



# INDIANA STATE BOARD OF EDUCATION

**TO:** Indiana State Board of Education  
**FROM:** Timothy Schultz, General Counsel, Indiana State Board of Education  
**RE:** Midwest Elite Preparatory Academy (B747)  
**DATE:** October 3, 2018

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**RECOMMENDATION:** As a result of Midwest Elite Preparatory Academy's ("Midwest Elite") failure to comply with statutory obligations in regards to statutory accreditation requirements as well as statutory requirements to be considered eligible to receive Choice Scholarship funds, Midwest Elite's accreditation and status as an eligible Choice Scholarship school should be revoked immediately.

## **I. Introduction**

Based on a review conducted by the Indiana Department of Education ("IDOE"), it was determined that during the 2017-18 school year, Midwest Elite failed to properly administer the statewide assessment and failed to submit to the Department the student data necessary to calculate a letter grade, thereby violating IC 20-26-15 (Freeway Accreditation), IC 20-32-1-1, and IC 20-51-1-4.7 (applicable to schools that receive Choice Scholarships).

In addition, over the course of multiple school years Midwest Elite, failed to return to IDOE prorated Choice Scholarship funds the school was not entitled to retain. Midwest Elite's failure to return the funds violated Ind. Code § 20-51-4-6, § 20-51-4-4(b) and Administrative Rule 512 IAC 4-1-5. The Department was compelled to involve the Indiana Attorney General's Office to collect these funds, demonstrating egregious delinquency on behalf of Midwest Elite.

As a result of Midwest Elite's numerous violations of state law pertaining to the school's accreditation and Choice Scholarship requirements, its status should be revoked regarding both, respectively.

## **II. Midwest Elite's Accreditation and Choice Scholarship Violations**

Midwest Elite is a private school located in Crown Point, Indiana. The school serves students in pre-kindergarten through grade 12. Midwest Elite holds State accreditation through a Freeway contract provided for under Ind. Code § 20-26-15. The Freeway accreditation contract was effective beginning with the 2013-2014 school year. Since holding Freeway accreditation, the student enrollment of Midwest Elite has dropped from 90 students in 2013-2014 to 29 students in the 2017-2018 school year. Midwest Elite's Freeway contract will expire at the end of June, 2019.

## **A. Failure to Administer the 2017-2018 ISTEP+ and the 2017-2018 IREAD-3**

Based on IDOE's review of Midwest Elite's administration of the statewide assessments during the 2017-2018 school year, numerous violations/concerns regarding the administration of the assessments were documented.

### **2017-2018 ISTEP+**

Midwest Elite failed to complete required pre-test activities for Part 1 of ISTEP+, including, but not limited to, mode selection, waiver request form for paper testing, local infrastructure trial, and the Statewide Readiness Test. Additionally, Midwest Elite did not submit the DOE-TL for student registration for any required test administrations necessary to populate vendor systems including materials delivery and test platform with appropriate accommodations. Further, Midwest Elite contacted IDOE on the last day of the test window requesting paper materials, but was advised that paper materials could not be shipped, received and administered to students on the last day of the testing window. Ultimately, IDOE determined that Midwest Elite did not administer the ISTEP+ Part 1 assessment.

In regards to the ISTEP+ Part 2, Midwest Elite again failed to complete required pre-test activities for Part 2, after which, IDOE solicited information from the school three weeks in advance of the test administration window to document the school's compliance. Subsequently, IDOE conducted an onsite monitoring visit of Midwest Elite during the ISTEP+ Part 2 testing window, which included reviewing the areas of communications, staff training, test security, and room observations. During the onsite visit Midwest Elite failed to provide any documentation or evidence demonstrating compliance with test administration requirements for communications, staff training, or test security. As Midwest Elite had not yet begun administering the assessment at the time of the monitoring visit, IDOE was unable to make determinations on the testing environment.

Similar to ISTEP+ Part 1, Midwest Elite reached out during the final days of the ISTEP+ Part 2 test administration requesting paper materials, but was advised that paper materials could not be shipped, received and administered to students on the last day of the window, thus the school did not participate in the assessment. After the onsite monitoring was completed, IDOE required Midwest Elite to submit a written corrective action plan to address all areas of noncompliance and to ensure all required testing is administered to students during the appropriate testing windows. However, it is evident that the corrective actions were not implemented as the Summer IREAD-3 test administration was also not administered to students.

## **2017-2018 IREAD-3**

Similar to Midwest Elite's failure to administer the ISTEP+ assessment, it also failed to administer the IREAD-3 test to its students. Midwest Elite registered students with the vendor immediately before the IREAD-3 test window, marked their tests as paper, and put in an Additional Materials Order (AMO) for paper materials, which Pearson approved and the materials were shipped to the school. However, after the testing window for IREAD-3 was complete, Midwest Elite failed to return IREAD-3 test materials by the stated deadline (March 27, 2018) or by the late batch stated deadline (April 3, 2018), resulting in no student scores for Spring IREAD-3. As a result of Midwest Elite's failure to submit the IREAD-3 materials to IDOE, all students were then required to participate in the summer retest. However, Midwest Elite again failed to administer the IREAD-3 summer retest to students.

### **B. Violations of the Choice Scholarship Program**

Midwest Elite participates in the Choice Scholarship Program provided for by Ind. Code § 20-51-1 et seq. On April 11, 2017, IDOE conducted a site visit of Midwest Elite, as permitted under Ind. Code § 20-51-4-3. During the course of IDOE's site, it determined that Midwest Elite was in violation of multiple areas of compliance regarding the policies and requirements of the Choice Scholarship Program contained in both State law and as required by the Choice Scholarship application (found at <https://www.doe.in.gov/sites/default/files/choice/form-54705-school-application.pdf>).

For example, IDOE determined that Midwest Elite failed to comply with multiple data requirements, such as maintaining Choice Scholarship records for the students attending the school and a failed to properly report students exiting the school. Further, Midwest Elite failed to timely report student information, such as enrollment/mobility records and student voucher records/endorsement forms, for funding. Additionally, the school failed to provide special education endorsement forms and voucher records. As a result of Midwest Elite's failure to timely supply student information, IDOE was unable to audit the school's data. These audits consist of reviews of student files to ensure all required paperwork has been collected, signed, and processed. Additionally, Midwest Elite failed to develop a lottery process for student enrollment as required by IC 20-51-4-3. In response to these noncompliance issues, IDOE requested that Midwest Elite submit a corrective action plan, which the school failed to submit by the deadline established by IDOE.

Furthermore, Midwest Elite failed to send prorated refunds for Choice Scholarships to IDOE in accordance with IC 20-51-4-6. Despite multiple requests for the prorated funds, the school failed to comply and IDOE was compelled to involve the Indiana Attorney General's Office to collect the delinquent funds from Midwest Elite (a timeline of IDOE's efforts to retrieve prorated funds from Midwest Elite is attached as Exhibit A). Additionally, when Midwest Elite attempted to comply with the requirement to return prorated Choice Scholarship funds, IDOE found that there were not always sufficient funds in the school's account to process the refund checks. Further, Midwest Elite impermissibly requested that the school's banking information be revised to allow it utilize the principal's personal bank account.

### **III. Conclusion and Recommendation**

In order for a school to receive state accreditation under the Freeway School program, it is required to administer the statewide assessment to students enrolled in the school. IC 20-26-15-7. As evidenced by IDOE's review and monitoring of Midwest Elite's administration of the statewide assessment during the 2017-2018 school year, it is evident that the school failed to administer the assessment to the enrolled students. Thus, as a result of Midwest Elite's failure to administer the statewide assessment its Freeway accreditation status should be revoked immediately.

Moreover, Midwest Elite's status as a Choice Scholarship school should also be revoked. In addition to the numerous violations outlined in the preceding section of this memorandum, Midwest Elite's failure to administer the statewide assessment results in the school violating the statutes that designate it as an "eligible school" and "participating school" that may receive Choice Scholarship funds. Indiana Code 20-51-1-4.7 states that an "[e]ligible school" refers to a public or nonpublic elementary school or high school that... administers the statewide assessment program." Additionally, IC 20-51-1-6 explains that a "[p]articipating school" refers to a public or nonpublic school that... administers the tests under the statewide assessment program." Therefore, as a result of Midwest Elite's failure to administer the statewide assessment, its status of a Choice Scholarship school should be revoked and IDOE should not distribute any future Choice Scholarship funds to the school.

## 2013-2014

- Round 1 refund letter sent out 2/10/14 with a due date of 3/7/14
  - Round 1 refund (\$2,715.42) received 3/4/14
- Round 2 refund letter sent out 6/4/14 with a due date of 6/18/14
  - Round 2 refund (\$43.92) received 6/12/14
- Round 3 refund letter sent out 9/11/14 with a due date of 9/22/14
  - Round 3 refund (\$1,602.27) received 10/8/14

## 2014-2015

- Round 1 refund letter sent out 2/16/15 with a due date of 3/2/15
  - 3 checks bounced, Melissa Ambre contacted the school for new check
  - Round 1 refund (\$2,287.66) received in full 5/11/15
- No Round 2 refund owed
- Round 3 refund letter sent out 8/4/15 with a due date of 8/14/15
  - Melissa Ambre notified school on 11/10 that checks bounced
  - Additional letter sent by Andrew Bernlohr on 2/23/16 with a due date of 3/19/16
  - Round 3 refund (\$2,519.54) received in full 3/29/16

## 2015-2016

- Round 1 refund letter sent out 3/2/16 with a due date of 3/24/16
  - Round 1 refund (\$1,193.44) received 3/28/16
- Round 2 refund letter sent out 5/26/16 with a due date of 6/3/16
  - School was emailed on 6/14/16 inquiring about refund
  - Melissa Ambre notifies school on 7/11/16 that refund has not been received
  - School was emailed on 8/9/16 inquiring about refund
  - School was emailed on 8/23/16 inquiring about refund
  - Round 2 refund (\$970.49) received 8/26/16
- Round 3 refund letter sent out 9/20/16 with a due date of 10/3/16
  - School was emailed on 10/4/16 inquiring about refund
  - School was emailed on 11/18/16 inquiring about refund
  - Additional letter sent by Andrew Bernlohr on 11/21/16 stating potential action by the Attorney General
  - School was emailed on 12/19/16 inquiring about refund
  - School was emailed on 1/7/17 inquiring about refund
  - School was emailed on 3/15/17 inquiring about refund
  - Department's legal team consulted with the Attorney General's office regarding the refund around 3/1/17
  - Between 3/1/17 and 3/20/17 the Attorney General contacted the school about the refund
  - Department was contacted by Attorney General about receiving of refund on 3/20/17

## Midwest Elite Choice Refund Timeline

- School was emailed on 3/20/17 inquiring about refund
- Round 3 refund (\$4,139.86) received 3/30/17

### 2016-2017

- No Round 1 refund owed
- No Round 2 refund owed
- Round 3 refund letter sent out 8/18/17 with a due date of 9/1/17
  - School was emailed on 8/30/17 inquiring about refund
  - School was emailed on 9/6/17 inquiring about refund
  - School was emailed on 9/12/17 inquiring about refund
  - School was issued a corrective action letter for delinquent refund on 10/6/17
  - School was emailed on 10/6/17 inquiring about refund
  - Round 3 refund (\$1,344.38) received 10/27/17
  - School was emailed on 10/27/17 regarding missing corrective action letter
  - School was emailed on 10/30/17 regarding missing corrective action letter
  - School was emailed on 11/16/17 regarding missing corrective action letter
  - School was emailed on 12/5/17 regarding missing corrective action letter
  - Received refund corrective action letter on 12/6/17

### 2017-2018

- Round 1 refund (\$3,380.55) was netted out of spring payment 3/26/18
- No Round 2 refund owed
- Round 3 refund letter sent out on 8/7/18 with a due date of 8/24/18
  - School was emailed on 8/22/18 inquiring about refund
  - School was emailed on 8/28/18 inquiring about refund
  - School was emailed on 9/13/18 inquiring about refund
  - As of 9/18/18, no refund (\$336.11) has been received