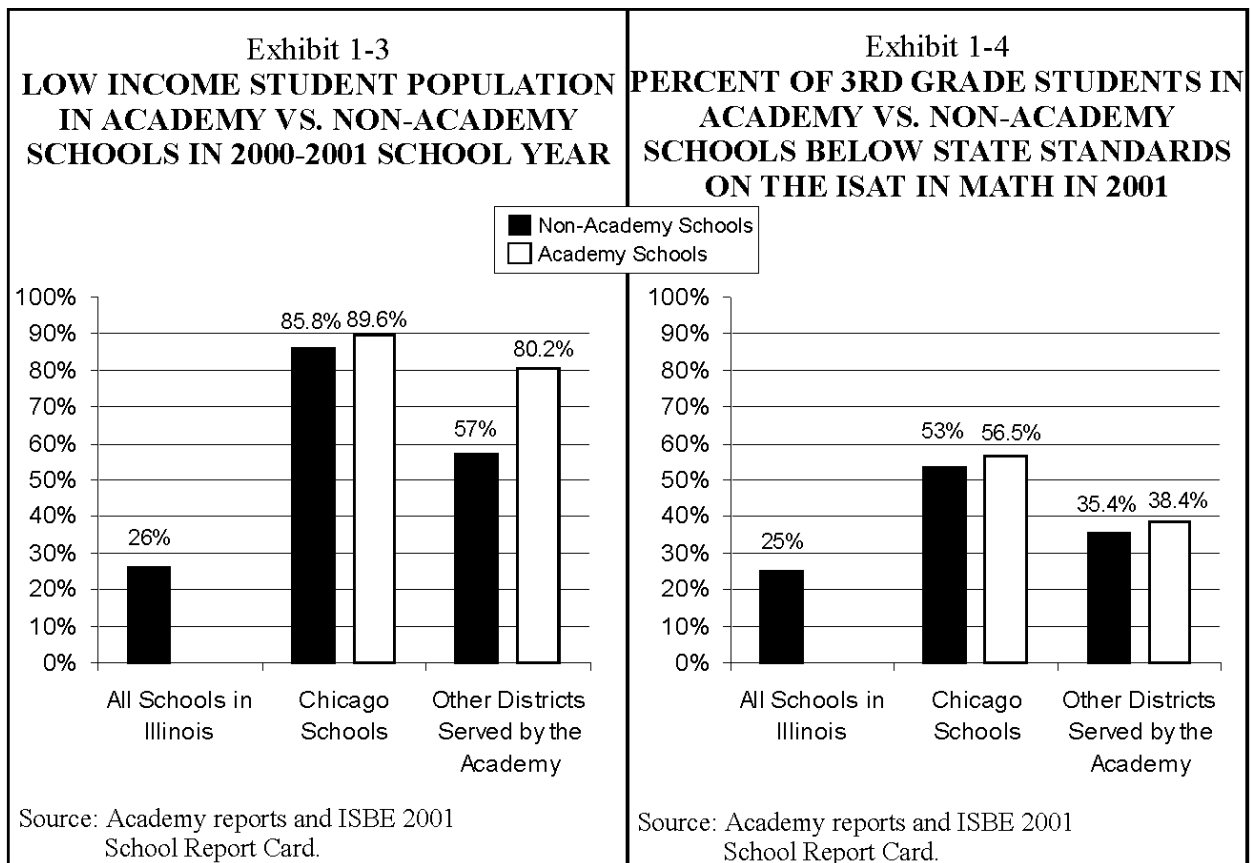
For the program to be successful, the Academy believes there must be a special commitment made by both the teachers and principals of participating schools. The Academy has dropped schools from the program because of a lack of commitment and participation. Exhibit 1-2 outlines the expectations of teachers and principals who participate in the Academy program.

Exhibit 1-2	
COMMITMENT AND PARTICIPATION LEVELS FOR ACADEMY TRAINED TEACHERS AND PRINCIPALS	
TEACHERS	PRINCIPALS
<p>Instructional Sessions:</p> <ul style="list-style-type: none"> ● Regularly attend (at least 80% attendance) all the professional development sessions offered by the Academy. ● Provide feedback to Academy staff as to the quality and usefulness of the program. <p>Implementation:</p> <ul style="list-style-type: none"> ● Practice new methods and knowledge with your students in math and science. ● Use Academy staff to support you as new skills are transferred to the classroom. ● Provide feedback on the success or failure of the activities presented in class. ● Complete the Academy survey and data-gathering questionnaires. 	<ul style="list-style-type: none"> ● Facilitate the enrollment of at least 80% of your teachers responsible for math and science instruction (including special education and bilingual education). ● Encourage the teachers to actively participate in the program. ● Support teachers in the use of hands-on activities through classroom visitations, evaluations, and lesson plans. ● Reallocate funds to purchase additional mathematics and science materials. ● Allocate institute and professional development days for Academy activities. ● Complete the Academy survey and data-gathering questionnaires.
<p>Source: Academy Information.</p>	

Enrollment Statistics

The original mission of the Academy was to serve the public schools in Chicago. By the mid-1990's, as the Academy's federal funding sources diminished, the Academy turned to the State of Illinois for financial support and, according to Academy reports, was asked to expand beyond Chicago. In 1998, the Academy offered its first staff development program outside of Chicago to two schools in the southwestern Illinois city of Cahokia. As of September 2000, the Academy had served teachers in Chicago and five other districts outside of Chicago – East St. Louis, Cahokia, Joliet, Aurora and Elgin.

The Academy focuses its efforts on academically under-performing schools, which often serve students coming from poor families. Exhibits 1-3 and 1-4 compare the low income student populations and percentage of low-performing 3rd grade students for Academy schools versus non-Academy schools and statewide as a whole.



During the 2000-2001 school year, the Academy had a total of 717 teachers who participated in some part of the professional development program. Eighty percent (571 of 717) of the teachers served were from schools in the intensive program, that is, where the majority of teachers in the participating school are enrolled in the Academy program. Another fourteen percent (101 of 717) of the teachers served were in the non-intensive or graduated school program. This part of the program is geared towards schools that have already been in the program but have some replacement teachers who need to go through the Academy's professional development

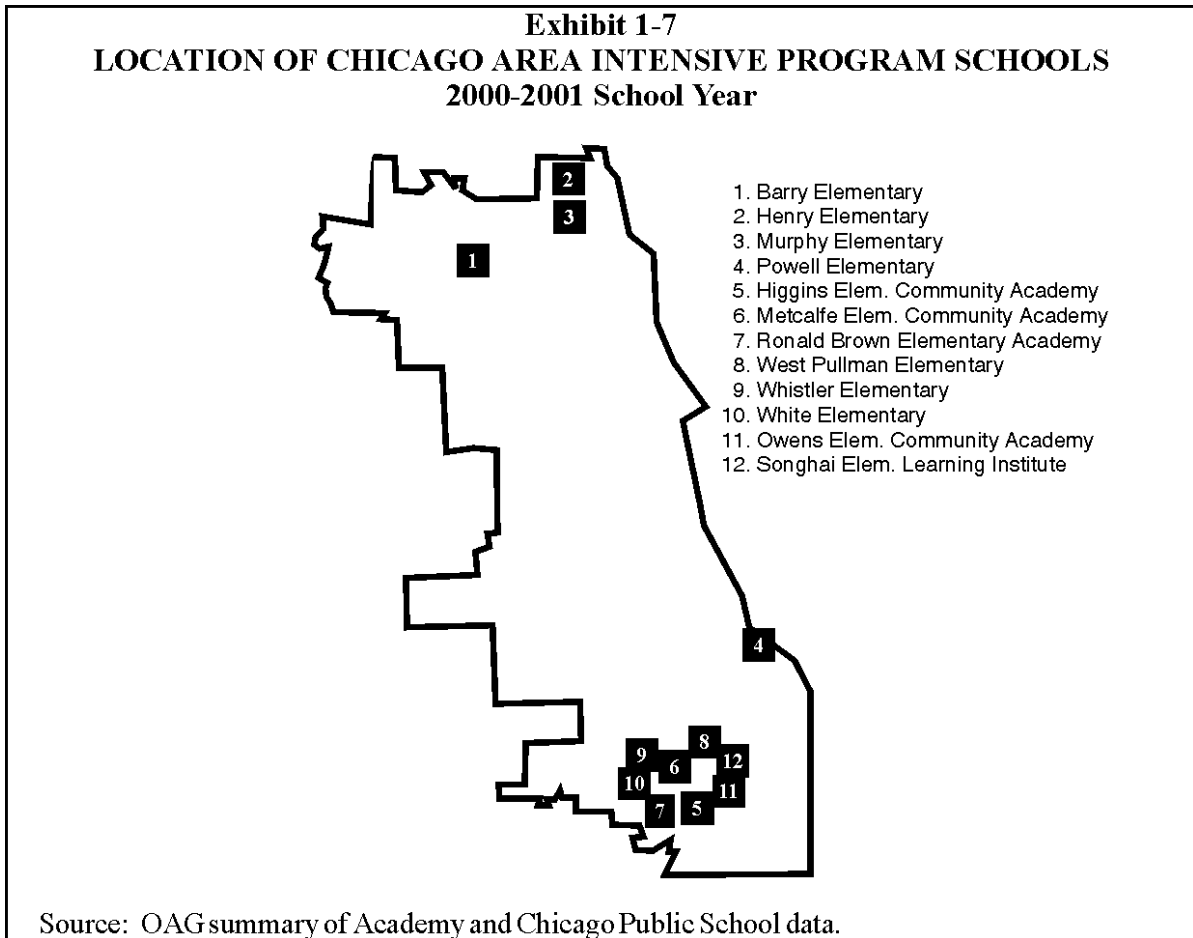
program. These teachers did not participate in the Academy program when their schools went through the intensive program. The final six percent (45 of 717) of the teachers served during 2000-2001 were in an “other” category. Teachers in this classification are generally from schools that were dropped from the Academy intensive program due to a lack of commitment by the institution or principal. The Academy continues to provide professional development to the teachers who are committed to the program.

Teachers attended over 34,000 hours of professional development instruction during 2000-2001. While attendance varied little among the three instructional programs, there was a noticeable attendance difference among regions. Forty-five percent (256 of 571) of the teachers in the intensive schools program were from the Chicago region. Chicago teachers attended an *average* of 73 percent of the hours offered during the program. This 73 percent is below the regular 80 percent attendance commitment that the Academy expects of the teachers in the program (as described above). On average, the teachers in the intensive programs in Joliet and East St. Louis schools attended 90 percent and 84 percent, respectfully, of the total professional development hours offered by the Academy. Exhibit 1-5 summarizes the instructional component of the Academy program for the 717 teachers enrolled during 2000-2001.

Exhibit 1-5 INSTRUCTION SUMMARY-ALL REGIONS 2000-2001 School Year			
Region	Number of Participating Schools	Number of Participating Teachers	Teacher Average Attendance Percentage
Intensive Schools			
Chicago	12	256	73.28%
Joliet	10	141	90.44%
East St. Louis	10	174	83.88%
Total	32	571	80.75%
Non-Intensive Teachers/Graduated Schools			
Chicago	28	80	75.76%
Joliet	1	7	84.05%
East St. Louis	5	14	85.00%
Total	34	101	77.62%
Non-Intensive Teachers/Other			
Chicago	7	38	77.89%
Joliet	0	0	0.00%
East St. Louis	1	7	63.57%
Total	8	45	75.67%
Grand Total	74	717	79.99%
Note: Intensive schools – majority of teachers are enrolled in the Academy’s program. Non-Intensive/Graduated schools – teachers from schools that have previously gone through the intensive program. Non-Intensive/Other – teachers from schools that were dropped from the intensive program due to lack of commitment.			
Source: OAG Summary of Academy Information.			

As Exhibit 1-5 illustrates, the Academy had 32 schools that participated in the intensive professional development program during the 2000-2001 school year. The schools in Chicago were participating in their second year of the program and schools in East St. Louis and Joliet were participating in the first year of the program. The schools that participated in the intensive program during the 2000-2001 school year are listed by region in Exhibit 1-6. The location of the twelve Chicago Public Schools that participated in the intensive program during the 2000-2001 school year is presented in Exhibit 1-7.

Exhibit 1-6 SCHOOLS PARTICIPATING IN THE ACADEMY'S INTENSIVE PROGRAM DURING THE 2000-2001 SCHOOL YEAR		
Chicago	Joliet	East St. Louis
Barry Elementary Henry Elementary Murphy Elementary Powell Elementary Higgins Elem. Community Academy Metcalfe Elem. Community Academy Ronald Brown Elementary Academy West Pullman Elementary Whistler Elementary White Elementary Owens Elem. Community Academy Songhai Elem. Learning Institute	TE Culbertson Elementary Dirksen Elementary Eisenhower Elementary Farragut Elementary Forest Park Individual ED School Eliza Kelly Elementary Lincoln Elementary AO Marshall Elementary Marycrest Elementary Woodland Elementary	Alta Sita Elementary Miles Davis Elementary Dunbar Elementary Lilly Freeman Elementary Harding Elementary Hawthorne Elementary Jackson Elementary Billy Jones Elementary Morrison Elementary Vernice G. Neely School
Source: OAG Summary of Academy information.		



ACADEMY FINANCIAL INFORMATION

Within ISBE’s appropriation, there is a specific appropriation for the Academy to fund their professional development and evaluation efforts. During FY01, the line provided a grant of \$5.5 million to support the Academy’s efforts in Chicago (District #299) and in partial support for similar activities in East St. Louis (District #189) and Joliet (District #86). Additional funds (\$2.28 million) were provided by ISBE to the Academy to support the programs in East St. Louis and Joliet. Chapter Two discusses these funds in more detail.

The Academy fiscal year runs from October 1 through the following September 30. Total revenue for the year ended September 30, 2001 was \$8,274,231 – an increase of 23 percent over FY00. While foundation and private source revenues declined 59 percent, the majority of the revenue, \$8,007,000, was in the form of restricted grants-in-aid. State funding from ISBE grants accounted for 97 percent of the grant funding – and 94 percent of **all** revenues for the Academy in FY01. Total FY01 expenditures by the Academy were \$7,908,479, an increase of 17 percent from FY00. Exhibit 1-8 presents revenue and expenditure information for FY00-01. Interest income is derived from earnings on certificates of deposit and a construction in progress investment account.

**AUDIT SCOPE AND
METHODOLOGY**

This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

Exhibit 1-8 ACADEMY REVENUES AND EXPENSES FY00-FY01		
Revenues	FY01	FY00
Grants-in-aid – State	\$7,780,000	\$5,500,000
Grants-in-aid – Other	\$227,000	\$894,500
Private sources	\$58,711	\$144,095
Miscellaneous education	\$0	\$10,500
Other income	\$1,270	\$8,304
Interest	\$207,250	\$160,862
Total Revenues:	\$8,274,231	\$6,718,261
Expenses		
Salaries/wages	\$3,343,162	\$2,990,089
Fringe benefits	\$756,108	\$626,242
Training stipends	\$572,251	\$477,972
Consulting services	\$1,236,821	\$891,024
Occupancy	\$382,941	\$373,479
Travel	\$203,974	\$165,629
Communications	\$79,945	\$57,932
Advertising	\$53,534	\$61,489
Printing	\$96,165	\$34,881
Insurance	\$37,488	\$32,294
Supplies and materials	\$762,385	\$661,584
Capital outlays	\$245,610	\$200,014
Building expansion	\$0	\$26,683
Memberships dues	\$2,123	\$1,812
Bad debts	(\$1,359)	\$23,724
Depreciation	\$127,726	\$121,297
Miscellaneous	\$9,605	\$12,791
Total Expenses:	\$7,908,479	\$6,758,936

Source: OAG analysis and Academy FY01 audited financial statements.

The audit objectives for this financial and management audit were those as delineated in House Resolution Number 304. The audit objectives are listed in the Introduction section of Chapter One.

House Resolution 304 directs us, in part, to conduct a financial audit of the Academy. We scoped the financial audit requirement of House Resolution 304 as a financial related audit described in Chapter Two of the Yellow Book (Types of Government Audits). Financial related audits can include determining whether the entity has adequate internal controls over compliance with laws and regulations, such as those governing the reporting on grants and contracts. Additionally, the Academy has an audit of its financial statements completed annually by an external auditor. We reviewed the audited financial statements for the period FY96 through FY01. We also reviewed the work paper files for the audits performed by the Academy's external auditor for FY97 through FY01. According to Academy auditors: the financial statements were fairly presented in all material respects; there were no reportable instances of noncompliance that would affect financial reporting; and, there were no matters involving the internal control over financial reporting that were considered to be material weaknesses.

We conducted interviews of Academy staff, including those from the evaluation and assessment area, program delivery, fiscal, and the Executive Director. At the Illinois State Board of Education (ISBE), we interviewed staff in the program areas of scientific literacy, mathematics statewide, curriculum and instruction, operations, internal audit, and fiscal. We also interviewed the superintendent of the Cahokia school district and the assistant superintendent of the East St. Louis school district. Finally, we interviewed staff in the Regional Offices of Education from Kane County, St. Clair County, and Will County, as well as the Intermediate Service Center #3 in Chicago.

We conducted a detailed review of expenditures, inventory, and payroll at the Academy to determine whether the funds received from the State were spent on program related activities, and complied with any applicable State law, regulations or provisions of contract or grant awards. Additionally, we reviewed a sample of deliverable activities for FY01 that the Academy was to perform for the funding received from ISBE. Further, we obtained and verified test score data and compiled measurements for the Academy relative to audit objectives.

We reviewed the federal and State legal requirements that pertain to the funding of the Academy, both as a named entity in the State budget and for grant funds received by the Academy from ISBE outside of the named appropriation, as well as the management controls at both the Academy and ISBE pertinent to audit objectives. We also reviewed the proposals submitted to ISBE by the Academy for funding criteria, monitoring required of ISBE, and goals that were to be achieved for the State funding.

We reviewed a sample of organizations from each appropriation from which the Academy received additional ISBE funds from to ascertain whether the Academy and the other organizations had the same requirements for contractual relationships with ISBE for the funding.

REPORT ORGANIZATION

The remainder the this report is organized into the following chapters:

- **Chapter Two** examines the funding, both grant and as a named entity in the State budget, that the Academy received from the Illinois State Board of Education (ISBE);
- **Chapter Three** examines whether the Academy and ISBE have set goals for the funding received from the State and whether Academy efforts have resulted in improvements in math and science scores at participating schools; and
- **Chapter Four** presents the results of our testing of the Academy’s fiscal operations in the areas of expenditure of State funds, personnel and fixed assets.

Chapter Two

ACADEMY STATE FUNDING

CHAPTER CONCLUSIONS

The State of Illinois has become the major funding source for the Teachers Academy for Mathematics and Science (Academy). During FY01, the Academy received 94 percent of its total revenue from State grants. The Academy's mission is to provide professional development services for teachers in the areas of mathematics and science.

The Academy received a \$5.5 million grant during FY01 specifically appropriated to it as part of the Illinois State Board of Education (ISBE) budget. While we found that the Academy does not receive entitlement funds – funds guaranteed to an entity based on a formula – the Academy has received funds from the State as a named entity in ISBE's appropriation every year since FY95. Increases in the Academy's specific appropriation amount over the years were generally tied to increases in Academy services conducted statewide. From FY95 through FY02, \$32,531,900 was appropriated to ISBE for the Academy.

Professional development expansion in East St. Louis and Joliet resulted in the Academy receiving an additional \$2.28 million from ISBE during FY01. These funds were provided from other grant programs at ISBE (\$1.9 million) that have historically gone to various entities such as schools and school districts, and a legislative transfer (\$380,000) of General State Aid. A "misunderstanding" between the Academy and ISBE resulted in the State Superintendent having to find additional funds for the Joliet project that caused ISBE to forego other planned projects around the State.

No formal contract or grant agreement exists between ISBE and the Academy for the funding received through appropriations to ISBE by the General Assembly. The Academy does submit proposals (after the appropriation amount has been passed by the General Assembly) and year-end cost reports. ISBE views these documents, in total, as an agreement. However, as these proposals are developed by the Academy, they lack any mention of issues such as: outcome goals to achieve for the funding level; what are appropriate and inappropriate uses of the funds; or any of the certifications and assurances other ISBE grants contain.

ISBE allowed the Academy to carry over State funds from one fiscal year to the next, although ISBE's documented policy is that carryover of funds for State-funded programs is not allowed. This resulted in the Academy expending \$589,000 for FY00 expenses from its FY99 ISBE funding. Likewise, during the Academy's FY01, they expended \$644,000 in previous year (FY00) State funds. According to the Executive Director of the Academy, this practice was stopped pursuant to an oral directive from an ISBE official after this audit began. That directive was reversed ten days later by ISBE, and the Academy was allowed to carry over FY01 funds through the end of June 2002.

During our review of other recipients that received grant funds from the same ISBE programs as the Academy, we found that ISBE had formal agreements in place for 48 percent (34 of 71) of the organizations.

BACKGROUND

House Resolution Number 304 asked, in part, whether the Academy received grants from ISBE that were in excess of their entitlement. Additionally, the Resolution asked us to determine if some grants received by the Academy were made by ISBE from programs that were designed only for individual schools and school districts.

We concluded that increases in Academy funding levels were generally tied to increases in services provided by the Academy for professional development conducted statewide. Additionally, the Academy did receive additional grant funds during FY01 from four other ISBE appropriations/programs due to a lack of adequate planning by ISBE when the Academy workload was initiated. ISBE maintains that these funds were part of the discretionary funds they can allocate as grants and not pursuant to any competitive part of the program.

ACADEMY FUNDING IN THE STATE BOARD OF EDUCATION BUDGET

The Academy has received funds as a named entity in the State budget every year since FY95. The funds are appropriated as part of the ISBE budget and are generally disbursed to the Academy in three installment payments. While these funds are appropriated for Academy use, they are not technically entitlement funds. Entitlement funds guarantee, based on the funds appropriated or received in a grant award, that eligible fund recipients or other entities will receive a specific amount of funds based on a formula. For purposes of this report we define entitlement funds as simply those funds which the Academy received as part of the named appropriation in the ISBE budget.

Funding Levels

The Academy's primary financial support in the early years was from large grants from the U.S. Department of Energy (DOE) and from the National Science Foundation (NSF). In 1995, the DOE announced its withdrawal from the pre-college arena, under which the Academy had been funded. At the same time, the NSF grant had one additional year remaining and, according to Academy documentation, there was little interest in renewing it for another cycle. As these federal funding sources waned, the Academy turned to the State of Illinois for financial support.

Since 1995, the State of Illinois has become the major funding source for the Academy. During FY01, the Academy received 94 percent of its total revenue from State grants. From FY95 through FY02, \$32,531,900 was appropriated to ISBE for the Academy. This included a 19 percent increase from FY01 to FY02. This increase was an attempt to combine the statewide efforts in Joliet and East St. Louis into one line item appropriation.

Funds are distributed to the Academy based on a grant, according to ISBE documentation. The base appropriation *For Funding the Teachers Academy for Math and Science in Chicago* for FY01 was \$5.88 million (\$380,000 of that amount was a supplemental appropriation for the Academy and attached to the FY02 omnibus appropriations bill – P.A. 92-0008). Exhibit 2-1 presents the appropriation history for the Academy.

As presented in Exhibit 2-1, the funding level for the Academy has increased from \$1.05 million to \$5.5 million to \$7.0 million. These increases coincided with the Academy’s expansion beyond Chicago. In 1998, the Academy offered its staff development to schools in St. Clair County (Cahokia) and Kane County (Elgin and Aurora). During the winter/spring of 1999, the Academy began to offer the program in East St. Louis. Joliet was brought into the program in the fall of 1999.

The Academy received a \$5.5 million grant during FY01 as specifically appropriated in the ISBE budget. Additionally, the Academy received \$1.5 million for work in East St. Louis and \$780,000 for work in Joliet from other grant programs at ISBE that have historically gone to various entities such as schools and school districts.

We found that the funding process for the Academy is an informal process. Staff from ISBE reported that the Academy submits a request to ISBE, asking for a specific amount of money. ISBE officials stated they then adjust the number, usually downward, to meet the ISBE overall budget plan. After negotiations with the Academy, the budget staff and Superintendent then make decisions, with final approval by the Board. The ultimate decision is made by the General Assembly in the appropriations process. Further, ISBE officials stated that they view themselves as a flow through entity; there are no competitive proposals submitted by the Academy and the amounts are ultimately decided by the General Assembly. Finally, ISBE staff stated that no research has ever been conducted to determine the appropriate funding level for the Academy.

Academy officials report a different process that is supported by documented dates on proposals. The Academy Executive Director stated a proposal is not submitted usually until after the budgeted appropriation amount has been passed by the General Assembly. We found that the FY00 proposal submitted by the Academy, for the amount as named in the appropriation, was dated September 14, 1999. The FY01 proposal for the named amount in the appropriation was dated September 7, 2000.

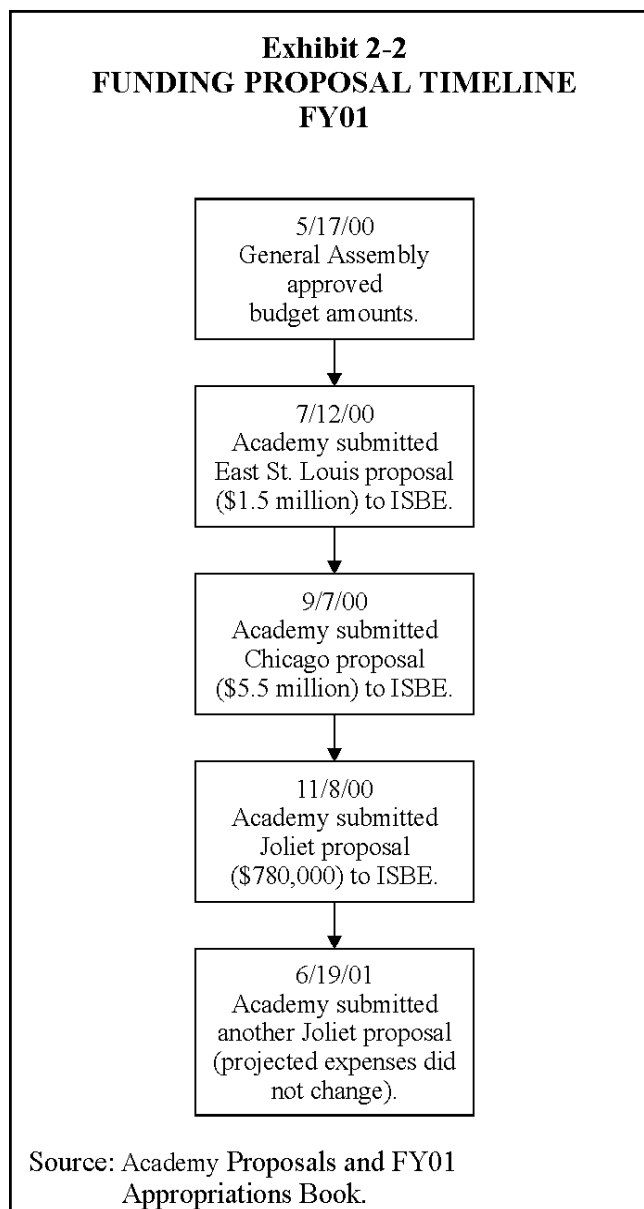
Exhibit 2-1 ACADEMY SPECIFIC STATE APPROPRIATIONS FY95-FY02	
Fiscal Year	Amount
2002	⁽¹⁾ \$7,001,900
2001	⁽²⁾ \$5,880,000
2000	\$5,500,000
1999	\$5,500,000
1998	\$5,500,000
1997	\$1,050,000
1996	\$1,050,000
1995	\$1,050,000
Total:	\$32,531,900
Notes:	
⁽¹⁾ ISBE reduced the appropriation by \$1.5 million in January 2002.	
⁽²⁾ includes a \$380,000 supplemental appropriation as part of FY02 budget bill.	
Source: State of Illinois Appropriations Report and ISBE website.	

Funding Proposals

No formal contract or grant agreement exists between ISBE and the Academy for the funding received through appropriations to ISBE by the General Assembly. The Academy does submit proposals **after** the appropriation has been passed by the General Assembly and approved by the Governor, and after the fact cost reports to ISBE for funds received as a named entity in the appropriation bills. ISBE views these documents, in total, as an agreement. However, these proposals, developed by the Academy, lack key components to help ensure accountable uses of these funds, such as: outcome goals to achieve for the funding level; what are appropriate and inappropriate uses of the funds; or any of the certifications and assurances other ISBE grants contain. Exhibit 2-2 presents a timeline of the Academy’s proposals submitted to ISBE during FY01.

We requested all contracts and grants between the Academy and ISBE for FY97-FY01. While the documentation references contracts and grant agreements, neither the Academy nor ISBE have any formal grant agreements or contractual agreements. ISBE officials stated that the funds received by the Academy are subject to the Grant Funds Recovery Act (30 ILCS 705). The Act states that grant funds may not be used except pursuant to a written grant agreement. At a minimum, a grant agreement must:

- A. Describe the purpose of the grant and be signed by the grantor agency;
- B. Specify how the payments are to be made, what constitutes permissible expenditure of the grant funds, and the financial controls applicable to the grant;
- C. Specify the time period for which the grant is valid, and the period of time during which the grantee can expend the funds; and
- D. Contain a provision that all funds remaining at the end of the grant agreement shall be returned to the State within 45 days. (30 ILCS 705/4)



The proposals submitted by the Academy are not signed by ISBE, do not outline what constitutes permissible expenditure of funds, or contain the provision to return unused funds to the State. Academy officials reported that they have not received any direction from ISBE relative to what they can and cannot spend funds on.

The FY01 proposal, submitted 9/7/00, for the entitled appropriation of \$5.5 million included five key components that were to make up the Academy's FY01 activities. Those components were:

1. 2nd Year of Math and Science Professional Development program for Chicago schools.
2. 1st Year of Math and Science Professional Development program for Joliet schools.
3. Maintain and sustain efforts with Academy "graduated schools".
4. Build an infrastructure for expansion of other academies that will support the "Statewide Professional Development Initiative".
5. Build the Academy infrastructure to support the "Statewide Professional Development Initiative".

While the proposal spells out what activities and amount of teacher training and support is being proposed, there is no indication that ISBE approves this plan or monitors Academy activities to ensure that the work was completed and that the funds were spent based on the proposal.

Carryover Funds

ISBE allowed the Academy to carry over State funds from one fiscal year to the next, in violation of ISBE policy. This resulted in the Academy expending, from its FY99 ISBE funding, \$589,000 during the Academy's FY00. Likewise, during the Academy's FY01, they expended \$644,000 in previous year (FY00) State funds. According to the Executive Director of the Academy, this practice was stopped pursuant to an oral directive from an ISBE official after this audit began. That directive was reversed ten days later by ISBE, and the Academy was allowed to carry over FY01 funds through the end of June 2002. As stated above, the Grant Funds Recovery Act requires a written agreement that, among other provisions, must specify the time period during which grant funds may be expended by the grantee (30 ILCS 705/4(c)).

ISBE created a handbook to inform their clients of the policies governing all grants awarded from ISBE along with the procedures and guidelines for the grant awards. The handbook, entitled "State and Federal Grant Administration Policy and Fiscal Requirements and Procedures", defines carryover funds as funds that "are unbudgeted and/or unexpended funds from the previous fiscal year." The policy as stated in the handbook is that carryover is not allowed for State-funded programs. As presented earlier, the Academy received 94 percent of its total revenue during FY01 from ISBE grants.

In May 1999, the Academy requested that ISBE extend the FY99 State grant to pay for expenditures up through December 30, 1999. The Academy's fiscal year runs October 1 through the next September 30. The State Superintendent granted that request in June 1999. There was no indication in the documentation of the need for the extension or under what authority the Superintendent was making the extension.

In July 2000, the Academy once again requested a “three-month, no-cost budget extension” for the FY00 grant received from ISBE – again through December 31, 2000. Internal ISBE documentation questioned the request and indicated a reason must be given to grant the extension. The Academy provided two reasons why they needed the extension:

- First, some of the money allocated to pay for substitutes and teacher stipends was not needed.
- Second, several positions were not filled immediately by the Academy after staff left the organization.

The Academy’s July 2000 rationale for an extension appears to show that they did not need as much FY00 funding as they received. However, based on the above reasons, ISBE granted approval to extend the grant through the end of calendar year 2000. In the ISBE memo approving the extension, ISBE stated that the extension allows the Academy to complete the activities approved in the proposal, that expenditures should only come from FY00 funds, and that the funds should not be commingled with those from any other fiscal year.

At a June 2001 Academy Board Meeting the Executive Director commented on the carry over of State funds from FY01 to FY02. She explained that the Academy had negotiated with the State during the current fiscal year to hold back on some projects requested by the State in order to save resources in anticipation of a more difficult process of obtaining funds in the coming year. During our meeting with the Executive Director on October 11, 2001 we were informed that ISBE had called that morning with an oral directive that the Academy was not to carry over funds. The ISBE official explained to the Executive Director that the appropriation for the coming year would cover costs incurred by the Academy. Ten days later, on October 21, 2001, ISBE reversed that denial and allowed the Academy to carry over FY01 funds through the end of June 2002.

From our review, it appears that the Academy used the carryover funds to pay for expenditures incurred in the subsequent year rather than to complete the activities in the previous fiscal year proposal. Additionally, by the time the Academy had asked to carry over funds, the State had appropriated more funding for the current school year – when the Academy was incurring these additional expenses. A review of the Academy general ledger for FY00 and FY01 shows that the Academy did account for the funds received separately. However, there were multiple transfers shown in the ledgers where, for example, expenditures incurred during FY01 were moved back and paid with FY00 carryover funds. ISBE has not gone on-site to perform fiscal monitoring of the Academy since the Academy started to receive a specific appropriation and would not be aware of this practice. Academy funding, as described earlier, provides for professional development funding each year, through FY01. Exhibit 2-3 summarizes, in general categories, the expenditures made by the Academy in the subsequent years with previous year funding. Appendix C contains a detailed line item break down of these expenditures.

Exhibit 2-3		
SUMMARY OF STATE FUNDS PAID IN ONE FISCAL YEAR BUT EXPENDED IN A SUBSEQUENT FISCAL YEAR		
Fiscal Years 2000-2001		
Expenditure Category	FY01 Expenditures Paid From FY00 Carryover Funds	FY00 Expenditures Paid From FY99 Carryover Funds
Executive and Director’s Salary	\$41,058	\$29,462
Professional Salary	\$242,807	\$213,044
General Support Salary	\$6,014	\$9,515
Fringe Benefits/Insurance	\$45,829	\$30,609
Professional/Contractual Services	\$78,397	\$37,685
Property Services	\$20,539	\$37,244
Travel/Transportation	\$3,859	\$20,999
Communications	\$1,244	\$8,124
Advertising	\$6,266	\$3,590
Support for Teachers	\$180,684	\$182,776
Supplies/Materials	\$10,178	\$3,896
Capital Outlays	\$5,070	\$11,934
Operating Services	\$1,738	\$600
Totals:	\$643,683	\$589,478
Source: OAG summary of Academy FY00 and FY01 General Ledgers.		

Good business practice would dictate that an entity receiving funds have clear direction as to what activities are to be completed, at what levels, for the funding received. Determining some quantitative measure (such as cost per teacher receiving professional development) could ensure that State funds provided to the Academy were at the appropriate levels.

ACADEMY FUNDING AS A NAMED ENTITY IN THE ISBE BUDGET	
RECOMMENDATION NUMBER 1	<i>The Illinois State Board of Education should develop a formal grant agreement with the Teachers Academy for Mathematics and Science that includes information on what are appropriate and inappropriate uses of the funds, program specifications, budget guidelines, and terms for the grant.</i>
ILLINOIS STATE BOARD OF EDUCATION RESPONSE	In the past the agency has considered the annual program descriptions together with the budgets to constitute agreements with the Teachers Academy for Mathematics and Science. However, the State Board agrees to develop more detailed, formal agreements with the Academy in the future, including appropriate usage of funds and terms for the agreement.

ADDITIONAL STATE GRANT FUNDS TO THE ACADEMY

House Resolution Number 304 asked whether ISBE provided grants to the Academy from programs that were designed only for individual schools and school districts. We found that ISBE did make grant awards to the Academy during FY01 from programs that have historically gone to such entities as schools and school districts.

Professional development expansion in East St. Louis and Joliet necessitated the Academy receiving an additional \$2.28 million from ISBE during FY01. Additional funding included a \$1.5 million grant for the Academy's efforts in East St. Louis and another \$780,000 for work in Joliet. These funds were provided from other grant programs at ISBE (\$1.9 million) and a legislative transfer (\$380,000) of General State Aid. A "misunderstanding" between the Academy and ISBE resulted in the State Superintendent having to find additional funds for the Joliet project that forced ISBE to forego other planned projects around the State.

Fiscal Year 2001 was the first time since FY97 that the Academy had received funds from other ISBE grant programs – outside of the amount named in the ISBE budget. In September 2000, Academy and ISBE officials met to discuss legislative interest in expanding the program into Joliet. According to Academy officials, they left the meeting with the understanding that the Superintendent was willing to fund the \$780,000 needed for the Joliet project. The Academy subsequently developed a proposal and began work on the Joliet project. In a December 2000 letter to the Academy, the Superintendent stated that no FY01 funds had been promised for the Joliet expansion. The Superintendent informed the Academy that as he had stated at the September meeting, ISBE did not have the funding this year to support the project. Subsequent to the December 2000 letter, ISBE did identify a source for \$400,000 (the grant programs identified below) but stated that the "additional \$380,000 would require a legislative transfer from General State Aid." ISBE stated they would support the transfer but others needed to take the lead in moving the transfer bill.

The Superintendent also stated in this December correspondence that since ISBE needed to give the \$400,000 to the Academy for the Joliet project, ISBE would not be able to fund ten "Start-Up" projects planned for around the State. The Superintendent also informed the Academy that any "and all requests for money from our budget will need to come in writing" and that he would respond in writing.

Exhibit 2-4 identifies the four ISBE grant programs from which funds were used to provide this additional funding to the Academy.

Exhibit 2-4		
SUMMARY OF OTHER ISBE FUNDING PROVIDED TO THE ACADEMY		
Fiscal Year 2001		
Funding Received	ISBE Program	ACADEMY Funding as a %age of Total Appropriation
\$1,550,000	For all costs associated with Professional Development Statewide	52 percent (\$1,550,000 of \$3,000,000)
\$200,000	For Operational Costs and Grants for Family Literacy	20 percent (\$200,000 of \$1,000,000)
\$100,000	For Operational Costs and Grants for Mathematics Statewide	10 percent (\$100,000 of \$1,000,000)
\$50,000	For Grants Associated with Scientific Literacy Programs, Math and the Center for Scientific Literacy	.79 percent (\$50,000 of \$6,328,000)
\$1,900,000	Total – Other Grant Funds	
Note: The Academy also received a \$380,000 legislative transfer from General State Aid.		
Source: OAG summary of Comptroller data and State appropriations book.		

An ISBE official explained that ISBE issues several different kinds of grants. Some are more competitive and require a request for proposal process with supporting documentation. We found that none of the funding mechanisms to the Academy were competitive in nature. The same official stated that the Academy is out of the ordinary because the funds distributed to the Academy were legislative add-ons. Further, the additional funding provided by ISBE to the Academy was described as leadership dollars to be distributed by ISBE for purposes identified by ISBE. Additionally, the official explained that often the original funding proposal is the only written document to support the agreement. The other funding provided to the Academy during FY01 is described below.

Professional Development Statewide

On July 12, 2000, the Academy sent a proposal to ISBE to provide professional development in mathematics, science and technology to teachers, administrators, and parents in the East St. Louis school district. The proposal sought \$1.5 million from ISBE, and had a total cost of \$1.9 million for the entire effort. The Academy was to use \$400,000 of their regular grant toward the effort. ISBE provided the \$1.5 million from the Professional Development Statewide appropriation. As with the \$5.5 million specific appropriation, ISBE did not have a formal grant or contract agreement with the Academy for the funds received from this program.

The Academy’s proposal for East St. Louis contained three key components: (1) provide mathematics, science, and technology professional development for teachers in ten K-5 schools; (2) provide leadership development for school principals to support teachers in implementing the Academy approach; and, (3) provide parent and community training in family math/family science as well as leadership development.

The Academy received a total of \$1.55 million from the Statewide Professional Development appropriation during FY01. The East St. Louis project received \$1.5 million and later, when ISBE was trying to find funding for the Academy’s Joliet project, an additional \$50,000 was provided from this same appropriation. Exhibit 2-5 shows that 45 ROEs, 3 universities, 2 school districts, and 81 other individuals received funding from the Professional Development Statewide program during FY01.

Exhibit 2-5 ENTITIES RECEIVING PROFESSIONAL DEVELOPMENT STATEWIDE FUNDS Fiscal Year 2001		
Entity	# of Entities	Funding Received
Teachers Academy for Mathematics and Science	1	\$1,550,000.00
ROEs	45	\$140,684.00
Universities	3	\$52,100.00
School Districts	2	\$588.00
Others	81	\$531,621.02
Totals:	132	\$2,274,993.02
Source: OAG Summary of Comptroller Data.		

ISBE provided us with documentation illustrating what the purpose, population and service levels, and reimbursement/distribution method were for Professional Development Statewide. These are illustrated below:

- **Purpose:** Implement the teacher renewal process, assist school districts and deliver other training to teachers across the State, and support a teachers academy in the East St. Louis metro area.
- **Population and Service Levels:** Teachers in the East St. Louis metro area, all teachers in the State, and ROEs and local and regional professional development entities.
- **Reimbursement/Distribution Method:** Competitive grants and contracts through a request for proposal (RFP) process.

While services provided by the Academy are consistent with or meet the Purpose and Population requirements of the Professional Development Statewide program, the Academy had neither a formal contract nor did they submit a competitive grant through an RFP process. We tested 20 recipients of funds from the Professional Development Statewide program, including the Academy. Initially, ISBE reported they were unable to locate any documentation on the disbursement of funds for Professional Development in FY01 or FY02. They subsequently were able to provide information on 5 of the 20 entities selected in our sample. Only 2 had formal agreements with ISBE for the funding received for the program. For the other 15 organizations sampled, ISBE was unable to provide any documentation to show the services that were provided, or how the funds were expended for those organizations.

Family Literacy

The Academy received \$200,000 during FY01 from the appropriation for Family Literacy. These funds were used as part of a total request of \$780,000 for professional services at ten additional schools in Joliet. This funding source was one of four grant programs that ISBE utilized to fund the Joliet activities for the Academy.

In addition to the Academy, a school district, a university, and four other entities received funding from Family Literacy during FY01, as shown in Exhibit 2-6. ISBE officials stated there is no law overseeing the use of this appropriation and its use is broad in that funding can be provided when the costs of a program are associated with family involvement. One of the three main components of the Joliet proposal for professional services is to provide parent and community training in Family Math/Family Science.

The Family Literacy appropriation has the following characteristics:

- **Purpose:** To coordinate high-quality family literacy activities and programs in reading and numeracy for the State’s birth to 8-year old children and their families. The programs, in part, will train parents to use interactive literacy and numeracy activities with their children.
- **Population and Service Levels:** Serves all Illinois children, birth to 8-years old, their teachers and administrators, and teacher preparation programs. Priority will be given to schools, districts and communities where children and their families are in greatest need. Priority activities will be those that will ensure that Illinois children learn to read by the end of the third grade and are competent in early mathematics.
- **Reimbursement/Distribution Method:** These funds will support direct services for children and families; grants for local program development, implementation and evaluations; and contracted services based on requests for proposals.

While services provided by the Academy in Joliet would fall within the Purpose and Population requirements of the Family Literacy program, the Academy had no contractual agreement with ISBE to provide services under this program. We tested 6 of the 7 recipients, including the Academy, of funds from the Family Literacy program and found that only 2 had formal agreements with ISBE for the funding received for the program. For 2 of the other 4 sampled, there was no documentation found to document the services provided with the funds, or how the funds were expended.

Mathematics Statewide

The Academy received \$100,000 during FY01 from the appropriation for Mathematics Statewide. These funds were also used to support the Academy’s professional development program in Joliet. ISBE officials explained that this program provides for professional development resources for improvements in mathematics and can range from training teachers to providing materials and supporting pilot projects. Further, they stated that the program is very broad and that it was used for leadership activities and administrative projects – not necessarily just for schools.

Exhibit 2-6 ENTITIES RECEIVING FAMILY LITERACY FUNDS Fiscal Year 2001	
Entity	Funding Received
Academic Development, Inc.	\$519,399.00
Teachers Academy for Mathematics And Science	\$200,000.00
Bremen CUSD	\$150,000.00
University of Illinois	\$25,070.95
Barbour Griffith & Rogers, Inc.	\$25,000.00
American Council on Education	\$2,513.20
ISBE employee	\$85.80
Total:	\$922,068.95
Source: OAG Summary of Comptroller Data.	

The Mathematics Statewide appropriation has the following characteristics:

- **Purpose:** To provide leadership and support for raising student achievement in mathematics throughout Illinois. Ultimately, the number of students in grades 5, 8, and 10 who meet or exceed state standards in mathematics will increase significantly each year so that by 2005, 85% of all students will meet or exceed State standards for mathematics.
- **Population and Service Levels:** Impacts all public school students, teachers, administrators, teacher preparation programs, teacher educators, and parents. Priority will be given to activities that ensure that the Illinois Learning Standards and curricular models reflect results of recent international studies of effective mathematics programs. That means all Illinois students in middle schools should learn algebra and geometry and that what is learned in middle school should become the foundation for rigorous programs of mathematical study in high school. Beginning in the fall of 2001, staff from the lowest performing schools will receive multi-day professional development in mathematics. The intention is to offer training opportunities to the lowest 20 percent of schools as determined by ISAT scores.
- **Reimbursement/Distribution Method:** These funds will be used by the State Board of Education for direct services and for contracted services based on a request for proposals process.

The Academy received a total of \$100,000 from the appropriation for Mathematics Statewide during FY01. Exhibit 2-7 shows that 18 ROEs, 1 university, 8 school districts, and 278 other persons received funding from Mathematics Statewide during FY01. The vast majority of the “other” category are comprised of school teachers and administrators who were reimbursed for travel by ISBE.

Exhibit 2-7 ENTITIES RECEIVING MATHEMATICS STATEWIDE FUNDS Fiscal Year 2001		
Entity	# of Entities	Funding Received
Teachers Academy for Mathematics and Science	1	\$100,000.00
ROEs	18	\$122,487.13
Universities	1	\$163,320.69
School Districts	8	\$28,692.99
Others	278	\$293,886.73
Totals:	306	\$708,387.54
Source: OAG Summary of Comptroller Data.		

While services provided by the Academy in Joliet would fall within the Purpose and Population requirements of the Mathematics Statewide program, the Academy had no formal contractual agreement with ISBE to provide services under this program and did not submit a proposal based on an RFP process. We tested 25 funding recipients from this program and found that only 12 had a formal agreement with ISBE. For the other 13 sample organizations selected, there was no documentation found to document the services provided with the funds, or how the funds were expended.

Scientific Literacy

The Academy received a \$50,000 grant during FY01 from the appropriation for Scientific Literacy. These funds were also used to support Academy professional development in Joliet. Funding for this program is used to support both grants to schools and State leadership activities. Competitive grant funds are open to all schools as they propose the development of local programs and to colleges/universities/not-for-profit organizations proposing teacher training opportunities. The State leadership funds focus on specific, field determined, statewide training needs.

Funds from this program are used to: purchase materials and supplies; pay for services of field experts; and to support professional staff at ROEs in the areas of mathematics, science and technology. An ISBE official stated that an RFP was issued for the competitive component of the program but that the Academy did not participate in the competitive part of the program.

The Scientific Literacy appropriation has the following characteristics:

- **Purpose:** To establish a Center on Scientific Literacy that will offer technical assistance and teacher training to school districts in the areas of science, math and educational technology.
- **Population and Service Levels:** This is a statewide leadership and technical assistance program serving teachers and students in grades K-12 in Illinois public schools.
- **Reimbursement/Distribution Method:** Funds are distributed to participating agencies based on a competitive request for proposal process. ROEs receive set-aside grants based on the number of students served. Chicago received 1.1 percent of the final grant appropriation as part of the Chicago Block Grant during FY01.

Exhibit 2-8 shows that 35 ROEs, 7 universities, 14 school districts, and 6 other individuals received funding from the program FY01.

In order to improve mathematics and scientific literacy in public schools, administrative rules allow ISBE to enter into contracts and award grants to various entities to provide inservice staff development for elementary and secondary teachers. Rules state that ISBE shall provide competitive grants from funds appropriated for scientific literacy to school districts, the Illinois Mathematics and Science Academy, Illinois colleges and universities, and not-for-profit organizations devoted to furthering the mission of scientific literacy (105 Ill. Adm. Code 5/2-3.94).

Exhibit 2-8 ENTITIES RECEIVING SCIENTIFIC LITERACY FUNDS Fiscal Year 2001		
Entity	# of Entities	Funding Received
Teachers Academy for Mathematics and Science	1	\$50,000.00
ROEs	35	\$3,688,981.00
Universities	7	\$973,948.00
School Districts	14	\$1,046,207.00
Others	6	\$535,772.00
Totals:	63	\$6,294,908.00
Source: OAG Summary of Comptroller Data.		

ISBE had formal contracts or grant agreements with 18 of 20 funding recipients we tested during the audit. The Academy was one of the two that did not have a formal agreement with ISBE, only submitting a proposal for performing work in Joliet. The ISBE RFP for Scientific Literacy identifies eligible applicants as, among others, not-for-profit organizations devoted to scientific literacy. The RFP further provides guidance as to: the grant period, application deadline, fiscal information, proposal format, criteria for proposal evaluation, budget guidelines, and general certifications.

ADDITIONAL GRANT FUNDING TO THE ACADEMY	
RECOMMENDATION NUMBER 2	<i>The Illinois State Board of Education should enter into formal agreements with entities, including the Teachers Academy for Mathematics and Science, which receive grant funding from ISBE and maintain documentation to show how funds were used.</i>
ILLINOIS STATE BOARD OF EDUCATION RESPONSE	Currently the agency provides only directly appropriated funding to the Teachers Academy for Mathematics and Science. Should the Academy receive funding under any of the agency’s grants in the future, appropriate agreements will be generated. Further, the agency will maintain written agreements and documentation for the use of grant funds distributed to other recipients as circumstances dictate.

Chapter Three

ACADEMY GOALS AND ACCOMPLISHMENTS

CHAPTER CONCLUSIONS

Each fiscal year, after an appropriation is determined by the General Assembly, the Teachers Academy for Mathematics and Science (Academy) submits a proposal to the Illinois State Board of Education (ISBE) detailing the number of schools, professional development activities expected for the year, and projected expenses.

The proposals developed by the Academy for FY01 did not delineate outcome goals that needed to be achieved to receive funding from the State. While the Academy has set internal goals as part of its strategic planning, ISBE does not provide the Academy with specific goals or performance measures for the funding received from ISBE. Without setting goals for the Academy and monitoring the completion of these documented goals, ISBE cannot ensure that State resources are appropriately utilized. Additionally, the proposals are vague with regards to some of the activities and trips that will be sponsored by the Academy. We also found that not all teachers received the required number of in-class visitations as delineated in the Academy proposals and reported at the end of the year in the evaluation report.

There is an overreliance at ISBE on self-reporting by the Academy. The Academy submits program information to ISBE reporting on the number of teachers served, activities conducted by the Academy throughout the year, student test score evaluations, as well as financial information on expenditures. ISBE does not verify this information submitted by the Academy.

The Academy has reported to ISBE that its program has raised math and science scores in the six regions in Illinois where the program has been implemented. While our analysis showed that test scores for Chicago Academy schools increased, scores for the Chicago Public Schools overall, as well as schools Statewide, also increased during the same period. Additionally, while there have been increases in test scores for students taught by Academy-trained teachers, there has been no analysis performed by ISBE to determine whether or not the gains have been commensurate for the funding level received. Further, our testing showed that the percentage of students meeting or exceeding ISAT standards for students taught by Academy-trained teachers was higher than students in the same schools taught by non-Academy trained teachers. This analysis, however, does not take into account any other factors that may cause differences in test scores, such as differences in teacher ability and skill or differences in student aptitude within the classrooms. Finally, we concluded that in all three Academy regions, participating teachers improved on the basic skills test after one or two years in the Academy program.

BACKGROUND

House Resolution Number 304 asked whether the Academy had met goals it set with ISBE in return for substantial increases in State funding. Additionally, the Resolution asked whether the expenditure of State funds over the last 5 years on the Academy had resulted in improvements in math and science scores at participating schools.

ACADEMY GOALS

House Resolution 304 asked whether the Academy had met goals it set with ISBE in return for substantial increases in State funding. We found that ISBE established no formal goals for the Academy to accomplish based on the State funding they received.

We reviewed Academy proposals for ISBE funding to ascertain whether they delineate outcome goals the Academy needs to achieve for the funding received. None of the three proposals, developed by the Academy, to ISBE for FY01 outlined outcome goals that needed to be achieved to receive funding from ISBE. The proposals contained project descriptions, which had objectives detailing the number of schools and teachers to receive services. The proposals also discussed how many hours of professional development teachers would receive. Exhibit 3-1 presents information on how **the Academy** will assess the effectiveness of their program and the outcomes of their program.

<p>Exhibit 3-1 ACADEMY ASSESSMENT METHODS FOR PROGRAM EFFECTIVENESS AND PROGRAM OUTCOMES</p>
<p>Program Effectiveness Assessment Measures</p> <ul style="list-style-type: none"> ▪ Teacher Knowledge ▪ Teacher Attitudes and Practices ▪ Instructional Processes and Practices ▪ Student Attitudes and Behaviors ▪ Student Academic Achievement
<p>Program Outcome Assessment Measures</p> <ul style="list-style-type: none"> ▪ General demographic information about teachers and their experience ▪ Teacher completion of a technology skills self-assessment survey ▪ Teacher completion of a teacher attitude survey regarding teaching math and science ▪ Pre/Post tests of math and science skills of participating teachers ▪ Observation summaries of in-class implementation and instructional support by Academy staff
<p>Source: Academy FY01 proposals.</p>

While the proposals included assessment information on program effectiveness and outcomes, as measured by the Academy, they did not establish formal outcome goals (i.e., increasing student standardized test scores by some percentage).

In addition to reviewing the proposals, we asked ISBE if they have provided the Academy with any formal, documented goals for the funding level received from the State. ISBE responded

that funding for the Academy falls under ISBE Leadership Goal 4. Under this goal ISBE supports efforts to ensure that high-quality teachers teach Illinois students.

ISBE does not provide the Academy with specific goals. According to Academy officials, the Academy tells ISBE what they are going to do. There are also instances where priorities, as stated in Academy proposals, are changed by ISBE officials during the year. Even though the Academy has a strategic planning function in place, Academy officials feel that there should be rules and guidelines provided by ISBE. The FY01 Business Plan, printed in September 2000, reports the strategic positioning of the Academy. Exhibit 3-2 summarizes the strategic and operational goals for the Academy for FY01.

Exhibit 3-2 ACADEMY GOALS FY01		
Area	<i>Strategic Goal</i>	<i>Operational Goal</i>
Chicago	Maintain presence while continuing to develop relationship with core schools that support Academy approach.	Complete year 2 program with 245 Chicago school teachers. Maintain activities within Chicago cohort of schools.
East St. Louis	Strengthen foundation to establish an Academy in the Metro East and document and learn from the delivery model used in the community.	Continue working toward full market penetration for all K-6 schools. Will complete the year 1 program with 180 teachers and extend support to graduating schools.
Joliet	Continue to develop the foundation for a Joliet Academy through partnership with University of St. Francis.	Continue market penetration and complete year 1 program with 129 teachers.
Other Regions	Introduce the concept of school-wide professional development to engage future customers.	Deliver a foundation-building professional development project for 200 participants in 7-10 districts in Illinois called Project Start-Up.
Source: Academy FY01 Business Plan.		

Without setting outcome goals for the Academy and monitoring the completion of these documented goals, ISBE cannot ensure that State resources are appropriately utilized.

ACADEMY GOALS	
RECOMMENDATION NUMBER 3	<i>The Illinois State Board of Education should provide the Teachers Academy for Mathematics and Science with documented outcome goals prior to the fiscal year in return for funding levels received from the State. In addition, ISBE should monitor the Academy’s performance to ensure State resources are being used for the purposes intended.</i>
ILLINOIS STATE BOARD OF EDUCATION RESPONSE	The agency agrees to develop outcome goals with the Teachers Academy for Mathematics and Science to be included in the annual agreements and to monitor the Academy’s performance relative to the established goals.

ACADEMY PROFESSIONAL DEVELOPMENT ACTIVITIES

ISBE has not provided the Academy with guidance for spending State appropriated funds. Additionally, ISBE does not perform on-site monitoring at the Academy to verify the activities in the final delivery report were actually performed. Finally, we found that not all teachers received the required number of in-class visits as reported in Academy proposals.

As explained in Chapter Two, the Academy submits proposals to ISBE after the General Assembly has approved the Academy’s State funding. The *proposal* details the program background and content, and outlines objectives and activities to be completed for the funding received during that fiscal year. Generally, the proposals were not specific with regards to activities outside the 60 required hours of Professional Development Training. For example, the proposals are vague with regard to some of the leadership activities and trips that will be sponsored by the Academy and paid for with State funds. Projected expenses (categories) are also included in these proposals. Once the fiscal year is over, the Academy puts together a *final evaluation report* and submits it to ISBE. The report summarizes the Academy’s accomplishments throughout the year and contains very specific information on the delivery of services to teachers, principals and parents. Exhibit 3-3 presents a comparison of Academy proposals and evaluation reports for FY01.

We reviewed documentation at the Academy to determine whether the proposed number of schools and individuals received the services outlined in Academy FY01 proposals. We verified, for a sample of teachers in the Academy’s program during FY01, the professional development hours, implementation visits, and dates they were provided materials by the Academy. Additionally, we reviewed documentation on leadership activities and external evaluation projects presented in the delivery report for FY01. We found that the proposed activities were generally provided during FY01 with the exception being the number of in-class visits to teachers.

Exhibit 3-3 COMPARISON OF ACADEMY PROPOSALS VERSUS EVALUATION REPORTS FY01	
ACADEMY FY01 PROPOSALS	ACADEMY FY01 EVALUATION REPORTS
CHICAGO – YEAR 2	CHICAGO – YEAR 2
<ul style="list-style-type: none"> ▪ 12 schools/245 teachers ▪ 80 non-intensive teachers ▪ 60 hours of professional development training per teacher ▪ 15 in-class visits per teacher ▪ Instructional materials (mathematics manipulatives and science equipment) ▪ Activities for Leadership: teams, coaching and seminars ▪ Parent Activities: 12 hours of Family Math/Science training and workshops ▪ Replacement teachers: at least 7 weekend field experiences 	<ul style="list-style-type: none"> ▪ 12 schools/256 teachers ▪ 35 schools/118 teachers (non-intensive) ▪ 60 hours of professional development training (73 percent participation rate) ▪ 15 in-class visits per teacher ▪ All teachers in intensive and replacement program received \$600 in class materials ▪ Activities: summer retreat, grant exchange program, grant/proposal writing workshop, monthly principals meetings, leadership retreat, teacher assistant development, science fairs and field trips ▪ 13 Family Math/Science workshops and a parent institute ▪ 8 Graduate Schools special interest events
JOLIET – YEAR 1	JOLIET – YEAR 1
<ul style="list-style-type: none"> ▪ 10 schools/148 teachers ▪ 60 hours of professional development training per teacher ▪ 15 in-class visits per teacher ▪ Instructional materials (mathematics manipulatives and science equipment) ▪ Activities for Leadership: coaching and support ▪ Parent Activities: 12 hours of Family Math/Science training and a summer parent institute 	<ul style="list-style-type: none"> ▪ 10 schools/148 teachers ▪ 60 hours of professional development training (90 percent participation rate) ▪ 15 in-class visits per teacher ▪ All teachers in intensive and replacement program received \$600 in class materials ▪ Activities: attend teacher staff development program and monthly meetings ▪ 36 Family Math/Science workshops and the parent institute in conjunction with Chicago parents
EAST ST. LOUIS – YEAR 1	EAST ST. LOUIS – YEAR 1
<ul style="list-style-type: none"> ▪ 10 schools/180 teachers ▪ 8 schools/25 replacement teachers ▪ 60 hours of professional development training per teacher ▪ 15 in-class visits per teacher ▪ Instructional materials (mathematics manipulatives and science equipment) ▪ Activities for Leadership: coaching and support ▪ Parent Activities: 12 hours of Family Math/Science training, 36 hours of parent leadership training, and a summer parent institute 	<ul style="list-style-type: none"> ▪ 11 schools/181 teachers ▪ 5 schools/14 replacement teachers ▪ 60 hours of professional development training (84 percent participation rate) ▪ 15 in-class visits per teacher ▪ All teachers in intensive and replacement program received \$600 in class materials. ▪ Activities: leadership symposiums and monthly site-based support visits ▪ 17 Family Math/Science workshops and a parent institute
Source: OAG summary of Academy FY01 proposals and evaluation reports.	

Required Professional Development Training

The Academy's Professional Development Program provides 120 hours of instruction over two years to teachers of participating schools. The Academy expects teachers to be present for at least 80 percent of the instructional sessions during a given year, and in the school application, the Academy requests the principal's commitment to this standard. Including replacement teachers, there were 374 teachers in Chicago, 148 in Joliet and 195 in East St. Louis who participated in the program in FY01. We sampled 25 teachers (intensive and replacement) from each of the three regions that were enrolled in the Academy program and reviewed session logs to test how many hours of Professional Development training they received. We found that 23 percent (17 of 75) did not maintain regular attendance as required by the Academy.

Participation varied across regions. In Chicago, the 25 teachers participated in 79 percent (1191 of 1500) of the total Professional Development Hours. However, 28 percent of the sample (7 of 25) did not complete at least 48 professional development training hours – with 1 of the 7 only completing 3 hours of instruction. Forty-eight hours of attendance equates to the 80 percent (of 60 hours offered) teacher commitment the Academy expects. In Joliet, the teachers participated in 92 percent (1383 of 1500) of the total session hours. Three teachers (12 percent of those sampled in Joliet) completed less than the required 48-hour commitment. East St. Louis was in the middle with 84 percent participation of the total hours of training provided (1263 of 1500). Seven East St. Louis teachers (28 percent of the sample) failed to participate in 48 hours of instruction.

In-Class Visits

An integral part of the Academy program involves implementation support for participating teachers via 15 in-class visits per year. Academy proposals generally delineate that these visits are to be conducted as part of the program. The final evaluation reports submitted by the Academy to ISBE details that 15 visits were conducted for the teachers in the program. However, we found that the Academy failed to conduct the required 15 visits for 57 percent (43 of 75) of the teachers in our sample.

A school-based visit consists of a combined classroom lesson and a pre/post lesson conference with the participating teacher. Implementation activities included modeling lessons, co-teaching the lesson, and observing the teacher presenting the lesson and providing feedback, as well as lesson planning with each teacher individually. The professional developer from the Academy documents this implementation on a log, which is stored on a centralized database at the Academy.

We used the same sample of 75 teachers enrolled in the Academy program during FY01 from above to verify that each received 15 in-class visits. The results of this testing are summarized in Exhibit 3-4.

According to Academy officials, replacement teachers did not receive in-class instructional support mainly because it was not cost effective to send professional developers to schools for the classroom visits where only one replacement teacher was employed. Replacement teachers are

teachers from schools that have previously participated in the intensive Academy program who were not employed during the intensive training. This explains why 19 teachers (13 from Chicago, 4 from East St. Louis, and 2 from Joliet) in our sample of 75 did not have implementation logs. Academy proposals to ISBE include no mention that replacement teachers from East St. Louis or Joliet will not receive implementation visits. The Chicago proposal doesn't specifically state that implementation visits will be made for replacement teachers. However, to ensure that lessons learned by replacement teachers were properly integrated in classroom teaching would necessitate the Academy's professional developers making the visits.

Twelve other teachers in our sample from across the three regions did not have implementation logs. The Academy cited reasons such as they were not math or science teachers, a few teachers did not accept implementation, one was a principal, and some dropped the program.

Of the remaining teachers, again results varied across regions. As shown in Exhibit 3-4, Chicago did not have any teachers in the sample with the 15 required implementation visits. Joliet and East St. Louis each had 16 teachers that received the full 15 visits.

Exhibit 3-4 NUMBER OF IN-CLASS VISITS BY REGION Academic Year 2000-2001					
Region	15+ Visits	10-14 Visits	1-9 Visits	0 Visits	Replacement Teachers
Chicago	0	3	3	6	13
Joliet	16	4	0	3	2
East St. Louis	16	2	0	3	4
Note: Academy proposals and final evaluation reports state that 15 visits are required.					
Source: OAG Summary of Academy Database.					

Leadership Activities

The Academy sponsors several leadership activities for participating teachers, principals, teacher assistants, and parents from graduated schools. According to the Academy, leadership activities focus on results-oriented leadership strategies that assist in “aligning the school culture and climate to support the Academy’s program.” Graduated schools are schools that previously completed the Academy intensive program of professional development. In addition to professional development sessions for replacement teachers, the Academy provides continued professional development opportunities for teachers and administrators from these graduated schools. The proposals provided to ISBE at the beginning of the fiscal year did not outline specific activities that would be sponsored even though the Academy does budget for these

Exhibit 3-5 GRADUATED SCHOOLS SPECIAL INTEREST EVENTS Fiscal Year 2001
Science Camp Follow-Up (10/14/00)
Illinois Beach State Park (10/21/00)
Indiana Dunes and Kankakee Marsh (11/3-4/00)
University of Illinois at Chicago (3/16-17/01)
Messenger Grove (5/5/01)
Wolf Road Prairie (5/19/01)
Indiana Dunes (6/8-9/01)
Science Camp at SIU-C (8/5-10/01)
Source: Academy FY01 Evaluation Report.

types of activities. The final evaluation report for FY01 listed several events that were organized by the Academy. For each leadership activity, we requested the Academy provide us with documentation of individuals who attended, dates and documentation for costs/revenues associated with each. Exhibits 3-3 and 3-5 list the activities that we reviewed documentation for.

We reviewed documentation for most of the leadership activities and graduated schools special interest events. The Academy was unable to provide invoices or receipts for costs associated with some of the activities which were sponsored by the Academy, including:

- Principals Networking Dinners,
- the Metcalfe Teacher Leadership Retreat,
- Teacher Assistant Workshop,
- Family Math & Family Science Workshop, and
- the Principals Leadership Retreat.

As discussed later in Chapter Four, a majority of the activities for teachers, principals and parents are funded with State monies. The leadership activities described in Exhibit 3-5 are no different. For example, the Summer Science Camp at Southern Illinois University in Carbondale (SIU-C) is an activity where the expenses are charged to State grant funds. These expenses included meals, meeting rooms, presenter fees, materials and transportation. In addition to providing additional training, which counts towards teachers required continuing professional education, the documentation also showed that the Academy paid stipends to teachers and parents just to attend. Stipend amounts for leadership activities ranged from \$25 - \$75 for parents and \$50 - \$200 for teachers. Leadership activities where documentation showed stipends were paid include:

- Family Math and Family Science Workshops,
- Illinois Beach State Park,
- Yerkes Observatory,
- Messenger Grove,
- Wolf Road Prairie,
- Indiana Dunes, and
- Science Camp at SIU-C.

ACADEMY EVALUATION AND RESULTS

There is an overreliance at ISBE on self-reporting by the Academy. The Academy submits program information to ISBE reporting on the number of teachers served, activities conducted by the Academy throughout the year, student test score evaluations, as well as financial information on expenditures. ISBE does not verify this information submitted by the Academy.

The Academy has reported to ISBE that its program has raised math and science scores in the six regions in Illinois where the program has been implemented. While our analysis showed that test scores for Chicago Academy schools increased, scores for the Chicago Public Schools overall, as well as schools Statewide, also increased during the same period. Additionally, while there have been increases in test scores for students taught by Academy-trained teachers, there has

been no analysis performed by ISBE to determine whether or not the gains have been commensurate for the funding level received. Further, our testing showed that the percentage of students meeting or exceeding ISAT standards for students taught by Academy-trained teachers was higher than students in the same schools taught by non-Academy teachers. Finally, we concluded that in all three Academy regions, participating teachers improved on the basic skills test after one or two years in the Academy program.

The Evaluation Department within the Academy is responsible for evaluating the effects of the Academy’s Professional Development program on participating teachers and students. The Academy has done extensive research to provide empirical information that is useful to program developers, program staff, program managers, senior management, policy makers and other stakeholders. The information should serve to help program design, program delivery and program outcomes at the Academy. While the Academy submits information to ISBE on test scores, ISBE does not verify or use the information that is available to them. According to the Academy, ISBE has never done their own study or tried to replicate what the Academy has done.

We asked ISBE who provided statistical information on activities of the Academy that appear in ISBE’s 2000 Annual Report. ISBE stated the Academy submitted the data to them and ISBE chose the numbers to include in the report. We also asked ISBE if they ever verify the evaluation data provided to them by the Academy. They responded that unless there is a problem or concern regarding the integrity of the presentation, the Agency has no reason to distrust the data provided in final reports. They added that no such situation exists for the Academy.

Test Score Database

The Academy maintains a comprehensive system of databases with several different streams of data tying together student and teacher information. According to the Academy, the system has been in place for 2.5 to 3 years and contains approximately 765,000 records. The database is used to generate reports to show the results of the Academy program. Exhibit 3-6 contains a list of information that was reported in the FY01 evaluation reports to ISBE as extracted from the Academy’s databases. The databases include:

- Student information on standardized test scores,
- Teacher information,
- Teacher attitudes and practices, and
- School level information (class, grade, gender, and income).

<p>Exhibit 3-6 ACADEMY EVALUATION/RESULTS REPORTED TO ISBE</p>
<ul style="list-style-type: none"> • Summary of the Assessment of the Teacher Pre and Post Program Basic Skills Test. • Summary of the Teacher Attitude Survey. • Summary of the Student Perspectives Survey. • Pre-program Profile of Teachers Participating in the Program. • Summary of Implementation Visits. • State Standards Addressed during the 1st & 2nd Year of the Program. • Student ISAT Scores across years for Academy and non-Academy Schools. • Student ISAT Scores by Subset for Academy and non-Academy Schools.
<p>Source: OAG Review of Academy FY01 Evaluation Reports.</p>

The Academy relied on outside data for the student test score database. They collected raw data from the Office of Accountability of the Chicago Public Schools (CPS) for the Iowa Tests of Basic Skills (ITBS) and ISBE for the Illinois Goal Assessment Program (IGAP) and the Illinois Standards Achievement Tests (ISAT). According to the Academy, they have individual data for every student in Chicago on the ITBS from 1990 through 2001 and for every student in the State on the IGAP/ISAT from 1996 through 2001. The State of Illinois switched from the IGAP to ISAT test in 1999.

After each fiscal year, the Academy provides ISBE with an evaluation report, which provides an Academy measured overview of program effectiveness and outcomes. ISBE does no independent verification of these measures. In FY01, the Academy provided ISBE with evaluation reports for Chicago, Joliet and East St. Louis.

We performed calculations based on Academy data for the schools with teachers starting in the 99-00 school year to (1) compare ISAT improvements of Academy schools over 2 years, (2) compare ISAT results for individual students taught by Academy teachers to students in the same Chicago schools that were taught by non-Academy teachers and (3) compare basic skills pre/post test results for participating teachers.

Student Scores

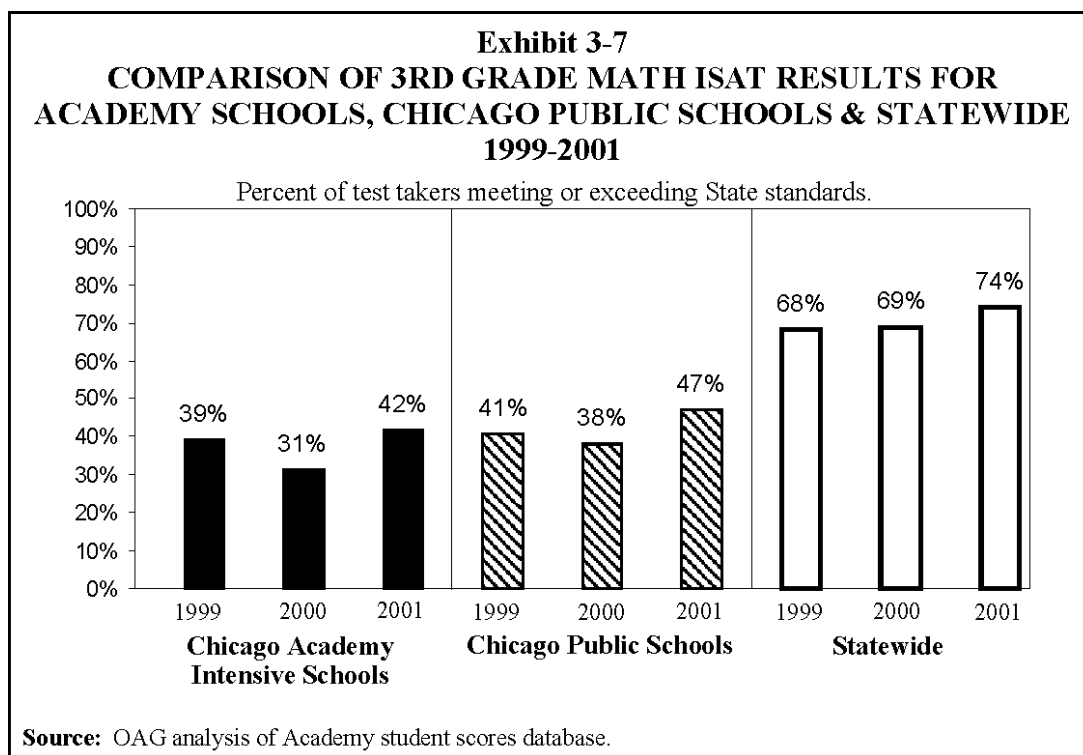
The math and science scores at participating schools in the Intensive Program in Chicago increased from 1999 to 2001 for the tests we compared. Joliet and East St. Louis figures were not included in our analysis because they started the 1st year of the Academy's Intensive Program during the 2000-2001 school year. While test scores for Chicago Academy schools increased, there were also increases for the Chicago Public Schools overall as well as schools Statewide. Additionally, while there have been increases in test scores for students taught by Academy-trained teachers, there has been no analysis performed by ISBE to determine whether the gains have been commensurate or not for the funding level received.

According to the Academy, the ultimate goal is student achievement and the most common way of measuring student achievement is through standardized tests. Our goal was to calculate percentages for the twelve Chicago Public Schools that participated in the intensive program from 1999 through 2001 to determine if students improved on standardized test scores after the first and second year in the program. We also present figures for Chicago Public Schools and schools statewide for comparison purposes.

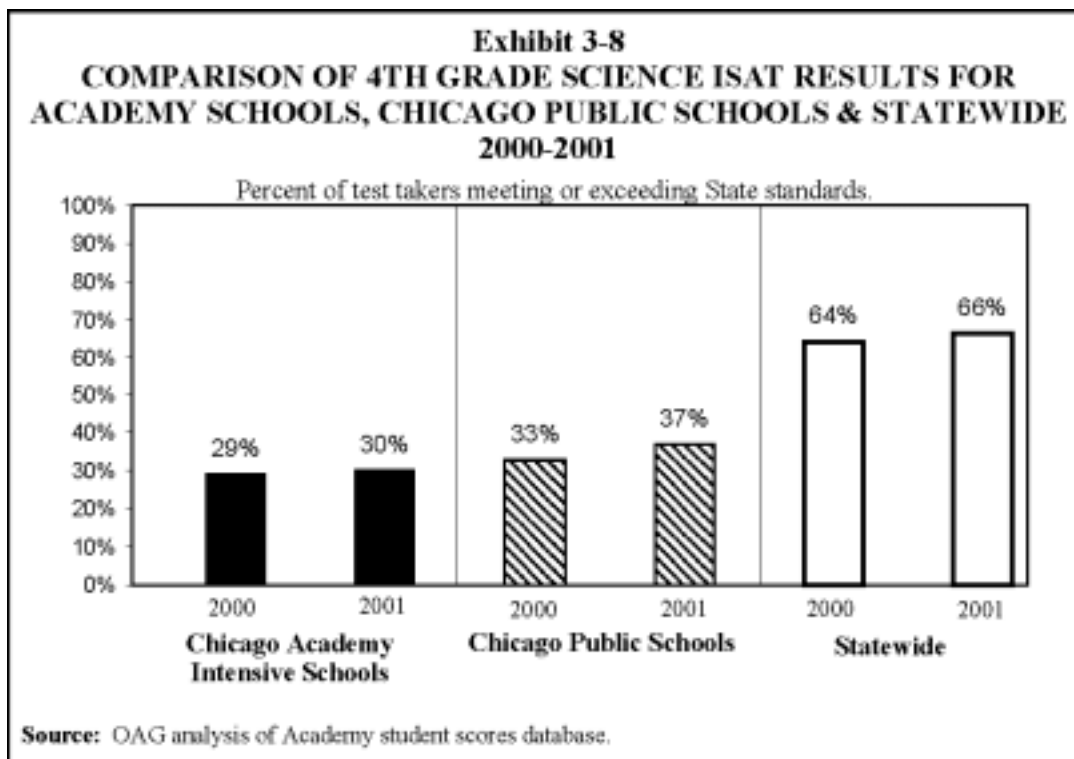
To test the accuracy and reliability of Academy data, we selected a sample of student test scores from the Academy's database and submitted the individual students to ISBE and requested the appropriate test score for those students as maintained in ISBE data. We found that the test scores maintained in the Academy database matched test scores in ISBE's database in 100 percent of the cases. Consequently, we relied on data from the Academy's comprehensive database to perform our calculations for the twelve Chicago schools in the intensive program.

Exhibits 3-7, 3-8 and 3-9 present the results of our various analyses of student test scores by children in Academy schools in Chicago.

Exhibit 3-7 shows that the percentage of Chicago students from Academy schools that met or exceeded State standards on the 3rd grade math ISAT test increased by 3 percent from 1999 through 2001 (from 39 percent to 42 percent). Chicago Public Schools (CPS) **overall** increased by 6 percent during the same time (from 41 percent in 1999 to 47 percent in 2001). Statewide, 3rd graders that met or exceeded the State standards increased by 6 percent (from 68 percent in 1999 to 74 percent in 2001). Both the Academy schools and CPS overall had percentage decreases from 1999 to 2000. The Academy’s students experienced a decrease of 8 percent from the pre-program scores to the scores after teachers had been in the Academy program for one year. CPS overall experienced less of a decrease – 3 percent. Statewide figures show that 3rd graders actually increased by a percentage point for this time period.



We also compared test scores for students taking the 4th grade science ISAT and found that the students’ scores for Academy schools, CPS schools overall and Statewide improved from 2000 to 2001. However, the percentage increases varied. Students of teachers in the Academy’s intensive program that met or exceeded State standards increased by 1 percent from 2000 to 2001 (from 29 percent to 30 percent). This was comparable to the 2 percent increase for 4th graders Statewide (from 64 percent to 66 percent). CPS schools overall increased by 4 percent during the same time (from 33 percent in 2000 to 37 percent in 2001). The 4th grade science scores were not analyzed for 1999 because in 2000 the State changed its science assessment from IGAP to ISAT. Since IGAP is scored on a different scale than ISAT, this would not serve as a valid comparison. Exhibit 3-8 presents the comparison for 4th grade science ISAT scores.

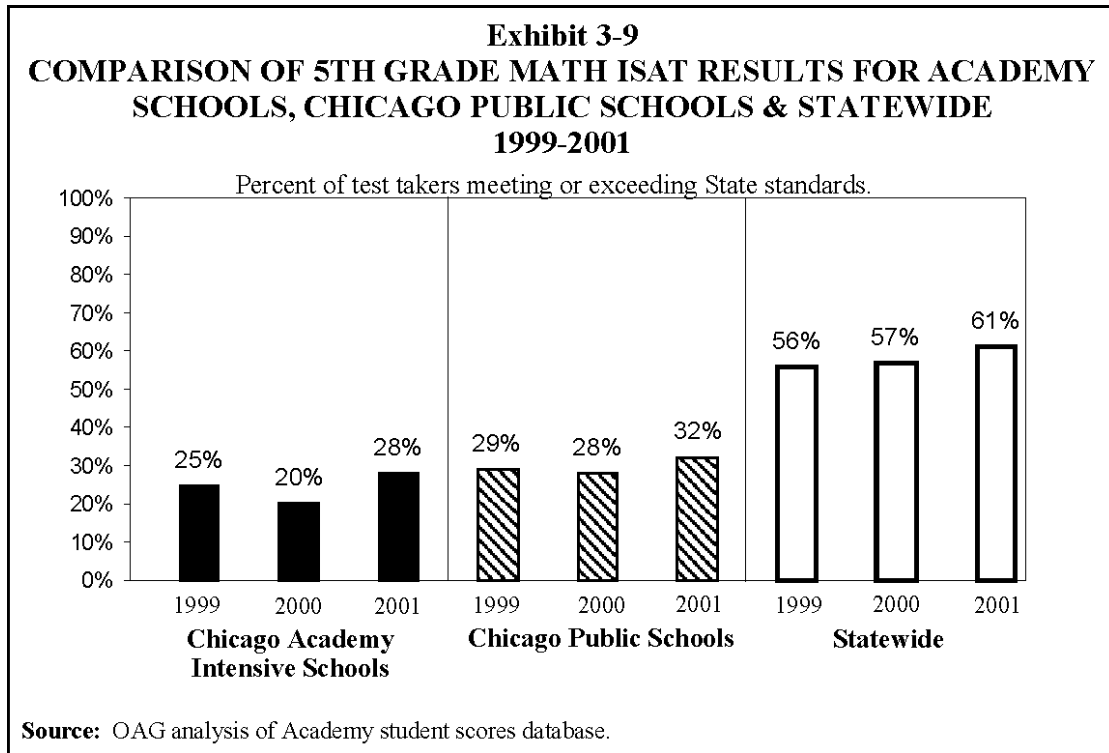


Finally, we examined students who took the 5th grade math ISAT tests during 1999-2001 and found that all three groups – the Academy intensive program schools in Chicago, CPS schools overall, and Statewide 5th graders – experienced overall increases. These results are presented in Exhibit 3-9. Academy intensive schools and CPS overall experienced increases of 3 percent for the ISAT tests taken in 1999-2001 (25 percent to 28 percent for the Academy and 29 percent to 32 percent for CPS overall). Fifth graders Statewide fared slightly better – with an increase of 5 percent over the same time (from 56 percent in 1999 to 61 percent in 2001). The Exhibit also shows that the Chicago Academy intensive schools that met or exceeded State standards actually decreased by 5 percent from 1999 (the pre-program year) to 2000 (the end of the teachers’ first year of training). CPS experienced a slight decrease of 1 percent for the same time and Statewide there was a 1 percent increase.

According to the data we analyzed and reviewed for 1999 through 2001, there were overall increases for Academy intensive schools in Chicago, CPS schools overall and Statewide students for the selected tests. Percentage increases for students from Academy schools in our analysis when compared to CPS schools overall were generally smaller. However, as the Academy reported, the impact of its program is very difficult to measure because one cannot control many of the variables that impact the test results yielded by the children.

The Academy also serves academically under-performing schools, which may impact student test scores. For example, 56 percent of the 3rd grade students in Academy schools in Chicago failed to meet State standards on the 2001 math ISAT test. Chicago schools overall had 53 percent of 3rd graders fail to meet the State standards for the same test. Similarly, 38 percent of 3rd graders in other districts in the State served by the Academy failed to meet the State standards

while 35 percent in all schools in those districts failed to meet the standards. ISBE does not establish goals and independently assess the gains made by students in Academy trained schools to determine whether such gains are commensurate or not for the funding level received.



According to Academy officials, an analysis of student test scores should also include schools from Joliet and East St. Louis. By the end of FY01, the Academy had completed the training of two schools in Joliet and seven schools in East St. Louis (which were from a different time period than were analyzed by auditors). Academy officials indicated that these schools had completed the total program and had higher levels of teacher participation and higher attendance levels than Chicago schools. In these schools, Academy officials reported gains on student achievement were as high as eight times the State gain for the 1999-2001 period.

Academy vs. Non-Academy Classrooms

We found that students within the same schools taught by Academy-trained teachers performed better on ISAT tests than did the students taught by non-Academy trained teachers. This analysis, however, does not take into account any other factors that may cause differences in test scores, such as differences in teacher ability and skill or differences in student aptitude within the classrooms.

We used Academy data to calculate ISAT results for individual students taught by Academy-trained teachers in the same Chicago schools and compared those results to students

taught by non-Academy trained teachers. Our analysis included 3rd grade math for the 1999-2000 school year and 4th grade science for the 2000-2001 school year in Chicago.

The percent of students meeting or exceeding State ISAT standards for 3rd grade math students taught by Academy-trained teachers was 34 percent, whereas the percent of students meeting or exceeding State ISAT standards in the same schools taught by non-Academy trained teachers was 19 percent. The percent of students meeting or exceeding State ISAT standards for 4th grade science students taught by Academy-trained teachers was 27 percent whereas the percent of students meeting or exceeding State ISAT standards in the same schools taught by non-Academy trained teachers was 17 percent.

Illinois does not currently have a universal number system for every student in the State. However, the Chicago Public School District pays a contractor to put a numbering system on their students for ISAT and ITBS scores. Therefore, besides looking at the performance of all students in Academy schools, the Academy has begun to measure ISAT data by classroom for Chicago schools. This analysis allows for comparisons to be made between the performance of students at Academy schools who have been taught by an Academy trained teacher to that of students in the same schools who have not been taught by a teacher trained by the Academy. This is a more appropriate comparison group.

Teacher Basic Skills

We found that teacher test scores had increased on a basic skills test administered by the Academy at various times during the course of the Academy program. The Academy's Professional Development program attempts to impact students through the training of teachers. One of the tools used to measure progress made by teachers is a basic skills test in mathematics and science. Teachers are tested three times throughout the Academy's program: at the beginning and end of the 1st year and at the end of the 2nd year of the program.

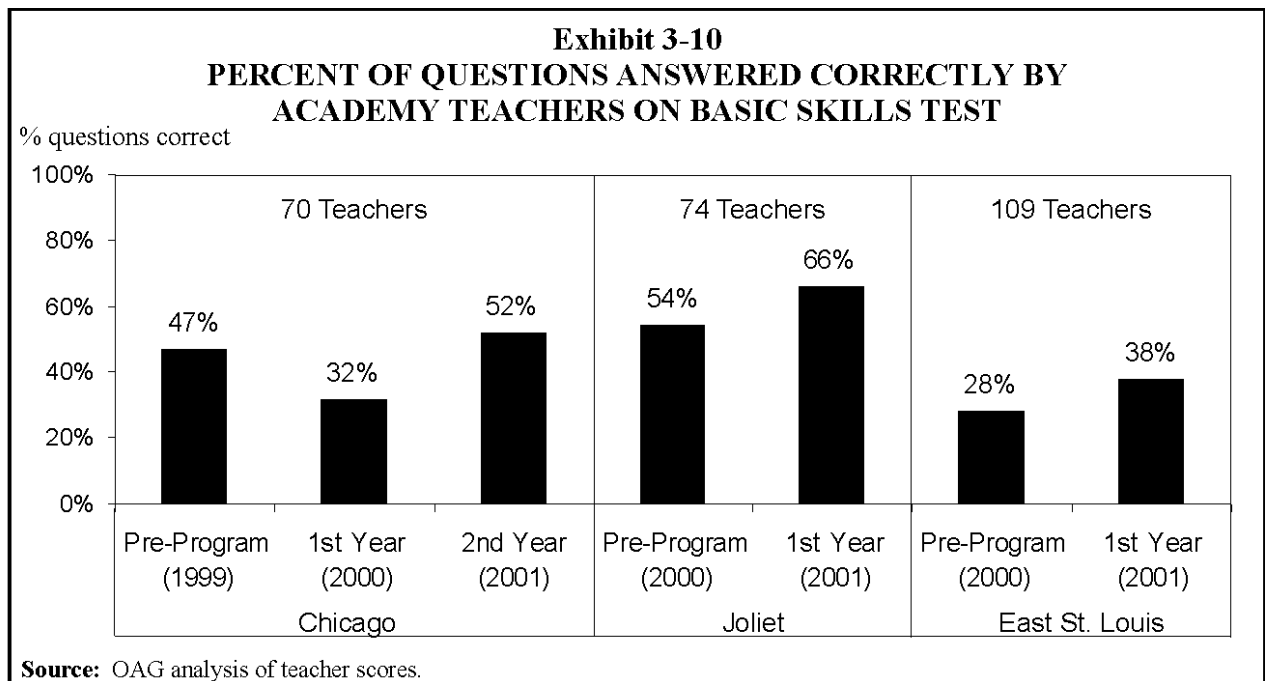
To determine if teachers had developed an increased knowledge of mathematics and science we analyzed scores from the Academy's database to see if teachers did better on the basic skills test after the Academy's program. In our analysis, we included only those teachers that took **all possible** skills tests. For example, as shown in Exhibit 3-10, Chicago teachers in the database had the opportunity to have taken the pre-program test and tests at the end of the first and second years. If a teacher did not take one of those tests they were not included in our analysis. This allows us to make a comparison for the teacher's knowledge across the length of the Academy's program.

The basic skills test in mathematics and science used by the Academy to assess teacher knowledge was comprised of 28 items. The tests asked a series of mathematics and science questions and teachers can attain a total possible score of 47 points for the tests.

Not all teachers who participated in the Academy program took all of the skills tests administered by the Academy. Some teachers drop out of the program and do not take all the tests. Others may have been absent when the tests were administered by the Academy at the professional development sessions. For example, when we examined the database of Chicago region teachers we found that:

- 402 Chicago teachers took the pre-program test in the fall of 1999;
- 231 teachers completed the year one post-test in the spring of 2000 administered during the last professional development session of the first year of the intensive program;
- 159 teachers took the second year post-test at the end of the program during the spring of 2001; and
- only 70 teachers took all three tests.

As illustrated in Exhibit 3-10, the 70 Chicago teachers who took all three tests scored, on average, 5 percent better after the 2nd year in the program than on the basic skills test administered prior to beginning the Academy program. The percentage decrease for Chicago teachers from pre-program to the end of the first year tests, as shown in the Exhibit, were explained by the Academy to have been an attempt to factor in other attributes which decreased the test to a 21-point scale. Chicago teachers were once again assessed on the full 47-point test at the end of the second year making comparisons possible across regions. Both Joliet and East St. Louis schools were in the 1st year of the Academy’s intensive program during the 2000-2001 school year. Therefore, our analysis included the pretest and 1st year post-test only. Exhibit 3-10 shows our analysis of pre- and post-test scores for all teachers who took both tests showed an increase in scores for Joliet (74 teachers) and East St. Louis (109 teachers). Appendix E contains a copy of the test administered by the Academy to test teacher knowledge in math and science.



ACADEMY EVALUATION AND RESULTS	
RECOMMENDATION NUMBER 4	<i>The Illinois State Board of Education should establish a system to monitor the performance of the Teachers Academy for Mathematics and Science by developing and implementing procedures governing the review of Academy prepared documents. This should include reconciling proposed services to what is actually delivered. Additionally, ISBE should verify the information presented in the Academy’s evaluation reports and determine whether the increases in test scores are commensurate for the funding level received by the Academy.</i>
ILLINOIS STATE BOARD OF EDUCATION RESPONSE	The agency agrees to monitor the performance of the Teachers Academy for Mathematics and Science to ensure that services described in the annual agreements are delivered, as well as to require an evaluation of the information presented in the Academy’s reports.

Chapter Four

FISCAL REVIEW AT THE ACADEMY

CHAPTER CONCLUSIONS

Guidelines on how organizations can spend State funds are an important management control to ensure that the funds are spent efficiently and for the purpose intended by the General Assembly. Such guidelines set parameters as to the specific type of allowable expenses, as well as any general restrictions on the use of State funds. We found that ISBE has established no guidelines to govern the Teachers Academy for Mathematics and Sciences' (Academy) use of State funds. Additionally, there is an overreliance at ISBE on self-reporting of expenditures at the Academy. These conditions resulted in our finding that:

- In 9 percent of the expenditures tested, the Academy had not maintained supporting receipts for credit card purchases charged to State funds that totaled \$25,857. The undocumented expenditures were for purchases identified as, among others, travel, meals and lodging on the credit card statements.
- In 7 percent of the expenditures tested, meals were charged to State funds without an indication of who benefited from the expenditure. Additionally, we found that the Academy needs a better method for confirming attendance by teachers and parents at professional development sessions, especially those held at remote locations. A lack of attendance resulted in inefficiencies in purchases of meals and refreshments that are also charged to State funds.
- There were instances of expenditures charged to State funds that appeared to be outside the Academy's role as providers of professional development. For instance, in September 2001 the Academy purchased \$28,588 in physical fitness and stereo equipment to set up a work out gym for employees.
- The Academy provided stipends, charged to State funds, to teachers and parents for attending the professional development sessions. This was in addition to meals and refreshments that were provided at State expense. Parent stipends were in the form of expense reimbursements. However, we were unable to determine what expenses the parents incurred since State funds paid for session expenses.

The Illinois Grant Funds Recovery Act (30 ILCS 705/10) requires that interest earned on grant funds become part of the grant principal and is to be treated accordingly unless the grant agreement provides otherwise. Additionally, ISBE grant policy indicates that all interest earned on grant funds during the grant period must be spent by the grantee during the grant period, but only for purposes authorized by the grant. The Academy proposal with ISBE has no mention of how interest is to be processed. While ISBE did inform the Academy that State funds should not be held by the Academy and earning interest, we found that the Academy does earn interest on State funds and places those earnings into an *unrestricted* fund. Unrestricted funds at the Academy are sometimes used for purposes other than those that might be allowable or chargeable to a State grant. Academy calculations show \$616,121 of a total of \$896,375 (69 percent) in interest earnings since 1992 are from State monies. In FY01, the Academy recognized \$121,489 in

interest from State monies, or 81 percent of total interest of \$149,721 in FY01. Additionally, the Academy deposits activity fees from its clients into the unrestricted fund as opposed to using those funds to offset costs of the activities. Expenditures for these activities are generally paid with State funds.

The Academy had over \$222,000 of excess materials for distribution to teachers at the end of FY01 that they gave to the school district in East St. Louis. These materials were in addition to the materials provided to East St. Louis teachers who were enrolled in the Academy’s professional development program. The materials ranged from medicine droppers (at \$1.50/unit with 222 provided) to TI-15 calculators (at \$129.50/unit with 283 provided). The Academy was unable to provide information on who received these materials that were purchased with State funds. Without documentation on who received the materials, we were unable to determine whether these State resources were provided to recipients that actually needed, or were trained in using, the materials. The Academy response to the audit contained certifications signed by East St. Louis principals to the receipt of the materials. These certifications were dated four days prior to our exit conference with the Academy.

The Academy has failed to perform formal performance appraisals of its staff in violation of its Employee Manual. Timely evaluations provide essential feedback to employees as well as providing a documented basis for salary adjustments, promotion, demotion, or layoff.

The Academy’s proposals to ISBE do not contain any requirements that address fixed assets purchased with State funds and disposition of those assets in the event of discontinuance in funding from the State. Failure to include this type of requirement by ISBE could result in assets purchased with taxpayer funds not being recoverable by the State if funding were terminated.

BACKGROUND

House Resolution Number 304 directed us, in part, to conduct a financial audit of the Academy. Since the Academy has a financial statement audit conducted by an external auditor each year, we scoped the financial audit requirement of the Resolution as a financial related audit. We performed testing of expenditures, payroll/personnel, and inventory/fixed assets to determine whether the Academy had controls over compliance with laws and regulations, such as those governing the reporting on grants and contracts.

EXPENDITURE TESTING

Guidelines on how organizations can spend State funds are an important management control to ensure that the funds are spent efficiently and for the purpose intended by the General Assembly. Such guidelines set parameters as to the specific type of allowable expenses, as well as any general restrictions on the use of State funds.

We found that proposals developed by the Academy do not contain any guidelines on how State funds can be expended. Additionally, there is lack of direction from ISBE on acceptable uses of State funds and an overreliance at ISBE on self-reporting of expenditures at the Academy. An Academy official told us that ISBE had never provided the Academy guidance pertaining to how

the Academy could expend ISBE funds. The Illinois Grant Funds Recovery Act (30 ILCS 705/4) requires that all grant agreements specify permissible expenditure of grant funds and the financial controls applicable to the grant.

The Academy maintains policies and procedures for accounting and financial control. We tested 100 transactions, selected from the Academy's FY00 and FY01 general ledgers, to ascertain if the expenditures charged to State funds were program-related and if documentation maintained by the Academy adequately supported the expenditure. These transactions totaled \$1,000,724 and our results are summarized below.

Undocumented Expenditures

In 9 of the 100 cases tested (9 percent), we found that the Academy had not maintained supporting receipts for credit card purchases charged to State funds that totaled \$25,857. The undocumented expenditures were for purchases identified as, among others, travel, meals and lodging on the credit card statements.

The Academy currently maintains agency credit cards that are issued in the names of upper management staff (Executive Director, Chief Program Officer, Chief Operating Officer, Chief Financial Officer). These individuals, as well as other staff, use the credit cards for purchases charged to the agency. Academy officials have indicated that the Academy's policy is that employees must present original receipts for charges made to the credit card to verify the expense. Additionally, employees who are requesting a reimbursement of expenses must normally complete an agency form and, as stated on the form, receipts for all expenditures "must be attached." At the time in question, employees were requested to give the original receipts to their manager who would then forward them to the Chief Operating Officer. The Chief Operating Officer, until his departure in April 2001, would personally approve and code most of the expenses.

The original receipts for many of the credit card transactions were kept with the other supporting documentation for payment of the statement. While Academy staff vouch for the legitimacy in business purpose for all the instances where receipts were not furnished to us, we were unable to independently verify the purpose of such expenditures. Failure to maintain original receipts makes a system more susceptible for abuse by staff and does not provide sufficient support for expenditures charged to State funds.

Food and Refreshments

In 7 of the 100 cases sampled (7 percent), we found instances where meals were charged to State funds and it was not possible to identify who received the meals purchased. Additionally, we found that the Academy needs a better method for confirming attendance by teachers and parents at professional development sessions, especially those held at remote locations. A lack of attendance resulted in inefficiencies in purchases of meals and refreshments that are also charged to State funds.

Academy credit cards were used to charge \$1,929 in meals for which there was no listing or indication as to who benefited from the meals. The Academy's follow-up written response indicates that the meals were mainly for staff who were on travel status. This explanation,

however, could not be verified with formal documentation. Sound business practice dictates that expenditures be adequately supported by documentation that would include the names of individuals for whom meals were charged. This would be an especially effective control in that the credit cards were provided to staff and restaurant receipts sometimes do not include how many patrons dined. Without proper support, Academy management would be unable to ascertain if an employee paid for other employee meals or paid for the meals of non-employees.

The Academy conducts some of their professional development sessions and leadership activities (e.g., Principal retreats) at their offices or at remote locations located around the Chicago and East St. Louis areas. When teacher professional development sessions, parent institutes or principal retreats are held, the Academy provides the food and refreshments for the attendees.

The Academy's current method of estimating the attendance at these sessions is inadequate and alternative methods of confirming attendance prior to the sessions is needed. This has resulted in the Academy having to purchase a certain number of meals for the gathering based on estimated attendance. Savings of State funds could be realized if the Academy were to find a different method for presenting these activities. During our review of expenditures, we found where:

- In March 2000, the Academy paid for 102 meals that were charged to State funds at a remote site 42 miles from Academy offices for professional development sessions. There were 103 teachers that could have possibly attended the event based on Academy sign in sheets but only 70 actually attended. The Academy could have saved \$686 in food alone (excluding tips).
- In March 2000, the Academy paid for 35 meals that were charged to State funds at a site in East St. Louis for parents in the Family Math program in East St. Louis. There were 21 parents who actually attended. The Academy could have saved \$279 in food alone (excluding tips). The Academy provided stipends to the parents who attended for expenses in the amount of \$1,575 which were charged to State funds but documentation does not indicate what expenses were incurred.
- During an April 2000 event, the Academy paid for 90 meals that were charged to State funds at a remote site 42 miles from Academy offices for professional development sessions. There were 76 teachers who could have possibly attended the event based on Academy sign in sheets but only 40 actually attended. The Academy could have saved \$1,073 in food alone (excluding tips).
- During a June 2001 event, the Academy paid for 100 meals that were charged to State funds at a remote site in Joliet for a parent institute. Documentation shows that approximately 67 parents attended the institute (based on expense reimbursement documents). The Academy could have saved \$891 in food alone. The Academy provided stipends to the parents who attended for expenses in the amount of \$3,270 which were charged to State funds but documentation does not indicate what expenses were incurred.
- In September 2001, the Academy paid for 130 meals that were charged to State funds at a site in East St. Louis for a parent institute. Documentation shows that approximately 73 parents attended the institute (based on expense reimbursement documents). The Academy could have saved \$1,439 in food alone (excluding tips). The Academy provided stipends to the parents who attended for expenses in the amount of \$2,910

which were charged to State funds but documentation does not indicate what expenses were incurred.

Academy management may wish to explore other methods to confirm attendance that would help the agency, and State taxpayers, save funds that are paid for food and refreshments above needed levels.

Non-Program Related Expenditures

The Academy's main business function is to provide professional development training to teachers. During testing we found instances of expenditures that were charged to State funds but that appeared to be outside the Academy's role as providers of professional development. These expenditures are discussed below.

- At the end of September 2001 (the end of the Academy's fiscal year), the Academy spent \$28,588 for physical fitness and stereo equipment to set up an employee work-out gym. These expenditures were charged to State funds and, as of October 2002, no gym had been established. Academy officials indicated that an employee committee thought this would be a good idea as an employee incentive, and an administrative assistant placed the orders for the equipment on a credit card bearing the name of the Executive Director. At the time of the order, the Academy had a vacancy in the Chief Operating Officer position. We were not provided with an approved purchase requisition for these expenditures. Academy officials explained that the Executive Director ratified the decision once she became aware that the purchases had been made.
- In August 2000, the Academy spent \$12,657 to finance food, lodging and rentals for a conference at an East Peoria Inn and Conference Center for which only three Academy staff attended. The organization was the Illinois Association for Supervision and Curriculum Development (IASCD) which has a mission to build the capacity of educational leaders to enhance the quality of teaching and learning. The core purposes of the organization are to: improve students, serve educators, and advocate at the State level. The activities of financing this conference were under the direct supervision of the former Chief Operating Officer. The Academy also provided information to show that they financed the 1999 conference held in Bloomington.
- Also in August 2000, the Academy spent \$432 on a boat tour of Chicago. The Academy was unable to provide information on who attended this tour nor was a receipt maintained for the expenditure.
- The Academy also made a donation of \$3,678 worth of computer equipment to the Governor's Humanitarian Mission to Cuba during FY00. This equipment was expensed to unrestricted funds of the organization and not booked to State funds.
- During FY00, the Academy provided a short-term loan of \$25,767 to prepay expenses for the Humanitarian Mission to Cuba. Documentation shows that the Academy was reimbursed approximately one month later. This expenditure was also paid from unrestricted funds at the Academy. However, during FY00, the unrestricted fund had expenses that exceeded revenues by over \$300,000.

Other Questioned Expenditures

We also questioned other expenditures in our testing that lacked documentation of contractual rates or lacked detailed billings for services performed. Specifically:

- The Academy charged \$3,193.07 to State funds for Chicago area hotels for which the only documentation was an account summary and a training agenda. Some employees listed on the account summary were Chicago residents.
- The Academy charged \$349 in travel and hotel reimbursement for an employee for expenses in the employee's usual commute area. In another expenditure case the Academy charged \$971.18 to State funds for vehicles, including a Ford Expedition, for staff who live in the same city as the rental location with no documentation to explain the specific need for the rentals. The Academy's employee reimbursement guidelines indicate that rental cars should be approved in advance, shared, and reasonable (compact/mid-size).
- During FY00, the Academy charged \$902 to State funds for hotel accommodations for staff who were assisting at a Principals Retreat at a conference center located 30 miles from downtown Chicago. Some staff were not registered on the next day's sign in sheets for participants. Part of this conference was held at Academy offices in downtown Chicago. The Academy expended a total of \$11,076 for this conference for lodging for the participants, equipment rental, food and supplies.
- In two of the expenditure cases sampled, the Academy paid \$3,891 to contractual consultants without being able to produce a contract or agreement for us to evaluate the adequacy of the expenditures.
- In five of the cases reviewed, the Academy paid \$36,911 to consultants without having a detailed billing of the services performed for the expenditures. All but \$8,000 of these expenditures were charged to unrestricted funds.

Sales Tax

The Academy doesn't always take advantage of its tax-exempt status as a not-for-profit organization. Failure to do so results in expenditure of funds that are not necessary. During testing we found eight cases in which the Academy paid sales taxes on transactions for which they would normally not have to based on their status. While the dollar amount of these taxes (\$523) was not significant, the control utilized by the Academy in this area has weaknesses.

The Academy offered a couple of reasons why they do not always take advantage of the tax-exempt status of being a 501 (c)(3) organization. First, not all staff members carry the organization's tax-exempt letter. Sometimes staff are out in the field doing professional development programs and have to make purchases of program related supplies (i.e., toner, etc.) and do not have the letter. Second, the Academy indicated that sometimes the vendor will not recognize the tax-exempt status unless there is a letter provided, even though the Academy has a business account with the organization.

EXPENDITURES	
<p>RECOMMENDATION NUMBER</p> <p>5</p>	<p><i>The Teachers Academy for Mathematics and Science should take the necessary steps to ensure that expenditures charged to State funds:</i></p> <ul style="list-style-type: none"> • <i>Are adequately documented and supported by original receipts;</i> • <i>Have adequate support for who benefited from meals charged to the agency credit cards;</i> • <i>Take the appropriate use of sales tax benefits of being a not-for-profit organization; and</i> • <i>Are program related expenses that fall within the purposes for the funding provided by the General Assembly.</i> <p><i>The Illinois State Board of Education should develop administrative rules that identify what are allowable and unallowable uses of State funds provided to grantees, including the Academy. Further, ISBE should follow up on questioned expenditures to see if there is any need to recover State funds.</i></p>
<p>TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE RESPONSE</p>	<p>The Academy agrees that guidelines on how organizations can spend State funds are an important management control to ensure accountability, especially when the organization is expected to adhere to restrictions imposed by the General Assembly or the State agency.</p> <p>The Academy is committed to good management practices. It maintains policies and procedures for accounting and financial controls. These include several levels of approvals by managers and officers, before funds are paid out to support expenditures. Unfortunately, during the FY 2000 and FY 2001 the Academy faced unique challenges, mainly; a great deal of confusion by the funding agency as to the financial resources available to provide services in East St. Louis and Joliet, having to transport its staff to East St. Louis on a continuous basis to provide quality instruction and in-class visits. In all instances cited, the Academy’s internal controls were not violated, and thus all expenditures were certified to be for legitimate business purposes and authorized by at least one manager and one officer.</p> <p>However, in FY 2002, the Academy reorganized its management team and since then have taken steps to ensure that:</p> <ul style="list-style-type: none"> • Forms used to reimburse economically challenged parents, specify the expenses the parents incurred to participate in the program.

<p>TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE RESPONSE (continued)</p>	<ul style="list-style-type: none"> • Credit card statements be backed by original receipts when used for travel, lodging or to pay for food. The receipts also list who benefited from the expense. Managers and officers will be sanctioned if they do not adhere to these policies. • A more cost-effective system is used to estimate attendance by participants. Since the beginning of FY 2002, the Academy has established the policy that whenever food or refreshments are ordered for an activity, the expected head count is lowered by 10%, which is the average rate of absence suggested by trend data. • The Academy has created a system to ensure that taxes are not paid, and that refunds be pursued from vendors who question and refuse to allow tax exempt purchases by the Academy’s employees. <p>As a private non-for profit corporation, and in the absence of any requirements, certifications and assurances imposed by ISBE, the Academy has followed its own policies and business judgement to deal with program related expenses as well as with Non-Program related Expenses. Although the Academy revenues have become increasingly state funds, the Academy has alternative sources of funds, which are used whenever, the organization decides that it must pay for a non-state related expense, whether that expense be programmatic or not.</p> <p>The Academy recognizes that there are instances where the expenditure incurred and charged to state funds may have been caused by poor business judgments and stands ready to take responsibility for them, as ISBE may require.</p> <p><i>AUDITOR NOTE: The Academy also provided responses to individually questioned expenditures. The full text of these responses can be found in Appendix F.</i></p>
<p>ILLINOIS STATE BOARD OF EDUCATION RESPONSE</p>	<p>The Illinois State Board of Education agrees to develop expenditure guidelines for the use of State funds by the Teachers Academy for Mathematics and Science. The agency will also review the questioned costs listed in this report to determine any need to recover State funds.</p>

DISTRIBUTION OF EXCESS TEACHER MATERIALS

The Academy had over \$222,000 of excess materials for distribution to teachers at the end of FY01 that were provided to the East St. Louis school district in August and September 2002. These materials were in addition to materials provided to teachers who were enrolled in the Academy program in that district. The materials ranged from medicine droppers (at \$1.50/unit

with 222 provided) to TI-15 calculators (at \$129.50/unit with 283 provided). The Academy was unable to provide information on who received these materials that were purchased with State funds. Without documentation on who received the materials, we were unable to determine whether these State resources were provided to recipients that actually needed, or were trained in using, the materials. The Academy's response to the audit contained certifications signed by East St. Louis principals to the receipt of the materials. These certifications were dated four days prior to our exit conference with the Academy. Appendix D has a complete listing of the materials that were given away by the Academy.

Some teachers that initially sign up for the Academy program will drop out of the program prior to receiving the classroom materials that come as part of the program. This creates a situation where the Academy has an excess of the materials that are passed out to the teachers to use in the classrooms. An Academy official explained that the \$222,000 in excess Year 1 and Year 2 teacher materials were purchased over the years but had not been distributed. Appendix B provides a listing of materials normally distributed to the teachers in the Academy program. According to an Academy official, since the Academy was not being allowed to carry over funds after FY01, they felt the districts had a right to the materials purchased. So, since East St. Louis was the neediest of the school districts participating in the Academy program, the materials were shipped to that district. Good business practice would dictate that the Academy use these materials in the next year or return them to the vendors for credits or refunds – thus saving the State taxpayers that financed the original purchases.

While the Academy does have documentation to show when individual teachers in their program received the classroom materials, the Academy could not provide documentation to show what individuals received the excess materials that were sent to East St. Louis. Academy budget documentation shows that for FY01 they budgeted \$173,550 in materials for distribution to East St. Louis teachers which were to be paid for with funds received in August 2000 from ISBE. An Academy official stated that the option of sending the unused materials back to the vendors from whom they were purchased was not considered. However, at our initial site visit we viewed Academy staff re-packing calculators to return to vendors when it was discovered that they had ordered too many for the needs of the program.

DISTRIBUTION OF EXCESS TEACHER MATERIALS	
<p>RECOMMENDATION NUMBER</p> <p style="font-size: 2em;">6</p>	<p><i>The Teachers Academy for Mathematics and Science should ensure that materials for teachers purchased with State funds are only distributed to those who are actually participants in the Academy’s professional development program. Further, the Academy should, after consultation with Illinois State Board of Education officials, explore other ways to dispose of excess material inventories such as using the materials in subsequent years or returning to vendors for credit. Additionally, the Academy should follow up with East St. Louis district officials to ascertain to whom the materials were distributed to ensure that State resources were used for appropriate purposes.</i></p>
<p>TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE RESPONSE</p>	<p>In the future, the Academy will consult with ISBE and will follow its written directives as to the disposition of excess materials. However, the Academy’s external auditor, John E. Wilson, LTD. prompted the distribution of materials. The auditors communicated to the Academy’s management that keeping the materials, would have violated the rules that govern carry-over funds, since the materials would have gone to teachers who were not the intended beneficiaries. The East St. Louis district had the greatest number of intended beneficiaries. The excess resulted from having bought materials for teachers who were to have participated in “Project Start-Up”, which was cancelled by ISBE after the materials had been purchased.</p> <p>The Academy has secured a letter from Dr. Stephanie Carpenter, Assistant Superintendent for Curriculum and Instruction, acknowledging the receipt of the materials as well as letters from principals with sheets signed by the Academy’s trained teachers that received the extra materials.</p>

ACADEMY UNRESTRICTED FUNDS

The Illinois Grant Funds Recovery Act (30 ILCS 705/10) requires that interest earned on grant funds become part of the grant principal and is to be treated accordingly unless the grant agreement provides otherwise. Additionally, ISBE grant policy indicates that all interest earned on grant funds during the grant period must be spent by the grantee during the grant period, but only for purposes authorized by the grant. We found that the Academy does earn interest on State funds and places those earnings into an *unrestricted* fund.

The Academy proposal with ISBE has no mention of how interest is to be processed. ISBE did inform the Academy that State funds should not be held by the Academy and earning interest. Additionally, the Academy deposits special project revenues (i.e., summer camp fees paid by

teachers, parents or students) into the unrestricted fund as opposed to using those funds to offset costs of the activities. Expenditures for these activities are generally paid with State funds.

The Academy’s “Unrestricted Fund” has been utilized as a vehicle to segregate and control those monies received and not specifically designated to a specific program or for a specific purpose. Over a 10-year period the number of funds utilized for that purpose has increased from one in 1991 to six in 2001. Exhibit 4-1 summarizes the current alignment of these funds.

Exhibit 4-1 UNRESTRICTED FUNDS UTILIZED BY THE ACADEMY FY91-FY01		
Fund #	Fund Name & Description	Year Initiated
1045	<i>Foundation/Corporation Sources:</i> Used to record contributions from corporations, foundations and individuals that are not program specific. Included are miscellaneous items usually with small dollars.	1991
4600	<i>Chicago Public Schools Comprehensive Staff Development:</i> Used to record revenue collected from various school districts in payment for staff development workshops, conferences, etc.	1994
4700	<i>Special Project Revenue:</i> For funds related to several special programs specifically, Summer Camp and Parent Institute. Activity participants occasionally pay for part of the activity.	1994
1046	<i>Earnings on ISBE Funds:</i> Used to record the interest earnings generated by the investment of “State/Federal” funds.	2000
1047	<i>Unrestricted Interest Earnings:</i> Used to record the interest earnings generated by the investment of monies other than “State/Federal” funds.	2001
1048	<i>Unrestricted Building Funds:</i> The exception to Fund 1047. Interest earnings generated from the investment of 2001 bond issue proceeds and new building acquisition are recorded in this fund.	2001

Source: Academy Information.

Historically, any interest earned was recorded as revenue and placed into the same unrestricted fund as foundation/corporation donations. During FY00 the earnings on the ISBE funds account was established as the primary fund for interest earnings. Academy calculations show \$616,121 of a total of \$896,375 (69 percent) in interest earnings since 1992 are from State monies. In FY01, the Academy recognized \$121,489 in interest from State monies, or 81 percent of the total of \$149,721 in FY01. The Academy recognizes this revenue as being able to be used on any expenditure. This interest, after then being combined with other sources of “unrestricted” funds, is used for such purposes as holiday parties, dining, and hotel expenses that are not specifically charged to other funding sources.

Documentation shows that the ISBE liaison to the Academy informed them that as “with any state funds, the payment schedule should reflect the way that the funds will be disbursed and state funds should not be held by the Academy and earning interest.” Another ISBE official reported to us that no monitoring is done by ISBE on interest being earned on State funds. The official added that the interest should be used towards the Academy programs and that ISBE

assumes the external auditor monitors this issue. While the General Assembly appropriates funds for the Academy, the funds are appropriated to ISBE which thus has the primary responsibility for monitoring or oversight of the funds.

The Academy also treats revenues received from program participants as unrestricted income and deposits those proceeds into the Special Project Revenue fund. These amounts are included in the Academy financial statements as revenue under the category of foundation and private sources. Activities from which these State funds are collected are generally from Parent Institutes and Summer Camps attended by teachers, students and parents. These activities are normally financed by State funds so the Academy should ensure that the revenues generated are applied to the activities. If not, these revenues would then be able to be used by the Academy for any purpose while State funds pay for the activity expenses.

The Academy does expense activities to the Foundation/Corporation fund. During FY01, this Foundation/Corporation fund had \$122,244 more in expenditures charged to the fund than revenues booked to the fund. Academy officials have indicated that previous years' positive balances have been used to offset these negative recent balances. Academy documentation shows more expenses than revenues for the Foundation/Corporation fund (i.e., negative balances) since FY97. Additionally, as described above, revenue streams for the Foundation/Corporation fund include revenues that should be used for other purposes and not included in the unrestricted funds.

UNRESTRICTED FUNDS	
RECOMMENDATION NUMBER 7	<p><i>The Teachers Academy for Mathematics and Science should use revenue, such as interest income, generated from State funds for State program purposes. Additionally, the Academy should take steps to ensure that only true sources of unrestricted funds are deposited into this fund and that revenue collected for special projects should clearly be used to offset expenses of those activities before charging State funds for the expenses.</i></p> <p><i>The Illinois State Board of Education should monitor the use of interest income on State funds to ensure that these funds are used for the same purpose as the principal of the grant. Additionally, ISBE should examine the Academy's use of interest revenue and recover any funds that were used for non-grant purposes.</i></p>
TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE RESPONSE	<p>The Academy has always considered the money it has received to be "legislative appropriations to a named entity" and not ISBE agency grants as defined by 30 ILCS 705-2. Accordingly its interest has been held in a non-state account.</p> <p>It should be noted that the amount of interest cited as earned by state funds is overstated and resulted from an existing Academy document, which included interest earned from ALL funds. The Academy has taken steps to secure an independent, in depth</p>

<p>TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE RESPONSE (continued)</p>	<p>analysis of the interest earned from state funds as well as the identification of expenses paid with the interest to be submitted to ISBE as requested. In addition, the Academy has taken steps to further segregate in its books the sources of unrestricted funds so that in the future, there would be no confusion over its origin or its use. The Academy has also taken steps to ensure that revenues collected for special projects is used to pay for those activities.</p> <p>If it is determined that the Academy’s appropriation must become subject to Illinois Grant Recovery Act, it will prospectively adhere to its restrictions.</p> <hr/> <p><i>AUDITOR COMMENT: The interest amounts detailed in the audit report came from an Academy document which did break out interest earned on State funds from interest earned on donations or Chicago Public School workshops.</i></p>
<p>ILLINOIS STATE BOARD OF EDUCATION RESPONSE</p>	<p>The Illinois State Board of Education agrees to monitor the use of interest by the Teachers Academy for Mathematics and Science. Further, the Board will also examine the Academy’s use of interest earned on State funds and recover any funds that were used for purposes other than described in the underlying agreements.</p>

PERFORMANCE EVALUATIONS

The Academy has failed to perform formal performance appraisals of its staff in violation of its Employee Manual. Timely evaluations provide essential feedback to employees as well as providing a documented basis for salary adjustments, promotion, demotion, or layoff.

Professional developers at the Academy provide the comprehensive staff development process for faculty in an attempt to advance and improve the quality of instruction in the areas of mathematics and science. The ultimate beneficiaries of this work are the children that attend the schools. Ensuring that this instruction is effective would necessitate a structured performance evaluation process.

Academy policy, as stated in the Employee Manual, states that a “performance appraisal will be conducted at least once each fiscal year with your manager.” The Manual informs employees that the performance appraisals are used to assess both an employee’s past performance and future developmental needs. Additionally, information derived from the performance appraisal may be used to determine the employee’s eligibility for Board approved salary increases. Increases can be in the form of merit increases, cost of living adjustments, or discretionary increases.

Ninety-five percent (19 of 20) personnel files tested did not contain evidence that a performance appraisal had been completed during 2000 or 2001. Documentation submitted by the Academy on FY00 and FY01 salary levels showed that 18 of 20 staff that we selected for personnel testing received pay increases over the two fiscal years. The increases ranged from 1

percent to 32.83 percent with an average increase, including the two staff who did not receive an increase, of 9.55 percent. Most of the pay increases noted during testing were discretionary in nature. We could find no evidence that a documented evaluation had been completed for these pay increases. The Academy informed auditors that over the years they have found the issue of performance evaluation of professional employees in a business like education to be “very tricky” since the issue is individual quality of the employee. Further, they tried to implement a unified process at the beginning of FY01, but those efforts have been difficult due to turnover and the elimination of unit management positions.

PERFORMANCE EVALUATIONS	
RECOMMENDATION NUMBER 8	<i>The Teachers Academy for Mathematics and Science should ensure that annual performance appraisals of its employees are conducted to provide documentation of the individual’s performance, as required by the Academy’s Employee Manual.</i>
TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE RESPONSE	In mid-fiscal 2002, the Academy underwent a complete reorganization, replacing key managers, and strengthening the Human Resource Office. Since then, the Human Resource Office has been put in charge of overseeing that the appraisals are conducted annually and that employee records show proper documentation. This measure was taken to avoid the effects of our former decentralized system, where individual managers conducted and kept the records of the evaluations without sending copies to the Human Resource Office.

FIXED ASSETS

Proposals between the Academy and ISBE do not contain any requirements that address fixed assets purchased with State funds and disposition of those assets in the event of discontinuance in funding from the State. Failure to include this type of requirement by ISBE could result in assets purchased with taxpayer funds not being recoverable by the State if funding were terminated.

The ISBE grant policy handbook defines equipment as tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$500 or more per unit. Further, the handbook states that the transfer of equipment (from grantee to ISBE) must take place if required by ISBE when the grant activities cease to exist for the project or program for which the equipment was originally acquired.

The Academy does maintain a fixed asset listing which includes information on the cost of the item, acquisition date, description, serial number, and useful life. While the Academy fixed asset listing does not identify the source of funds used to purchase the asset, staff did indicate that most items were purchased with State funds. The Academy received 94 percent of its revenue from the State during FY01 – an increase from the 82 percent figure of FY00.

Furniture and equipment expenditures charged to State funds during FY01 totaled \$384,304, which was 94 percent of all expenditures for this expense category. Exhibit 4-2 summarizes the number and dollar amount of fixed assets maintained by the Academy at the end of FY01.

Exhibit 4-2 ACADEMY FIXED ASSET SUMMARY at 9/30/01		
Asset Category	# of Items	Cost of Items
Audio/Visual Equipment	114	\$150,901
Computer Equipment	442	\$885,293
Furniture/Fixtures	18	\$8,281
Office Equipment	41	\$51,773
Total:	615	\$1,096,248
Source: OAG Summary of Academy Document		

Academy fixed assets with a book value over \$1,000 at 9/30/01 included 25 pieces of audio visual equipment (including digital cameras, visual presenters, and projectors) and 72 pieces of computer equipment (mainly laptop computers).

FIXED ASSETS	
RECOMMENDATION NUMBER 9	<i>The Illinois State Board of Education should develop criteria, to be included in formal grant agreements with the Teachers Academy for Mathematics and Science, that returns fixed assets purchased with State funds by the Academy to the State in the event ISBE discontinues funding of the Academy program.</i>
ILLINOIS STATE BOARD OF EDUCATION RESPONSE	The agency agrees to develop criteria for the return of fixed assets purchased with State funds in case the legislature discontinues funding of Academy programs. Such criteria will be incorporated in the annual agreements with the Academy.

APPENDICES

APPENDIX A

**HOUSE RESOLUTION
NUMBER 304**



**State of Illinois
92nd General Assembly
House of Representatives**

HOUSE RESOLUTION No. 304

Offered by Representative Delgado

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General be directed to conduct a financial and management audit of the Teachers Academy for Mathematics and Science, which is primarily funded through the State Board of Education; and be it further

RESOLVED, That this audit shall include, but not be limited to, the following determinations:

(1) whether some grants for the Teachers Academy for Mathematics and Science were made by the State Board of Education from programs designed only for individual schools and school districts;

(2) whether other grants for the Teachers Academy for Mathematics and Science made by the State Board of Education were in excess of their entitlement;

(3) whether the Teachers Academy for Mathematics and Science has met goals it set with the State Board of Education in return for substantial increases in State funding; and

(4) whether the substantial expenditure of State funds over the last 5 years on the Teachers Academy for Mathematics and Science has resulted in improvements in math and science scores at participating schools; and be it further

RESOLVED, That the State Board of Education shall cooperate fully and promptly with the Office of the Auditor General in the conduct of this audit; and be it further

RESOLVED, That the Auditor General commence this audit as soon as possible and report his findings upon completion to the Legislative Auditing Commission, the Governor, and members of the General Assembly in accordance with the Illinois State Auditing Act; and be it further

RESOLVED, That a suitable copy of this resolution be delivered to the Auditor General.

Adopted by the House of Representatives on May 25, 2001.

Michael J. Madigan

APPENDIX B

**MATERIALS FOR DISTRIBUTION LIST
FISCAL YEARS 2000-2001**

Appendix B
TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE
MATERIALS FOR DISTRIBUTION FOR EACH PARTICIPATING TEACHER
FISCAL YEARS 2000-2001
(books identified by *italics*)

YEAR 1:

Primary Grades	Qty.	Intermediate Grades	Qty.
Academy Tote Bag	1	Academy Tote Bag	1
File'n Store Bins	1	File'n Store Bins	1
Hanging File Folders	1	Hanging File Folders	1
<i>Elem & Middle School Math</i>	1	<i>Elem & Middle School Math</i>	1
<i>NSES Standards Book</i>	1	<i>NSES Standards Book</i>	1
Dominoes (6 pack)	1	Number Cubes	2
<i>Math Activities Dominoes</i>	1	TIMS Lab CD	1
Color Counters	2	Pattern Blocks Kit	1
Number Line	1	Meter Sticks	10
Number Cubes	2	Cube-O-Grams	1
<i>The Snails Spell Book</i>	1	Geoboards Kit	1
Magnifiers	10	Hundreds Chart	1
Pattern Blocks Kit	1	Snap Cube Kit	1
Graphing Mat	1	Base 10 Blocks Kit	1
Color Tiles Kit	1	100ml Cylinder	6
Ramps	3	250ml Cylinder	4
Tape Measures	10	Medicine Droppers	2
Meter Sticks	5	Power Solids	1
Learning Links	1	GeoSolids	1
<i>How Big is a Foot? Book</i>	1	Equal Arm Balances	8
Base 10 Blocks Kit	1	Hexagram Weight Sets	4
Tangrams Kit	1		
Geoboards Kit	1		
<i>The Greedy Triangle Book</i>	1		
<i>Grandfather Tang Book</i>	1		
Primer Balances	2		
Cube-O-Grams	1		
Teddy Bear Family Counters	1		
Snap Cubes Kit	1		
Thermometer	6		

Appendix B TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE MATERIALS FOR DISTRIBUTION FOR EACH PARTICIPATING TEACHER FISCAL YEARS 2000-2001 (books identified by <i>italics</i>)			
YEAR 2:			
Primary Grades	Qty.	Intermediate Grades	Qty.
Primer Balance	2	Meter Sticks	6
GeoSolids	1	Tape Measures	1
<i>The Greedy Triangle</i>	1	Rulers	15
Rulers	15	TI-15 Calculators	15
Magnets	15	Tangrams Kit	1
Spring Scales	6	Bulbs	1
Mr. Origin	1	Wire	1
<i>12 Ways to Get to 11</i>	1	<i>STC Manual</i>	1
6 Liter Container	2	<i>STC Guide</i>	1
6 Liter Lids	2	Bulb Holders	30
250ml Jars with Lid	1	Batteries	1
Vials with Lids	1	Battery Holders	1
Overhead Base 10 Blocks	1	Cuisenaire Rods Kit	1
TI-108 Calculator	15	Wire Cutter	1
Magnifiers	20	Diodes	1
<i>Mostly Magnet Book</i>	1	Color Tiles Kit	1
<i>8 Hands Round Book</i>	1	<i>The Kings ChessBoard</i>	1
<i>Ms. Satos Hens Book</i>	1	<i>Annos Mysterious Jar</i>	1
		<i>Annos Magic Seeds</i>	1
		<i>Esio Trot</i>	1
Upper Math	Qty.	Upper Science	Qty.
<i>Connected Mathematics Book</i>	1	PASCO Science Bundle	1
<i>Elem & Middle School Math</i>	1	Low Cost Ray Box	1
<i>101 Short Problems Book</i>	1	<i>Science Matters Book</i>	1
<i>Exploring Algebra</i>	1	Chemical Solut & Reagents	1
Integers CD Rom	1		
Algebra CD Rom	1		
TI-73 Graphing Calculator	1		
Angle Ruler	1		
Meter/Inches Sticks	10		
Tape Measures	10		
Number Cubes	1		
Colored Cubes	1		
Color Tiles Kit	1		
Tangrams Kit	1		
Cuisenaire Rods Kit	1		
Centimeter Cubes	1		
Overhead Tangram	1		
Polyshapes	1		
Two-Color Counters	1		
Source: Academy Information.			

APPENDIX C

**LINE ITEM EXPENDITURES BY THE
ACADEMY USING PREVIOUS YEAR FUNDS
IN SUBSEQUENT YEARS
FISCAL YEARS 2000-2001**

Appendix C
LINE ITEM EXPENDITURE OF PREVIOUS YEAR STATE FUNDS BY THE
ACADEMY
Fiscal Years 2000-2001

Line Item Expenditure	FY01 Expenditures Paid from FY00 Carryover Funds	FY00 Expenditures Paid from FY99 Carryover Funds
Executive & Director's Salary	\$41,057.72	\$29,461.58
Professional Salary	\$242,807.31	\$213,044.29
General Support Salary	\$6,014.46	\$9,515.15
Professional Development Entitlement	\$315.94	\$0.00
Employee Incentives	\$0.00	\$724.16
Employee Parking	\$255.00	\$0.00
Annuity Expense	\$1,398.57	\$169.61
Employer Share FICA/FICAMED	\$19,825.24	\$15,659.64
SUTA Expense	\$1,007.18	\$891.67
Life Insurance	\$305.13	\$514.46
Health Insurance	\$20,090.07	\$9,898.44
Dental Insurance	\$1,103.89	\$1,484.88
Short Term Disability	\$1,527.67	\$1,266.45
Consulting Services	\$45,244.65	\$15,159.97
Other Professional & Technical Services	\$28,152.10	\$17,525.10
Audit/Financial Services	\$5,000.00	\$5,000.00
Occupancy	\$0.00	\$23,375.02
Repair & Maintenance	\$11,374.16	\$5,486.14
Rentals	\$676.66	\$5,316.58
Other Building Property Service	\$0.00	\$3,066.18
Liability Insurance	\$8,488.00	\$0.00
Travel/Transportation Local	\$478.93	\$1,735.97
Travel/Transportation/Non-Local	\$776.49	\$13,941.93
Lodging & Food	\$2,503.42	\$5,130.84
Staff Conference Registration	\$100.00	\$190.00
Telephone Toll Charges	\$124.00	\$4,038.87
Postage & Express Deliveries	\$1,120.14	\$4,085.57
Advertising	\$6,266.13	\$3,590.00
Substitutes	\$0.00	\$211.00
Training Stipends	\$900.00	\$16,530.17
Materials for Distribution	\$165,262.51	\$121,539.31
Refreshment & Food	\$4,000.62	\$8,024.79
Duplicating & Printing Services	\$1,034.41	\$4,495.70
Program Supplies & Materials	\$3,372.64	\$6,436.51
Instructional Software	\$988.20	\$11,686.00
Educational Consulting Services	\$5,125.70	\$13,852.66
Office Supplies	\$6,471.16	\$3,628.42
Business Software	\$1,274.95	\$0.00
Technology Supplies	\$2,431.72	\$267.81
Equipment	\$2,336.25	\$7,094.26
Equipment Lease	\$2,391.19	\$4,282.50
Furniture & Fixtures	\$342.51	\$557.07
Refreshments & Food (operational)	\$778.38	\$500.29
Duplicating/Printing Services (operational)	\$893.09	\$0.00
Program Supplies & Materials	\$66.78	\$99.96
Totals:	\$643,682.97	\$589,478.95
Source: OAG summary of Academy FY00 and FY01 General Ledgers		

APPENDIX D

**ACADEMY EXCESS MATERIALS DONATED
TO EAST ST. LOUIS SCHOOL DISTRICT IN
2002**

Appendix D
TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE
EXCESS MATERIALS DONATED TO EAST ST. LOUIS SCHOOL DISTRICT
2002

Primary Grades-Year 1			
Item	# in Inventory	Unit Price	Total Price
NSES Standards Book	22	\$13.95	\$306.90
Dominoes	14	\$13.97	\$195.58
Number Lines	135	\$4.25	\$573.75
Number Cubes	38	\$2.77	\$105.26
Graphing Mat	125	\$6.00	\$750.00
Snails Spell Book	231	\$12.14	\$2,804.34
Base 10 Kit	22	\$54.98	\$1,209.56
Tangrams Kit	119	\$29.00	\$3,451.00
Geoboards Kit	72	\$44.00	\$3,168.00
Pattern Blocks Kit	53	\$88.00	\$4,664.00
Color Tiles Kit	34	\$80.00	\$2,720.00
Snap Cubes Kit	282	\$65.00	\$18,330.00
Grandfather Tang Book	97	\$6.76	\$655.72
Learning Links	100	\$20.97	\$2,097.00
Teddy Bear Counter	30	\$11.17	\$335.10
Cube-O-Grams	112	\$20.86	\$2,336.32
Total-Primary Year 1			\$43,702.53
Intermediate Grades-Year 1			
Item	# in Inventory	Unit Price	Total Price
File n' Store Bins	10	\$9.99	\$99.90
Van de Walle Books	2	\$54.50	\$109.00
TIMS Lab CD	32	\$99.00	\$3,168.00
Cube-O-Grams	123	\$20.86	\$2,565.78
Meter Sticks	1,314	\$3.50	\$4,599.00
Base 10 Kit	22	\$54.98	\$1,209.56
Medicine Droppers	222	\$1.50	\$333.00
Power Solids	373	\$11.10	\$4,140.30
Equal Arm Balances	370	\$17.95	\$6,641.50
Hexagram Weight Sets	14	\$6.27	\$87.78
Total-Intermediate Year 1			\$22,953.82
SuperSource Books			
Item	# in Inventory	Unit Price	Total Price
Base 10/K-2	5	\$13.56	\$67.80
Base 10/3-4	41	\$13.56	\$555.96
Base 10/5-6	110	\$13.56	\$1,491.60
Tangrams/K-2	196	\$13.56	\$2,657.76
Tangrams/3-4	73	\$13.56	\$989.88
Tangrams/5-6	84	\$13.56	\$1,139.04
Geoboards/K-2	203	\$6.75	\$1,370.25
Geoboards/3-4	117	\$13.56	\$1,586.52
Geoboards/5-6	44	\$13.56	\$596.64
Pattern Blocks/K-2	150	\$13.56	\$2,034.00
Pattern Blocks/3-4	47	\$13.56	\$637.32
Pattern Blocks/5-6	45	\$13.56	\$610.20
Color Tiles/K-2	98	\$13.56	\$1,328.88
Color Tiles/3-4	19	\$13.56	\$257.64
Color Tiles/5-6	18	\$13.56	\$244.08
Snap Cubes/K-2	229	\$13.56	\$3,105.24
Snap Cubes/3-4	1	\$13.56	\$13.56
Snap Cubes/5-6	53	\$13.56	\$718.68
Total-SuperSource Books			\$19,405.05

Appendix D
TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE
EXCESS MATERIALS DONATED TO EAST ST. LOUIS SCHOOL DISTRICT
2002

PreK-K-Year 2			
Item	# in Inventory	Unit Price	Total Price
Expanding Portfolio	18	\$12.98	\$233.64
Thermometer	20	\$6.95	\$139.00
Days of the Week	2	\$5.98	\$11.96
Bear Shadow	2	\$11.10	\$22.20
Rubber Dot Dice 1"	20	\$6.36	\$127.20
Foam Numerical Dice 5"	18	\$3.86	\$69.48
Sorting all Kinds of Socks	1	\$10.35	\$10.35
Attribute Socks	9	\$24.45	\$220.05
Magnetic Wands	1	\$22.95	\$22.95
Mrs. Sato's Hens	12	\$3.16	\$37.92
Vials w/lids 7 Dram	38	\$2.95	\$112.10
Medicine Droppers	29	\$2.06	\$59.74
Total-PreK-K Year 2			\$832.95
Primary Grades-Year 2			
Item	# in Inventory	Unit Price	Total Price
Hanging File Folders	130	\$3.99	\$518.70
Mostly Magnets	72	\$18.95	\$1,364.40
Mrs. Sato's Hens	24	\$3.16	\$75.84
TI-108 Calculators	52	\$5.00	\$260.00
Rulers	314	\$4.50	\$1,413.00
GeoSolids	220	\$9.50	\$2,090.00
Mr. Origin	600	\$8.72	\$5,232.00
6 Liter Containers	36	\$4.50	\$162.00
6 Liter Lids	36	\$2.30	\$82.80
12 Ways to Get to 11	73	\$5.05	\$368.65
Spring Scales	200	\$4.15	\$830.00
Overhead Base 10 Blocks	106	\$5.75	\$609.50
The Doorbell Rang	17	\$3.45	\$58.65
Trays	490	\$6.95	\$3,405.50
100ml Cylinders	432	\$2.73	\$1,179.36
Money Kit	88	\$27.95	\$2,459.60
Medicine Droppers	40	\$2.06	\$82.40
Medium Rubber Dice	293	\$5.23	\$1,532.39
SuperSource CD	77	\$79.96	\$6,156.92
250ml Cylinders	262	\$9.56	\$2,504.72
Total-Primary Year 2			\$30,386.43
Intermediate Grades-Year 2			
Item	# in Inventory	Unit Price	Total Price
Color Tiles	124	\$80.00	\$9,920.00
TI-15 Calculators	283	\$129.50	\$36,648.50
Cuisenaire Rods	226	\$72.00	\$16,272.00
Power Bucket	116	\$24.00	\$2,784.00
Diodes	302	\$5.60	\$1,691.20
2 Volt Bulbs	98	\$2.25	\$220.50
Wire Spool	136	\$2.75	\$374.00
Wire Cutter	125	\$3.95	\$493.75
Bulb Holders	1,126	\$0.65	\$731.90
Battery Holders	165	\$8.95	\$1,476.75
Tangrams Kit	63	\$29.00	\$1,827.00

Appendix D
TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE
EXCESS MATERIALS DONATED TO EAST ST. LOUIS SCHOOL DISTRICT
2002

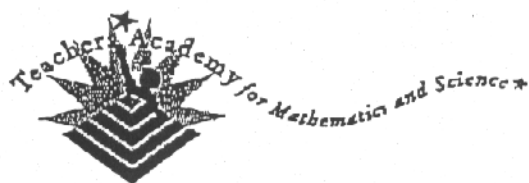
Intermediate Grades-Year 2 (continued)			
Item	# in Inventory	Unit Price	Total Price
Tape Measures	185	\$3.98	\$736.30
Electric Circuit Guide	103	\$4.75	\$489.25
Electric Circuit Manual	140	\$39.95	\$5,593.00
Magnets and Motors Guide	100	\$4.75	\$475.00
Magnets and Motors Manual	106	\$39.95	\$4,234.70
Anno's Magic Seeds	87	\$6.25	\$543.75
Anno's Mysterious Mult. Jar	124	\$7.15	\$886.60
The King's ChessBoard	73	\$5.05	\$368.65
Esio Trot	99	\$2.50	\$247.50
Total-Intermediate Year 2			\$86,014.35
Upper Science-Year 2			
Item	# in Inventory	Unit Price	Total Price
TIMS Laboratory Investigations	11	\$99.00	\$1,089.00
PASPORT Motion Lab	21	\$159.00	\$3,339.00
LaMotte Water Monitoring Kit	20	\$24.80	\$496.00
Trundle Wheels	9	\$28.00	\$252.00
Puck Set	19	\$20.97	\$398.43
Lego Dacta Construction Package	19	\$84.00	\$1,596.00
Total-Upper Science Year 2			\$7,170.43
Upper Math-Year 2			
Item	# in Inventory	Unit Price	Total Price
Exploring Algebra/Pre-Algebra	18	\$7.16	\$128.88
TI-73 Graphing Calculator	15	\$92.65	\$1,389.75
Angle Ruler	15	\$1.56	\$23.40
Tape Measures	14	\$3.98	\$55.72
Number Cubes	14	\$2.75	\$38.50
Colored Cubes	14	\$12.76	\$178.64
Color Tiles Kit	72	\$38.12	\$2,744.64
Tangrams Kit	13	\$21.20	\$275.60
Cuisenaire Rods Kit	17	\$66.00	\$1,122.00
Color Counter (transparent)	11	\$2.25	\$24.75
Total-Upper Math-Year 2			\$5,981.88
TIMS-Year 2			
Item	# in Inventory	Unit Price	Total Price
Multipurpose Carts	128	\$19.80	\$2,534.40
Incline Planes	50	\$20.60	\$1,030.00
Friction Boards	181	\$11.30	\$2,045.30
Total-TIMS-Year 2			\$5,609.70

APPENDIX E

**TEACHERS ACADEMY FOR MATHEMATICS
AND SCIENCE**

TEACHER BASIC SKILLS TEST

2000-2001



**Pretest
Science and Math Questions**

Directions: Please complete the information asked for on this sheet. Then read the instructions on the bottom of the sheet.

Your Name: _____
(optional)

Last 6 digits of your Social Security Number: _____ - _____ - _____
(for tracking purposes only)

School Name: _____ Today's Date: ____/____/____

What is the name of your TAMS Instructor(s)? _____

What TAMS Professional Development programs are you participating in?

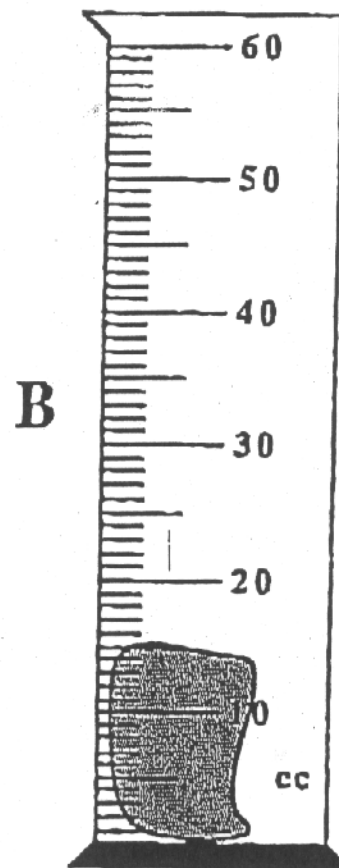
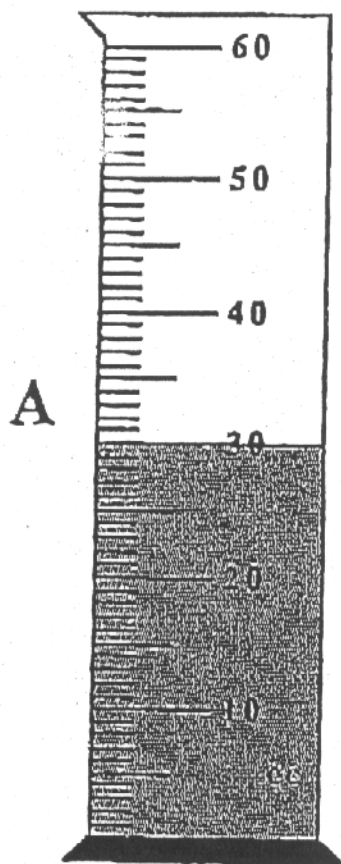
- Primary
- Intermediate
- Upper Math
- Upper Science

*Read each problem carefully and answer it as best you can. Do not skip any problems.
Give the best answer you can for every problem.*

*Mark your answers on the test. Be sure to include units in your answers. Use the test
itself for your scratch work.*

Thank you.

A piece of clay has a volume of 8 cc. It is placed in cylinder B.



1. Draw the water level in cylinder B when the water from cylinder A is poured into it.

2. Mary has two balls of clay. They are the same size and shape. When she places them on a balance they have the same mass.

The pieces are removed from the balance pans. Clay 2 is flattened into a pancake-like shape.



Based on the information above,
which of the following is true?

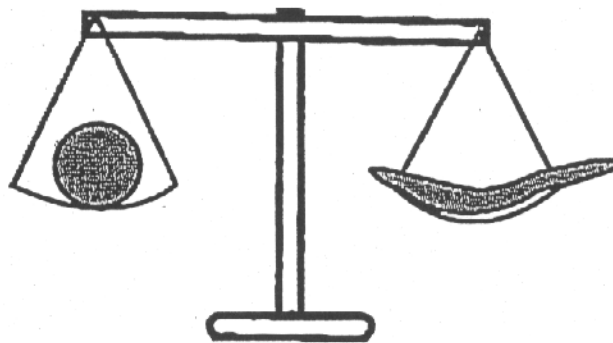
The ball has more mass.



The pancake has more mass.

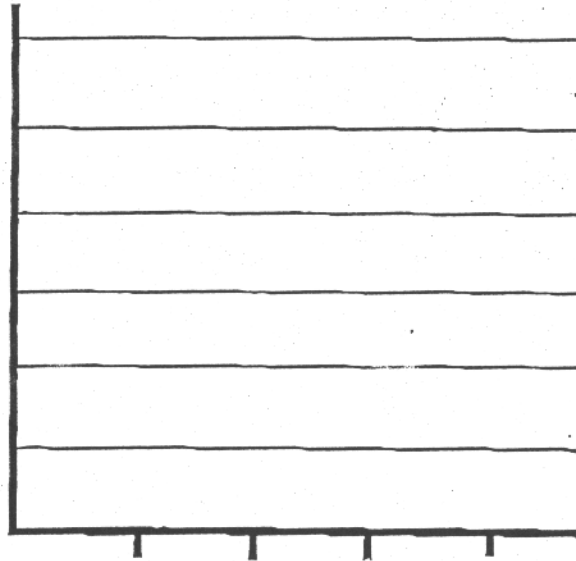


The two pieces have the same mass.

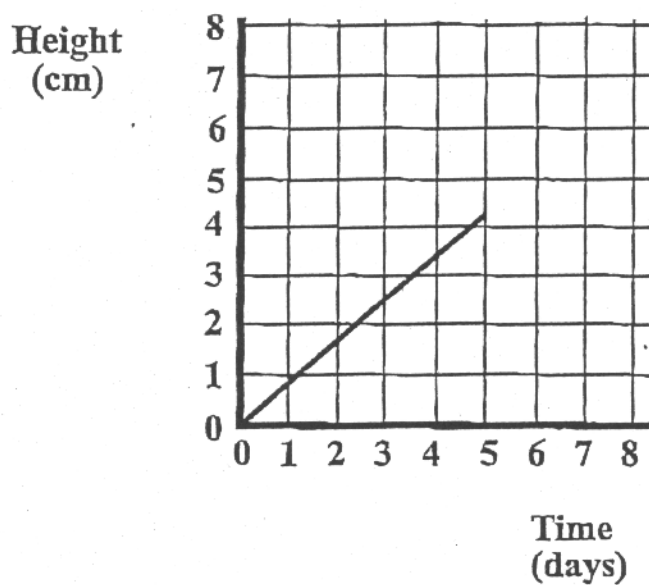


3. Make a graph of the number of pets.

Name	Pets
Joe	6
Ann	4
Linda	2
Pat	3

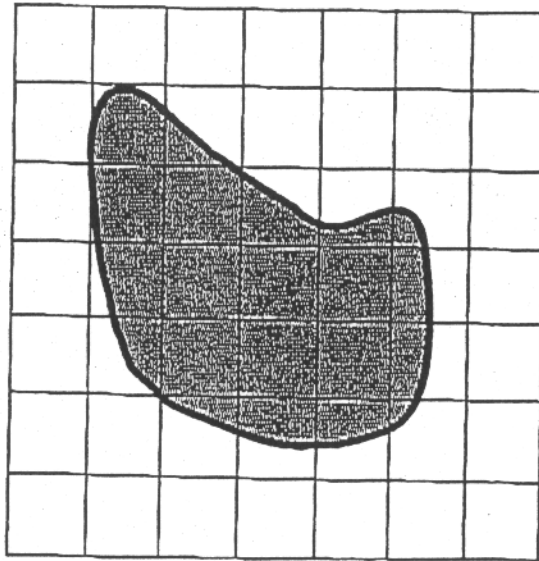


This is a graph of how a plant grew in 5 days.



4. How tall was it at 3 days? _____
5. If it continues to grow at the same rate, how tall will it be on day 7? _____

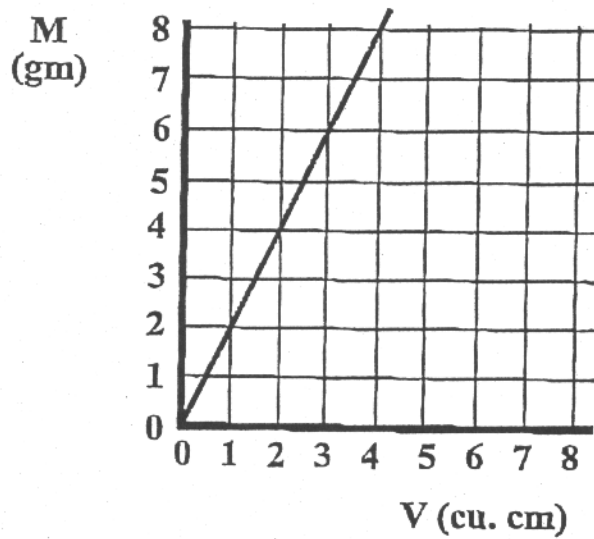
6. What is the area of the shaded figure below?



1 square
centimeter


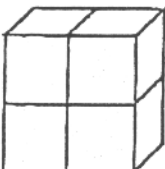
area = _____

7. The results of an experiment are shown below.
What is the slope of the line?



slope = _____

The objects below are made by connecting together cubes that are 1 cm on each side. Fill in the table

	Object(s)	Surface Area	Volume
8.			
9.			

A laboratory study is done with white rats. The scientist wants to know if the amount of vitamin A mother rats receive affects the number of offspring born. The scientist uses the same breed of rats in the study. Each rat gets the same amount of food and the same amount of daily exercise. The temperature in all the cages is the same.

10. Which of the following variables are being controlled in this study?
- amount of vitamin A, food, and exercise
- amount of food, exercise, and temperature
- amount of exercise, breed of rat, and amount of vitamin A
11. The manipulated variable in this study is
- amount of food given to each rat
- amount of vitamin A
- size of the mother rats
- number of offspring born
12. The responding variable in this study is
- amount of food given to each rat
- amount of vitamin A
- size of the mother rats
- number of offspring born

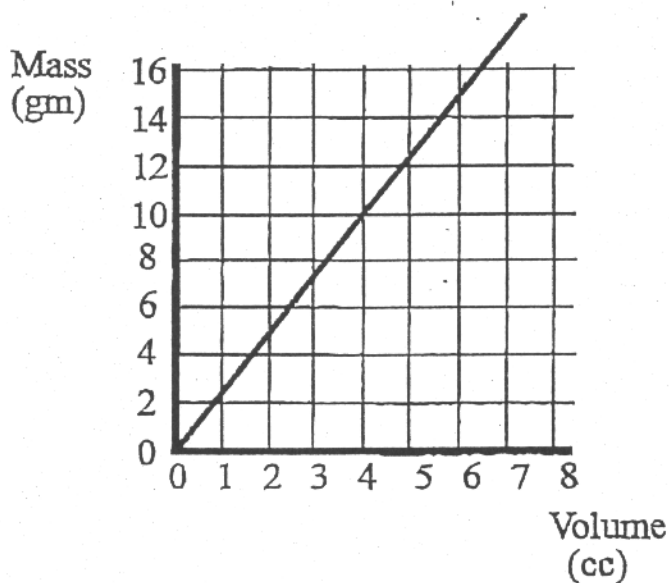
13. Adam can run 12 blocks in 3 minutes. Bill can run 10 blocks in 2 minutes.

_____ Adam can run faster.

_____ Bill can run faster.

_____ Adam and Bill can run at the same speed.

-
14. A material has the relationship between mass and volume shown in the graph to the right. If an object made of this material has a volume of 300 cc, what is its mass?



mass = _____

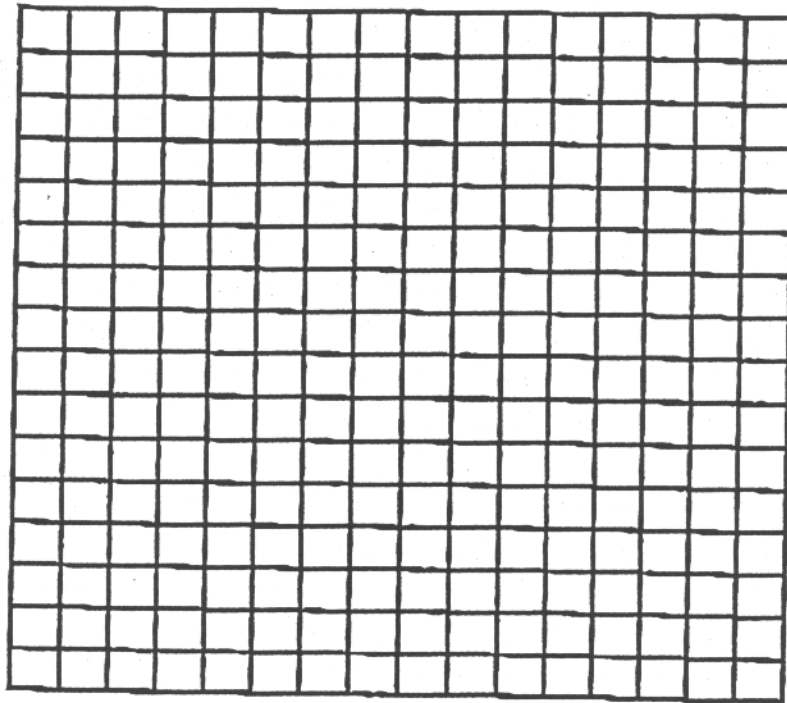
15. The results of an experiment are shown below.

Make a graph of the tree's growth.

Tree Growth

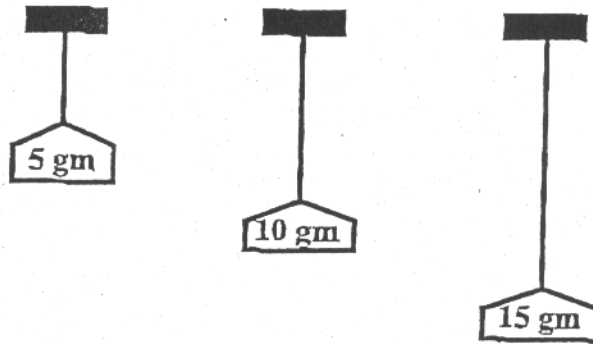
Height (cm)	Mass (gm)
0	0
30	100
50	200
80	400
100	600

Mass
(gm)



Height
(cm)

16. Sarah wanted to find out which mass (5 gm, 10 gm, or 15 gm) makes a pendulum swing the fastest. She found three pieces of string and placed a different mass on the end of each. Then she pulled them back the same distance, and timed them for ten swings.



Why was the experiment not a good one to find out which amount of mass swings the fastest?

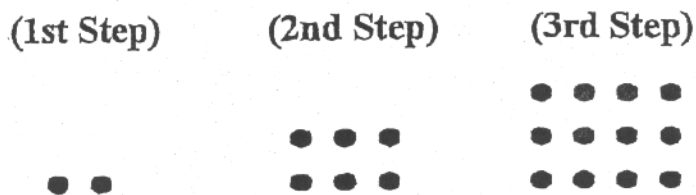
- _____ The shortest string should have had the most mass.
- _____ She should have counted for only one swing, not ten.
- _____ The lengths of the string were not the same.
- _____ She should have pulled the longer string back further.
- _____ The string was not strong enough to hold the masses she used.

17. The length of a rectangle is 6 cm, and its perimeter is 16 cm.
What is the area of the rectangle in square centimeters?

Answer: _____

18. This question requires you to show your work and explain your reasoning. You may use drawings, words, and numbers in your explanation. Your answer should be clear enough so that another person could read it and understand your thinking. It is important that you show all your work.

A pattern of dots is shown below. At each step, more dots are added to the Pattern. The number of dots added at each step is more than the number added in the previous step. The pattern continues infinitely.



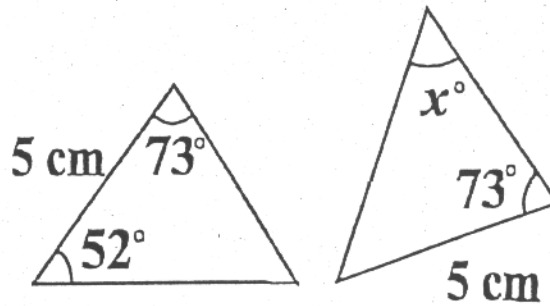
Marcy has to determine the number of dots in the 20th step, but she does not want to draw all 20 pictures and then count the dots.

Explain or show how she could do this and give the answer that Marcy should get for the number of dots.

19. These triangles are congruent. The measures of some of the sides and angles of the triangles are shown.

What is the value of x ?

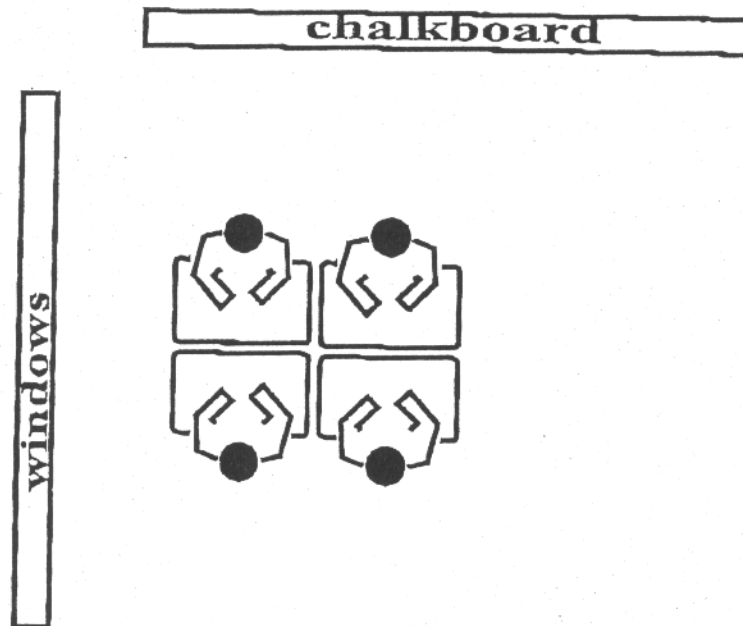
- A. 52
- B. 55
- C. 65
- D. 73
- E. 75



- The aim of this assessment is to give you the chance to:

show all the ways two boys and two girls can sit together at four tables if they have to obey certain rules for how they can arrange themselves

20. Students sit in groups of four in Mrs. Cruz's class. Below is part of a classroom map that shows Group 1.



The whole class agrees that they want to spread the boys and girls out evenly. The class made these rules:

- 1) Each group of four has two boys and two girls:
- 2) If you are a girl, the person next to you is a boy. The person straight across from you is a boy.
- 3) If you are a boy, the person next to you is a girl. The person straight across from you is a girl.

Two girls, Laura and Ana, and two boys, Juan and Eric, want to form a seating group at Group 1. On the next page, show all the possible ways they can sit at Group 1 which follow the rules the class made.

If needed, use this sheet to show your work for question 20. The test continues on the next page.

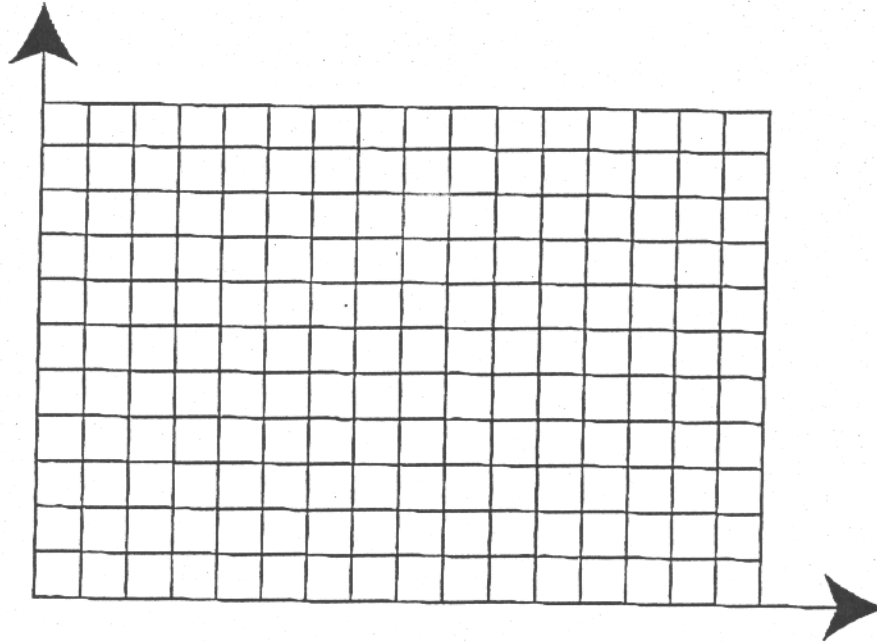
21. The table shows the values of x and y , where x is proportional to y .

x	3	6	P
y	7	Q	35

What are the values of P and Q ?

- A. $P = 14$ and $Q = 31$
- B. $P = 10$ and $Q = 14$
- C. $P = 10$ and $Q = 31$
- D. $P = 14$ and $Q = 15$
- E. $P = 15$ and $Q = 14$

22. Using the set of axes below, sketch a graph which shows the relationship between the height of a person and his/her age from birth to 30 years. Be sure to label your graph, and include a realistic scale on each axis.



23. The numbers in the sequence 2, 7, 12, 17, 22, ... increase by fives. The numbers in the sequence 3, 10, 17, 24, 31, ... increase by sevens. The number 17 occurs in both sequences. **If the two sequences are continued, what is the next number that will be seen in both sequences?**

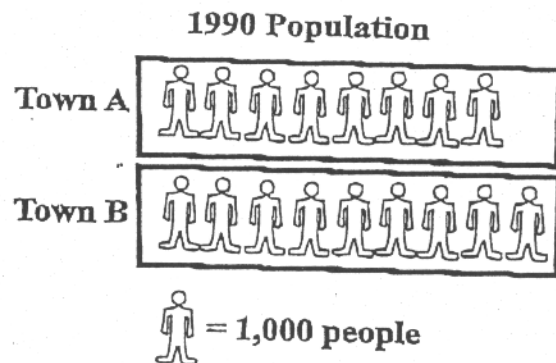
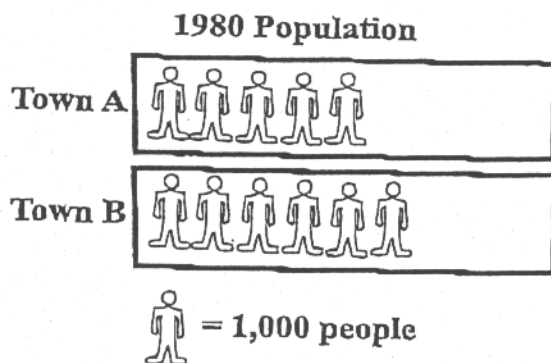
Please show your work or explain your answer.

Answer: _____

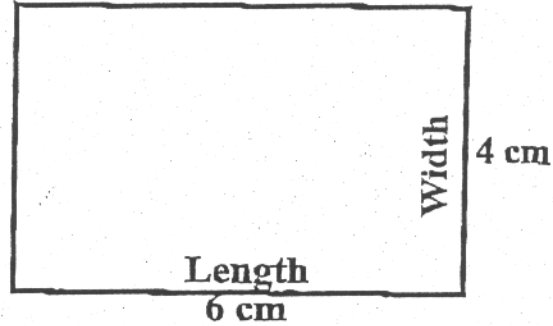
24. In 1980, the population of Town A and Town B were 5,000 and 6,000, respectively. The 1990 populations of Town A and Town B were 8,000 and 9,000, respectively.

Brian claims that from 1980 to 1990 the populations of the two towns grew by the same amount. Use mathematics to explain how Brian might have justified his claim.

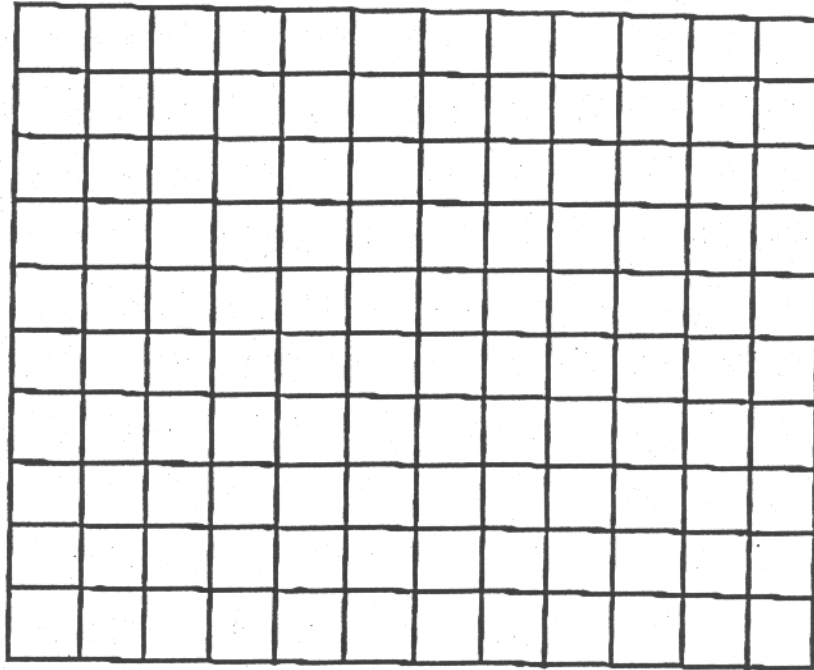
Darlene claims that from 1980 to 1990 the population of Town A had grown more. Use mathematics to explain how Darlene might have justified her claim.



25.



- a. In the space below, draw a new rectangle whose length is one and one half times the length of the rectangle above, and whose width is half the width of the rectangle above. Show the length and width of the new rectangle in centimeters on the figure.



- b. What is the ratio of the area of the new rectangle to the area of the first one?

Show your work.

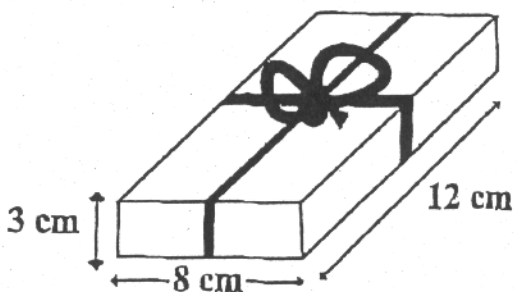
26. There are 10 girls and 20 boys in Juanita's class. Juanita said that there is one girl for every two boys. Her friend Amanda said that means $\frac{1}{2}$ of all the students in the class are girls.

How many students are there in Juanita's class. Answer: _____

Is Juanita right? Answer: _____
Use words or pictures to explain why.

Is Amanda right? Answer: _____
Use words or pictures to explain why.

27. Stu wants to wrap some ribbon around a box as shown and have 25 cm left to tie a bow.



How long a piece of ribbon does he need?

- A. 46 cm
- B. 52 cm
- C. 65 cm
- D. 71 cm
- E. 77 cm

28. Jan had a bag of marbles. She gave half of them to James and then a third of the marbles still in the bag to Pat. She then had 6 marbles left. **How many marbles were in the bag to start with?**

- A. 18
- B. 24
- C. 30
- D. 36

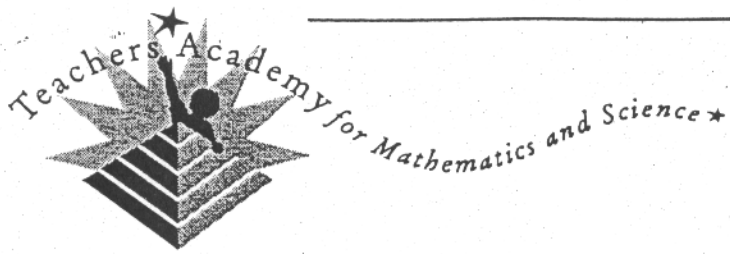
The test ends here.

Thank you.

APPENDIX F

AGENCY RESPONSES

Note: This Appendix contains the complete written responses of the Teachers Academy for Mathematics and Science and the Illinois State Board of Education. Following the Agency Responses are 6 numbered Auditor Comments. Numbers for the comments appear in the margins of the Agency Response.



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www.tams.org

March 3, 2003

Mike Maziarz
Office of the Auditor General
740 East Ash
Springfield, Illinois 62703

Dear Mr. Maziarz:

Enclosed is the document that the Teachers Academy for Mathematics and Science is submitting as its written response to the audit conducted by your office.

As agreed, we have responded to the recommendations directed to us and have written an Academy's position on the recommendations directed to ISBE. Although we tried to capture our position on ISBE's directed recommendations as succinctly as possible, in the section on Academy's results our position requires some analysis that cannot be abridged any further. It is our hope that you will find a way to fit it in.

The Academy wants to thank you for the time and effort you and your staff spent with us, and want to commend you for the professionalism exhibited during the entire audit process.

Please call if you have any questions.

Sincerely yours,

Lourdes Monteagudo
Executive Director

REPONSES TO AUDIT RECOMMENDATIONS

The Teachers Academy for Mathematics and Science Funding as a Named Entity in the ISBE Budget

Recommendation 1. The Illinois State Board of Education should develop a formal agreement with the Teachers Academy for Mathematics and Science that includes information on what are appropriate and inappropriate uses of the funds, program specifications and terms of the grant.

ISBE's Response:

The Academy's Position:

The Academy has always considered the money it has received to be "legislative appropriations to a named entity" and not ISBE agency grants as defined by 30 ILCS 705-2. Over the years the Academy has followed the legislative intent of the appropriation, which was to "fund the operations and programs of the Teachers Academy", and which were to be an alternative to the programs offered by ISBE, the Regional Offices of Education, universities and local districts.

However, whether the funding for the Academy is considered a "legislative appropriation to a named entity" or an "agency grant" the Academy agrees that there should be a written agreement between the two entities that include information on what are appropriate and inappropriate uses of the funds, program specifications and other terms. Although the Academy believes that its work plan served this purpose, prospectively, the Academy will adhere to all rules and regulations required by an ISBE initiated agreement.

Additional Grant Funding to The Academy

Recommendation 2. The Illinois State Board of Education should enter into formal agreements with entities, including the Academy, that receive grant funding from the Professional Development, Scientific Literacy, Mathematics and Family Literacy programs and maintain documentation to show how funds were used.

ISBE Response:

The Academy's Position:

Whenever the Academy decides to apply for a grant from ISBE, or ISBE decides to grant the Academy funds from specific grant funds, the Academy will adhere to any and all requirements that ISBE may impose for any moneys awarded.

Fiscal Year 2001 was the first time, since 1997, that the Academy had received funds from ISBE's grant programs, outside the amount named in the legislative appropriation for the Academy in the ISBE budget. The added financial resources were awarded to the Academy by ISBE to supplement the cost of the expanded services that were promised to legislators from East St. Louis, to double the number of schools served there, and to the legislators from Joliet, to service an additional 10 schools in Joliet District 86.

The Academy followed all instructions given by ISBE concerning the preparation of proposals, request for budget amendments, and end of the year reports. These grants did not require un-funded extensions.

The Academy's Goals and Accomplishments

Recommendation 3. The Academy's Goals

The Illinois State Board of Education should provide the Teachers Academy for Mathematics and Science with documented goals prior to the fiscal year in return for funding levels from the State. In addition ISBE should monitor The Academy's performance to ensure State resources are being used for the purposes intended.

ISBE's Response:

The Academy's Position:

The Teachers Academy has been a leader in tracking outcome goals and will work with ISBE to determine appropriate outcome goals for the work the Academy performs in the professional development of under-prepared teachers in underachieving schools in Illinois.

Moreover, although outcome goals have not been explicitly written in the work plan submitted to the state, the Academy has consistently put systems in place to measure the outcome of its work for both, the teachers that it serves directly, as well as for the impact those teachers have on the students they teach over time. The audit validated two key findings:

- a. The teachers taught by the Academy increased their knowledge of mathematics and science content during their participation in all three regions, Chicago, East St. Louis and Joliet.
- b. Students within the same school taught by the Academy-trained teachers performed better on the ISAT tests than did students taught by non-Academy trained teachers.

In addition, the Academy's proposals have always clearly specified the operational goals of the program, including the number of teachers, parents and principals to be serviced every year.

The Academy's Evaluations and Results

Recommendation 4

The Illinois State Board of Education should establish a system to monitor the performance of the Teachers Academy for Mathematics and Science by developing and implementing procedures governing the review of the Academy prepared documents. This should include reconciling proposed services to what is actually delivered. Additionally ISBE should verify the information presented in the Academy evaluation reports and determine whether the increases in test scores are significant for the funding level received by the Academy

ISBE's Response:

The Academy' Position:

External Validation

The Academy welcomes the involvement and oversight by ISBE to validate the Academy's claims and findings. However, state resources have been consistently invested by the Academy to hire "external, expert evaluators" to oversee and validate the Academy's results as well as its programs. All external evaluations are forwarded to ISBE for review every year. Over time, external evaluations have been performed on the Academy's instructional design, implementation support, as well as impact evaluations on teachers and students.

Academy Results

Besides the two key findings validating the Academy's results in improving the knowledge of teachers referred to in Response # 3, two additional findings were also validated:

- a. The Academy has information systems for keeping track of clients, their attendance, their level of participation etc. as well as a comprehensive system of databases with several different streams of data tying together student and teacher information using outside sources such as ISBE.
- b. Student achievement gains to document the results of professional development activities, in a large district like Chicago, cannot be perceived by doing year to year comparisons.

It should be noted that the audit only focused on a cohort of 12 schools whose students were tested in 1999 and again in 2001, **while their teachers were still participating in the professional development program.** The Academy concurs with the auditor's findings on those schools for the period tested. However, it should be noted that there is a time lag between the time teachers are trained, and the time it takes for the change in their teaching practices to impact their students. The teachers from the 12 schools analyzed had received only 1.5 of the 2.3 years of the Academy's program during the test period. A longer-term analysis is required to allow for the teachers to complete and to incorporate the program into their teaching practices.

The impact of the Academy's program for the desired period would have been observed best by looking at the cohort of 14 other schools that completed the program the year before the audit, **after the teachers had completed the program (1999-2000)** The 14 schools included 7 from East St Louis and 1 from the bordering district of Brooklyn as well as 2 schools from Joliet, 2

from Elgin and 2 from Aurora. These schools also had a higher proportion of teacher participation and attendance in the program than the Chicago schools. In these 14 schools, the gains on student achievement was as high as 8 times the State gain for the 1999-2001 period (see shaded columns in tables below).

3rd Grade Mathematics
% of Additional Students Meeting or Exceeding Standards

<u>Location</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Difference 1999-2001</u>
All State Schools	68.3	69.2	73.8	72.8	5.5
All Chicago Schools	41.0	38.0	47.0	44.3	6.0
Academy Program in East St. Louis/Brooklyn during 1999-2000 (8 schools)	48.0	63.0	59.7	76.4	11.7
Academy Program in Joliet during 1999-2000 (2 Schools)	23.2	29.2	71.4	61.0	48.2
Academy Program in Elgin during 1999-2000 (2 schools)	46.0	50.0	48.1	75.0	2.1
Academy Program in Aurora during 1999-2000 (2 schools)	43.0	75.5	72.7	77.6	29.7
Academy Program in Chicago school participating some time between 1990-1999 (67 Schools)	36.4	37.0	44.5	46.4	8.1

5th Grade Mathematics
% of Additional Students Meeting or Exceeding Standards

<u>Location</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Difference 1999-2001</u>
State (all schools)	55.6	57.2	61.4	62.8	5.8
Chicago (all schools)	29.0	28.0	32.0	35.7	3.0
Academy Program in East St. Louis/Brooklyn during 1999-2000 (8 schools)	16.2	25.6	35.9	39.8	19.7
Academy Program in Joliet during 1999-2000 (2 Schools)	11.2	10.2	16.9	13.9	5.7
Academy Program in Elgin during 1999-2000 (2 schools)	25.5	29.0	37.3	46.1	11.8
Academy Program in Aurora during 1999-2000 (2 schools)	36.0	60.0	57.5	62.1	21.5
Academy Program in Chicago school participating some time between 1990-1999 (67 Schools)	24.0	24.3	30.4	33.7	6.4

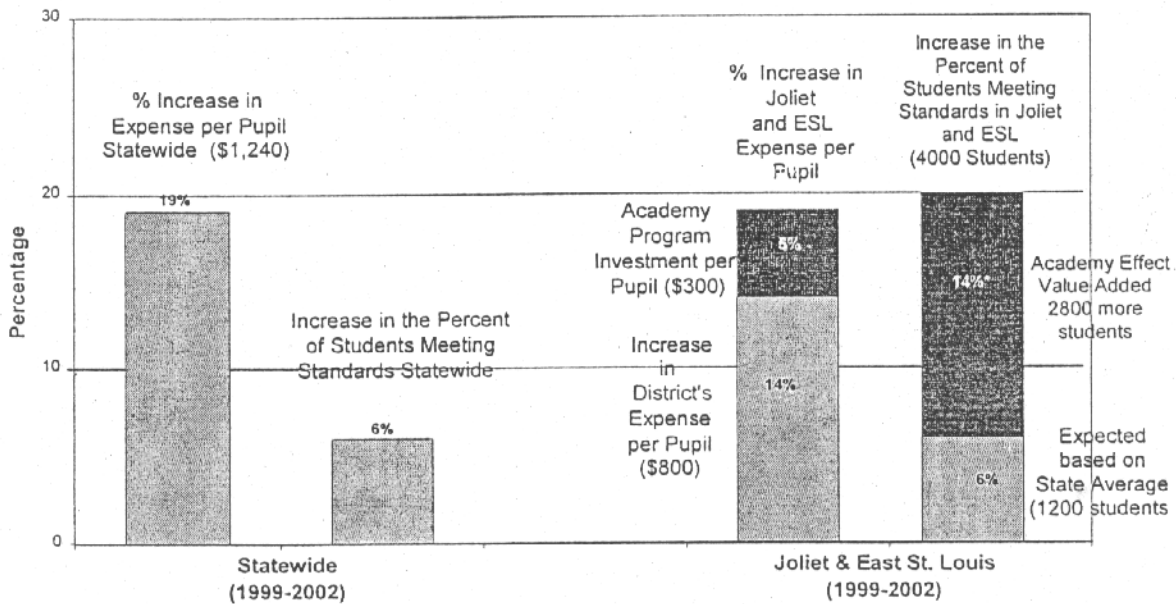
Academy's Value

The Academy is already attempting to empirically answer the question, what is its value for the investment made? The following comparison of net results of cumulative educational investments provides a reasonable answer.

The 19% average increase in the per pupil expenditure statewide from 1990-2001 yield 6% more students meeting or exceeding mathematics standards in Illinois.

In Joliet and East St. Louis the average increase in the per pupil expenditure for that same period (14%) was supplemented by the investment made in the Academy (5%) totaling a comparable 19% increase in per pupil expenditure in those districts for that same period. However, the yield for the 19% increase in those districts was 20%, or over 3 times the state average percent of increase of 6%

Increase in Expenditures per Pupil and Percent of All Students Who Meet or Exceed State Standards: 1999-2002



In-Class Visits and Other Activities

In-class visits, the most costly aspect of the intervention, is tracked weekly to ensure that "missed" visits are due to reasons beyond the Academy's control such as high rate of teacher turnover, the number of participants that do not have classrooms, such as assistant principals, and the cost that would represent offering in-class visits to "replacement teachers" teachers. The Academy will attempt to be more specific regarding the leadership activities it provides, without compromising the program's ability to shape itself to the needs of specific schools, and principals. Moreover, if additional activities are requested by ISBE or other policy makers, a written directive will be secured to document the goals of the activities being requested.

Fiscal Review of The Academy

Recommendation 5. The Teachers Academy for Mathematics and Science should take the necessary steps to ensure that expenditures charged to state funds:

- *Are adequately documented and supported by original receipts;*
- *Have adequate support for who benefits from meals charged to the agency credit cards;*
- *Takes the appropriate use of sales tax benefits of being a not-for-profit organization; and*
- *Are program related expenses that fall within the purposes provided by the General Assembly.*
- *The State Board of Education should develop administrative rules that identify what are allowable and unallowable uses of state funds provided to grantees, including the Academy. Further ISBE should follow up on questioned expenditures to see if there is any need to recover State funds*

The Academy's Response:

The Academy agrees that guidelines on how organizations can spend State funds are an important management control to ensure accountability, especially when the organization is expected to adhere to restrictions imposed by the General Assembly or the State agency.

The Academy is committed to good management practices. It maintains policies and procedures for accounting and financial controls. These include several levels of approvals by managers and officers, before funds are paid out to support expenditures. Unfortunately, during the FY 2000 and FY 2001 the Academy faced unique challenges, mainly; a great deal of confusion by the funding agency as to the financial resources available to provide services in East St. Louis and Joliet, having to transport its staff to East St. Louis on a continuous basis to provide quality instruction and in-class visits. In all instances cited, the Academy's internal controls were not violated, and thus all expenditures were certified to be for legitimate business purposes and authorized by at least one manager and one officer.

However, in FY 2002, the Academy reorganized its management team and since then have taken steps to ensure that:

- Forms used to reimburse economically challenged parents, specify the expenses the parents incurred to participate in the program.
 - Credit card statements be backed by original receipts when used for travel, lodging or to pay for food. The receipts also list who benefited from the expense. Managers and officers will be sanctioned if they do not adhere to these policies.
 - A more cost-effective system is used to estimate attendance by participants. Since the beginning of FY 2002, the Academy has established the policy that whenever food or refreshments are ordered for an activity, the expected head count is lowered by 10%, which is the average rate of absence suggested by trend data.
 - The Academy has created a system to ensure that taxes are not paid, and that refunds be pursued from vendors who question and refuse to allow tax exempt purchases by the Academy's employees.
- *The Academy charged \$349 in travel and hotel reimbursements for an employee for expenses in the employee's usual commute area.*

The Academy recognizes that it should not have reimbursed this employee. The employee lived in La Salle, Illinois and was hired to work in Joliet and East St. Louis. She should not have been reimbursed for travel and hotel accommodations for traveling to Joliet.

- *The Academy charged \$971.18 to state funds for vehicles including a Ford Expedition, for staff that lives in the same city of the rental location with no documentation to explain the specific need for the rental.*

In the future, request for rental of vehicles will follow a process that would document the need for the rental of the vehicles as well as the reason for any variation in the policy. In the cases cited, employees rented cars to travel to East St. Louis. The Ford Expedition was used to transport Chicago parents to facilitate, along with Academy staff, Family Math and Science nights in East St. Louis' schools. They also transported the materials needed for the event.

- *The Academy charged to state funds for hotel accommodations, including meals, for staff that were assisting and presenting at the Principal retreat at a conference center located 30 miles from Chicago. They did not sign-in in the next day's sign-in sheets of participants.*

In the future the Academy will require that all employees sign-in and out of activities that require overnight accommodations. Unfortunately, a clerical mistake listed the staffs, which were the presenters and facilitators, as *participants*. Not being used to signing in as participants, the staff did not sign the sign-in sheets.

- *The Academy spent \$11,076 for this conference for lodging, equipment rental, food and supplies.*

In the future, the Academy will determine whether the cost benefit of these type of activities warrant the state expense. This was a culminating activity for 10 Chicago Principals who spent the days working on joint plans and team building activities to help them support the network among them and planning how the gains made during the two years of involvement with the Academy would be sustained after the Academy program ended. The principals examined achievement trends of their students; gains made during the two years, and determined goals to achieve in the years ahead.

- *The Academy paid consultants without having a detailed billing of services performed for the expenditures, of which \$8,000 of these expenditures was charged to state funds.*

In the future, the Academy will require that all contractors provide detailed bills at the time that payments are requested. The payment made with state funds was for services rendered by an evaluator from Western Illinois University, who had provided a detailed schedule for the services, but who did not detail the services completed at the time of the payment request.

Non- Program related expenditures

As a private non-for profit corporation, and in the absence of any requirements, certifications and assurances imposed by ISBE, the Academy has followed its own policies and business judgment to deal with program related expenses as well as with Non-Program related Expenses. Although the Academy revenues have become increasingly state funds, the Academy has alternative

sources of funds, which are used whenever, the organization decides that it must pay for a non-state related expense, whether that expense be programmatic or not.

The Academy recognizes that there are instances where the expenditure incurred and charged to state funds may have been caused by poor business judgments and stands ready to take responsibility for them, as ISBE may require.

In the instances cited by the auditors the Academy recognizes the following:

- *At the end of Fiscal 2001, the Academy purchased equipment from the "benefit" budget line for the health benefit of employees..*

The recommendation to purchase the equipment from the benefit line was made by an employee committee with the goal of promoting healthy exercise habits and to reduce stress. The Academy recognizes that it should have paid this expense with non-state funds and will reimburse ISBE accordingly.

- *In August 2000, the Academy spent \$12,657 to finance food, lodging and rentals for a conference in Peoria for the Illinois Association for Supervision and Curriculum Development.*

4 This activity was included in the FY 00 proposal to ISBE and was a program related expense.

This activity was a program related expense, tied to the state-wide expansion project that ISBE requested that the Academy lead to coordinate and marshal the resources of professional organizations, administrators and teacher leaders to support standards-based instruction, and the on-going professional development of teachers in the state. This led to sponsoring the conference for the Illinois Association for Supervision and Curriculum Development in Peoria, which was attended by many ISBE staff members. The State-wide initiative at the Academy was led by the former COO, who coordinated the project, and personally took responsibility for the training activities with the help of three managers, leading discussions in mathematics, science and the use of technology.

- *In August 2000, the Academy spent \$432 on a professional development tour of Chicago's architecture and was unable to provide a receipt.*

This was a program related expense, however, in the future, all staff development for staff will be properly documented with an original receipt, and a list of participants will be generated prior to approving the expenditure. This activity was a Training of Trainer staff development activity for the math department staff in the summer of 2000, to enable the trainers address Illinois State Goal #9 in a more practical way. The Academy recognizes that it should have paid this expense with non-state funds and will reimburse ISBE accordingly.

- *The Academy made a donation of computer equipment to Governor Ryan's Humanitarian Mission to Cuba in FY 00.*

5 This was non-program related expense. The donation was paid by the Academy from its non-state funds, and thus it was not within the scope of the audit. As a private not-for profit agency, the Academy has discretion to make donations to worthy causes using its discretionary funds.

- *The Academy provided a short-term loan to Governor Ryan's Humanitarian Mission to Cuba.*

This was not a program related expense. The loan was expensed to and paid back to the Academy's non-state funds, and thus it is not within the scope of the audit. As a private not-for profit agency, the Academy has discretion to make loans.

5

Distribution of Excess Teacher Materials

Recommendation 6. The Teachers Academy for Mathematics and Science should ensure that materials for teachers purchased with State funds are only distributed to those who are actually participants in the Academy professional development program. Further, the Academy should, after consultation with the State Board of Education officials, explore other ways to dispose of excess material inventories such as using the materials in subsequent years or returning to vendors for credit. Accordingly, the Academy should follow up with East St. Louis district officials to ascertain to whom the materials were distributed to ensure that State resources were used for appropriate purposes.

The Academy's Response:

In the future, the Academy will consult with ISBE and will follow its written directives as to the disposition of excess materials. However, the Academy's external auditor, John E. Wilson, LTD. prompted the distribution of materials. The auditors communicated to the Academy's management that keeping the materials, would have violated the rules that govern carry-over funds, since the materials would have gone to teachers who were not the intended beneficiaries. The East St. Louis district had the greatest number of intended beneficiaries. The excess resulted from having bought materials for teachers who were to have participated in "Project Start-Up", which was cancelled by ISBE after the materials had been purchased.

The Academy has secured a letter from Dr. Stephanie Carpenter, Assistant Superintendent for Curriculum and Instruction, acknowledging the receipt of the materials as well as letters from principals with sheets signed by the Academy's trained teachers that received the extra materials. See enclosed.

The Academy's Unrestricted Funds

Recommendation 7. The Teachers Academy for Mathematics and Science should use revenue, such as interest generated from State funds for State program purposes. Additionally, the Academy should take steps to ensure that only true sources of unrestricted funds are deposited into this fund and that revenue collected for special projects should clearly be used to offset expenses of those activities before charging State funds for the expenses.

The Illinois State Board of Education should monitor the use of interest income on State funds to ensure that these funds are used for the same purpose as the principal of the grant. Additionally, ISBE should examine the Academy's use of interest revenue and recover any funds that were used for non-grant purposes.

ISBE Response:

The Academy's Response:

The Academy has always considered the money it has received to be "legislative appropriations to a named entity" and not ISBE agency grants as defined by 30 ILCS 705-2. Accordingly its interest has been held in a non-state account.

It should be noted that the amount of interest cited as earned by state funds is overstated and resulted from an existing Academy document, which included interest earned from ALL funds. The Academy has taken steps to secure an independent, in depth analysis of the interest earned from state funds as well as the identification of expenses paid with the interest to be submitted to ISBE as requested. In addition, the Academy has taken steps to further segregate in its books the sources of unrestricted funds so that in the future, there would be no confusion over its origin or its use. The Academy has also taken steps to ensure that revenues collected for special projects is used to pay for those activities.

If it is determined that the Academy's appropriation must become subject to Illinois Grant Recovery Act, it will prospectively adhere to its restrictions.

Performance Evaluations

Recommendation 8. The Teachers Academy for Mathematics and Science should ensure that annual performance appraisals of its employees are conducted to provide documentation of the individual's performance, as required by the Academy's Employee Manual.

The Academy's response:

In mid- fiscal 2002, The Academy underwent a complete reorganization , replacing key managers, and strengthening the Human Resource Office. Since then, the Human Resource Office has been put in charge of overseeing that the appraisals are conducted annually and that employee records show proper documentation. This measure was taken to avoid the effects of our former decentralized system, where individual managers conducted and kept the records of the evaluations without sending copies to the Human Resource Office.

Fixed Assets

Recommendation 9. The Illinois Board of Education should develop criteria; to be included in the formal grant agreement with the Teachers Academy for Mathematics and Science that returns assets purchased with State funds by the Academy to the State in the event ISBE discontinues funding of the Academy program.

ISBE Response:

The Academy's Position:

The Academy would welcome criteria, as part of a formal agreement, that would specify the disposition of fixed assets, based on the status given to the appropriations the Academy receives from the state. The Academy will provide ISBE with a full inventory of the assets bought with state funds.

Lonzo Greenwood
President
Joseph Lewis
Vice President
Irma Golliday
Secretary

BOARD OF EDUCATION**SCHOOL DISTRICT 189**

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Assistant Superintendent

September 6, 2002

Ms. Lourdes Monteagudo
Executive Director
Teachers Academy for Mathematics and Science
3424 S. State Street
Chicago, IL 60616

Dear Lourdes:

This letter is submitted as a formal thank you for the numerous math and science equipment/supplies delivered to this district. We were quite surprised at the amount and the quality of the gift. The Board of Education, in its August meeting, accepted the materials as a matter of official record.

We enlisted the help of teachers who were participants in the Academy's work here to help to sort and distribute all items. They were instrumental in detailing the items that were to be distributed to the appropriate grade levels. (They were tremendously pleased at the types of materials sent.) Since the majority of our teachers have participated with T.A.M.S., they will still have the lesson plans associated with the materials. In other words, they'll know what to do!

We also allowed high school and middle school teachers to choose materials they could use in their classrooms. They were thrilled. (We intend to share with the non-public schools in our area. After all, their students are our students, too.)

Please know that we truly value the work the Academy has done in the district. The additional equipment and supplies only increased our appreciation that much more. Thank you again for your generosity to our staff and students.

Yours truly,



Stephanie W. Carpenter, Ph.D.,
Assistant Superintendent of Schools

Cc: Dr. Nathaniel J. Anderson, Superintendent of Schools
Mr. Lonzo Greenwood, President/Board of Education

AUDITOR NOTE:

The Academy provided 34 additional pages in their response that contained certifications signed by principals from schools in East St. Louis that they were given more materials and supplies in the Fall of 2002. These certifications were dated February 14, 2003 – four days prior to the exit conference held with the Academy. The certifications are available for review in our Springfield and Chicago Offices.



Illinois State Board of Education

100 North First Street • Springfield, Illinois 62777-0001

Ronald J. Gidwitz
Chairman

www.isbe.net

Dr. Robert E. Schiller
State Superintendent of Education

March 6, 2003

RECEIVED
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Mr. Mike Maziarz
Audit Manager
Office of the Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, IL 62703

Dear Mr. Maziarz:

Enclosed are the Illinois State Board of Education's responses to the recommendations addressed to our agency in the audit report of the Teachers Academy for Mathematics and Science.

We appreciate the time and effort you and your staff spent on the audit of this project.

Sincerely,

Robert E. Schiller
State Superintendent of Education

cc: Karl Vogl, Chief Internal Auditor

Enclosure

ILLINOIS STATE BOARD OF EDUCATION
RESPONSES TO AUDIT RECOMMENDATIONS
TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE

Response to Recommendation 1

In the past the agency has considered the annual program descriptions together with the budgets to constitute agreements with the Teachers Academy for Mathematics and Science. However, the State Board agrees to develop more detailed, formal agreements with the Academy in the future, including appropriate usage of funds and terms for the agreement.

Response to Recommendation 2

Currently the agency provides only directly appropriated funding to the Teachers Academy for Mathematics and Science. Should the Academy receive funding under any of the agency's grants in the future, appropriate agreements will be generated. Further, the agency will maintain written agreements and documentation for the use of grant funds distributed to other recipients as circumstances dictate.

Response to Recommendation 3

The agency agrees to develop outcome goals with the Teachers Academy for Mathematics and Science to be included in the annual agreements and to monitor the Academy's performance relative to the established goals.

Response to Recommendation 4

The agency agrees to monitor the performance of the Teachers Academy for Mathematics and Science to ensure that services described in the annual agreements are delivered, as well as to require an evaluation of the information presented in the Academy's reports.

Response to Recommendation 5

The Illinois State Board of Education agrees to develop expenditure guidelines for the use of State funds by the Teachers Academy for Mathematics and Science. The agency will also review the questioned costs listed in this report to determine any need to recover State funds.

Response to Recommendation 6

This finding is addressed to the Teachers Academy for Mathematics and Science.

Response to Recommendation 7

The Illinois State Board of Education agrees to monitor the use of interest by the Teachers Academy for Mathematics and Science. Further, the Board will also examine the Academy's use of interest earned on State funds and recover any funds that were used for purposes other than described in the underlying agreements.

Response to Recommendation 8

This finding is addressed to the Teachers Academy for Mathematics and Science.

Response to Recommendation 9

The agency agrees to develop criteria for the return of fixed assets purchased with State funds in case the legislature discontinues funding of Academy programs. Such criteria will be incorporated in the annual agreements with the Academy.

AUDITOR COMMENTS:

- 1** As noted in the audit report, this analysis does not take into account any other factors that may cause differences in test scores, such as differences in teacher ability and skill or differences in student aptitude within the classrooms.
- 2** The purpose of our analysis was to evaluate improvements of Academy schools in both math and science. On several occasions we met with the Academy's Policy Research Fellow (evaluation specialist) to discuss testing plans and data needs. We were informed that the State changed its science assessment from IGAP to ISAT in 2000. Therefore, to test 4th grade science we analyzed the 12 schools in Chicago (the most recent group that completed the program) for those that took the 3rd grade math, 4th grade science and 5th grade math ISAT tests. Our analysis ended with 2001 ISAT scores because in August 2002 when we met with the Academy to discuss the types of information that could be extracted from the database, we were informed that the 2002 ISAT data was not available.
- 3** During the audit, the Academy was given multiple opportunities (September 17, 2002, October 24, 2002, November 13, 2002 and February 18, 2003) to provide documentation to support the questioned expenditures. No additional documentation was provided. In a written response provided on October 31, 2002, the Academy stated the rental of the vehicles was made to transport employees **locally**.
- 4** While the Academy asserts this was related to the statewide expansion project, the FY00 Academy proposal makes no specific mention of financing food and lodging for a conference.
- 5** In FY00 and FY01 the unrestricted fund had expenditures that exceeded revenues. State funds ran surpluses during this period. We requested from two different Chief Financial Officers and the Executive Director information on where the funds were found to make up the deficit. We were not provided this information. Since we were not able to determine the source of funds used for the payments (State vs. non-State), we questioned the expenditures.
- 6** The interest amounts detailed in the audit report came from an Academy document which **did** break out interest earned on State funds from interest earned on donations or Chicago Public School workshops.