



IDEA Headquarters
2115 W. Pike Boulevard
Weslaco, Texas 78596
Phone 956.377.8000
Fax 956.447.3796

Via E-mail Transmission

August 24, 2020

Ms. Heather Mauze
Executive Director
Charter School Authorizing and Administration Division
Texas Education Agency
1701 N. Congress Ave.
Austin, Texas 78701

Re : Institutional and Financial Controls of IDEA Public Schools (CDN108-807)

Dear Ms. Mauze:

Thank you for the opportunity to respond to your correspondence of August 12, 2020 and to address concerns relating to IDEA Public Schools' financial practices and controls. IDEA Public Schools is deeply appreciative of the support and partnership we have received from the Texas Education Agency (TEA) over the last twenty years. Over these past two decades IDEA Public Schools has grown from a single school with 150 students to one of the fastest-growing and highest-performing public-school systems in the country, educating 60,000 mostly low-income students of color across the State of Texas.

By every metric, IDEA Public Schools is accomplishing our mission of preparing students for success in college and citizenship. Since our first graduating class of seniors walked across the stage 14 years ago, more than 99% of our graduates have matriculated to a college or university and IDEA alumni graduate college at rates similar to the national average for third quartile income earners despite 90% of students coming from a household receiving free or reduced price lunch.¹

In 2017, independent researchers from Stanford University reported that students at IDEA Public Schools demonstrate learning gains equivalent to an additional 80 days of learning *each year* as compared to their peers enrolled in nearby schools. This past year, six IDEA high schools were recognized by the U.S. News and World Report as some of the best high schools in the country, and 11 of the top 25 most challenging high schools in the nation were IDEA schools.

Our success extends beyond the classroom as well. In October 2019, IDEA Public Schools became the first charter school network in the country to receive an "A-" bond rating from Standard & Poor's (S&P), who noted IDEA's strategic approach, high academic results, solid

¹ See Pell Institute (2019) Indicators of Higher Education Equity in the United States. Retrieved from: http://pellinstitute.org/downloads/publications-Indicators_of_Higher_Education_Equity_in_the_US_2019_Historical_Trend_Report.pdf



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operating margins, sophisticated management team, and demand as key strengths. The rating agency also noted IDEA would maintain a steady financial profile due to its strategic financial practices, conservative modeling, and flexibility. By achieving this bond rating, IDEA is able to ensure every child has the appropriate classroom and facility space to learn, grow, and thrive while keeping interest costs to a minimum.

The TEA has similarly recognized our strong financial practices and performance as demonstrated by our “A Superior” rating, the highest rating possible, on the Charter Financial Integrity Rating System of Texas for the last five consecutive years.

Our success is driven by our unwavering belief in the unlimited potential of every child and our deep commitment to our students, families, and communities. When COVID-19 forced the closure of school buildings across Texas, disrupting lives and threatening the educational, physical, and mental health of our students. Despite mounting challenges, IDEA’s teachers, administrators, and staff members rose to the occasion to serve our scholars. IDEA immediately set up a distance learning program and delivered high-quality instruction for the remainder of the school year. To date, we have distributed more than 60,000 devices and provided nearly 4 million meals to our students and families in Texas.

While IDEA is successfully opening new schools every year across Texas, growing faster than any other high-performing charter school network, we still have just under 40,000 students on our waiting list (Exhibit A), hoping that they can get a seat in an IDEA school. It is for this reason that our amendment request is so pressing. We have made a commitment to these families and communities who urgently want to give their children the high-quality educational experience that IDEA offers.

While we are incredibly proud of the results we have achieved, we are also committed to continuing to learn and improve. Every organization makes mistakes. The true measure of an organization is how they respond to those mistakes. IDEA is committed to a process of continuous improvement and we embrace the opportunity to continue strengthening our policies, processes and procedures and maintain the trust we have earned from the tens of thousands of families that choose to send their children to an IDEA school every day. Below you will find our responses to each of the specific questions you posed in your August 12, 2020 correspondence. Should you require additional information or have follow-up inquiries, we are happy to provide additional information.

- 1. What internal reviews or investigations have been conducted in response to the practices outlined in this correspondence? What was the scope of these investigations? What was discovered as a result of these investigations? What changes have or will occur as a result of these investigations? Who will be overseeing each of the changes identified?***



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In that each of the issues raised had differing root causes and solutions, we address each item below separately.

Board Governance and Oversight of Spending Practices

As TEA notes, the IDEA Public Schools Board of Directors convened in January 2020 to begin an extensive deep dive into the fiscal and governance policies of IDEA Public Schools. This exhaustive review revealed certain deficiencies and areas in need of improvement in reporting mechanisms from management to the board and areas needing greater accountability for reporting, particularly in areas of expenditure with non-public funds. Following this meeting, the Board of Directors took swift and decisive action to tighten financial and operational controls, strengthen the board's oversight role, and to restrict the organization's business expenses, including use of non-public funds.

In February 2020, nationally recognized nonprofit and corporate governance experts [Nygren Consulting](#) was hired at the Board's direction to work with the Board's external legal counsel, SLHA, LLP, HuntonAK and other outside specialists. Their charge was to provide an independent analysis of IDEA's governance structures, senior leadership team, policies, policy and procedure implementation and to then work with legal counsel on a governance- and finance-focused restructure. The analysis revealed important opportunities for the Board of Directors to strengthen oversight and internal controls. Nygren and legal counsel conducted a comprehensive review and update to the Board's governance and financial policies and continue to oversee policy implementation and procedure development.

In May 2020, after more than three months of development, the Board of Directors approved nearly 30 new and revised governance and fiscal policies. These policies support a comprehensive system of internal controls and best practices for management of financial and governance structures from the board through the executive office, central administration, and campus administration. The Board also directed that policies be disseminated and posted on the [Board of Directors page of the IDEA Public Schools website](#). These revised policies represent a significant clarification and enhancement of the board's oversight practices and financial controls. Intentionally, these policies typically require a higher bar for IDEA than state law may prescribe and follow best practices.

The Board also stood up new standing committees, most importantly including an Audit Committee and established a robust internal audit department reporting directly to the Board and Audit Committee. IDEA's CEO, JoAnn Gama, also appointed a Vice President of Governance working with her and the Board, facilitating internal audit, overseeing staff counsel, compliance, board governance and coordinating the continuing work of outside counsel. Internal auditors and the Audit Committee received in-depth training and resources on internal audit and board Audit Committee functions.



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An example of the type of policy changes made: with respect to use of non-commercial aviation, we note that IDEA's former charter aircraft flight policy was based principally on the State policies of the Texas A&M University System.² However, the Board acted to categorically restrict this type of travel, see [Executive Benefits policy](#), Section 7.3 and [Travel Policy](#), Section 7.1. While doing so, the Board also addressed many other areas and prohibited practices that may have in the past resulted in certain members of management receiving benefits that did not stand up to public scrutiny. The Board also created expenditure thresholds requiring board approval, restricting signature authority for contracts, requiring multiple levels of review before approval, and other significant changes. Importantly, the policies apply across the board both to public funds and private philanthropy and donations received by IDEA.

Policy implementation is overseen by Board committee chairs from the Board's audit, finance and executive committees, and on the staff level by CPA Carlo Hershberger, Senior Vice President of Finance, and Leanne Hernandez, Senior Vice President of Financial Planning, who are jointly acting as IDEA's interim Chief Financial Officers following the resignation and retirement of the former CFO. Policy compliance is being overseen by Internal Audit and the VP of Governance.

Moreover, Board Chair Al Lopez, who became chair in January 2020, has been heavily involved in ensuring IDEA's reconstituted committees have started work and that the policy implementation is high priority, with clear understanding from board members and management of what this means. Mr. Lopez served as Executive Director, Economic Growth Business Incubator in Austin for 7 years and spent 11 years as a finance executive at Dell, where he reported directly to the CFO as VP of Finance for Global Services and IT organization. He spent 21 years at IBM in financial management and executive positions. Mr. Lopez is deeply involved in community outreach and service and holds both a B.A. in Accounting and an MBA.

Notably, the full board has held 12 separate meetings since January for 35 hours total, in addition to eight Finance Committee meetings, two Audit Committee meetings and eight Executive Committee meetings where policy planning and implementation has been a primary topic of discussion. The Board holds its duties and responsibilities in the highest regard and is fully committed to overseeing the work before it to ensure the best interest of IDEA's students and of the public are met.

This important work continues, and in July, the Board and Ms. Gama, CEO, directed legal counsel to facilitate an independent review and audit of all current and former executives' activities, which is ongoing. Ms. Gama is determined to lead IDEA forward with a renewed focus on the mission of IDEA, its students, and with transparency.

² <https://www.tamus.edu/business/budgets-and-accounting/system-aircraft/> (containing System Policy 25.01 and Regulation 21.01.03) and it was also informed by the UT System Aircraft Use Policies² and the policies of the Texas Dept. of Transportation Aviation Division relating to use of aircraft by state officials.



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November 22, 2019 Report from US Department of Education Office of Inspector General (OIG)

The OIG report indicated that IDEA Public Schools filed incomplete annual performance reports and did not properly document approximately \$23,000 in expenditures. It is important to note that IDEA Public Schools has received more than \$200 million in Charter School Program grant funds to support the creation of high-quality public charter schools. IDEA Public Schools submitted a response, attached as Exhibit B, in which we explained why the findings were inaccurate as well as how we would strengthen policies, procedures, and practices.

On June 23, 2020, the US Department of Education Audit Resolution Division notified IDEA Public Schools that all issues raised by the OIG were successfully resolved with no further action required.

Expenditure Deadlines for Grant Funds and Waivers

Upon completing a review of our grant expenditure reporting process, IDEA identified several areas in need of improvement. Most importantly, IDEA strengthened internal controls by ensuring a clear segregation of duties such that the responsibility for submitting grant expenditures and approving grant expenditure reports are carried out by separate individuals. Additionally, in an effort to ensure timely actions related to grant draw downs and reporting, the Director of Accounting has created an operating calendar that includes key dates such as expenditure reporting deadlines. These strengthened practices will increase efficiency and ensure accountability.

TRS Reporting

A thorough review of TRS reporting was conducted from December 2019 through February 2020 based on information received from TRS. The review identified that between September 2017 and August 2018, funds remitted to TRS were incorrectly reported into the Federal TRS Care Contribution account that should have been reported into the New Member Contribution account during that period. This generated penalty interest in the New Member Contribution account in the amount of \$132,960.72. In April 2020 IDEA requested TRS to transfer funds from the Federal TRS Care Contribution account into the New Member Contribution and the Federal Funds/Private Grant Contribution accounts. Additionally, IDEA submitted a missing payroll report on March 23, 2020 in the amount \$804,204 for September 2017 for which payment had been timely deposited to TRS for this reporting period. This generated an additional \$145,106.99 in penalty interest in the Member Contribution account due to the time lag. Total penalty interest currently reflected in TRS is \$278,067.80; however, interest is no longer accruing as of April 27, 2020.

IDEA submitted a letter to TRS on April 14, 2020 (Exhibit C) and again on August 21, 2020 (Exhibit D) seeking a waiver for the full \$278,067.80 penalty interest as funds due to TRS were submitted timely, however reported to incorrect accounts. IDEA is still awaiting a response from TRS.



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To prevent the issues from reoccurring, internal controls now require payroll information reported to TRS to be reviewed by the Payroll Analyst for Specialty Services prior to submission for verification against payroll deduction registers and the time and attendance system. The Payroll Analyst for Specialty Services is in charge of all TRS reporting, while payment information is verified by Accounting to ensure payments remitted are placed in the correct accounts.

IDEA Public Schools submitted adjustments to TRS on March 12, 2020 to correct Zero Day Reason Code errors. As of March 12, 2020, IDEA had not received formal notification from TRS of being out of compliance with the Zero Day Reason Code. On August 19, 2020, IDEA Public Schools reached out to TRS regarding Zero Day Reason Code accounts without correction and is still waiting for TRS to respond as we still have no official communication on this issue.

Audited Financial Report

At June 30, 2019, \$1,967,188 of the \$2,219,362 deficit in net assets was related to non-charter activities in IPS Enterprises (the nonprofit affiliate operating schools in Louisiana, Florida and other states). These activities supported students in the IDEA charter schools in Louisiana and were not associated with IDEA Public Schools Texas charter school activities. For TEA's information, attached as Exhibit E is a white paper detailing the purpose and relationship between IDEA and IPS, submitted to and accepted by the U.S. Department of Education as part of federal grants across IDEA's multi-state network. Management will establish a strategic financial plan to ensure unrestricted expenditures are not permitted to exceed unrestricted operating revenues. Management will also ensure that charter and non-charter activities continue to be properly accounted for and maintained pursuant to commissioner rule.

The Finance Committee of IDEA Public Schools is in the process of preparing and will review and submit to the Board for approval, a specific policy regarding the establishment of board-designated reserves or endowments.

- 2. What specific changes have been made in the internal financial controls of the school including all financial controls that will be implemented by the board as well as the school administration? How will these controls be monitored? What individual(s) will be overseeing and monitoring the outlined changes to the internal financial controls? Please provide supporting materials, including board meeting minutes, any associated resolution(s), and any other supporting documentation as evidence of the review and changes to internal financial controls.**

As described above, the Board has significantly strengthened its financial policies and financial controls. The Board reconstituted the finance committee and established a separate Audit Committee and internal audit department. The internal audit department reports directly to the



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Audit Committee. The Board's external legal counsel, the Board's independent auditor, internal audit, as well as other external auditors/CPAs are all assisting the Board and management with implementation, training and actively reviewing/monitoring the financial controls. The financial oversight of the Board of IDEA Public Schools is outlined in the [Board Authority over Fiscal Matters policy](#), which acts as a keystone policy for all others. As outlined in Section 3 of this policy, the Board is responsible for policy, the budget, IDEA's charter, the overall obligation and expenditure of funds, the use of property, record management, financial reporting, compensation setting, governance structures, and approvals of expansions.

Numerous other fiscal policies have been put into place, to prevent certain expenditures that were made in past school years. Another key policy includes the [Allowable and Prohibited Use of Funds Policy](#). These policies allow and require significant board oversight of spending for the organization and stipulate the ways in which board approval must be given for expenditures and acquisitions. This is part of the board's commitment to ensure that IDEA carefully considers, complies with, and transparently reports on, all relevant expenses. IDEA's senior and mid-level leaders have received training on complying with the Use of Funds policy, and safeguards existed or have been put into place to ensure that expenses are checked frequently (i.e. daily or weekly) to ensure understanding and compliance.

Pursuant to recent court decisions, all contracts are to be brought to the board in order to be binding on IDEA, pending a TEA approved delegation amendment. As directed by policy, IDEA management now brings all contracts over \$250,000 that are not part of a governmental or interlocal cooperative to the Board for its express approval and has limited signature authority of contracts to the CFO/Sr. Vice President of Finance, as Mr. Hershberger is a CPA and has responsibility for ensuring compliance. The policies and procedures implemented require significant oversight of expenditures and result in compliance with both and internal/external regulations. See [Capital Assets Policy](#), [Purchasing Policy](#), and [Authority over Fiscal Matters](#), for other policies relating to capital expenditures and other key fiscal policies and controls.

As discussed above, IDEA has reconstituted its board committee's and the Board's Finance Committee plays a critical role in ensuring the compliance with policy and financial oversight of the organization by reviewing budget and planned expenditures. Importantly, the Audit Committee supports the organization by also reviewing expenditures, monitoring compliance and identifying areas of weakness for correction, guiding improvement plans, and ensuring fiscal controls are being implemented and are effective.

- 3. What specific policies and procedures have been approved and implemented related to compensation for senior administrative staff to ensure that no part of the net earnings of the organization will inure to the benefit of any individual in the organization? Please provide board meeting minutes, any associated resolution(s), and any supporting documentation as evidence of the review and changes to policies and procedures.**



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The Board follows IRS and State guidelines relating to executive compensation. The Board's Executive Committee, along with representation from other board members, engages in an annual compensation review conducted with advice of the Board's legal counsel and special counsel expertise in executive compensation/employee benefits, and typically a third-party compensation consultant. [Board Agenda](#) and Minutes where this was recently addressed for 2019-20 are attached as Exhibit F, as well as a copy of the legal advisory and compensation data (Exhibit G) provided to the Board for current executives for 2019-20. On advice of the Board's legal counsel and HR Benefits team, the Board recently approved the hiring of a third-party nationally recognized specialist in nonprofit executive compensation, [Mercer Compensation Consultants](#), to ensure that appropriate benchmarking and reliable nonprofit and public school comparability data is used and analyzed and that a formal study is provided to the Board reviewing all senior management team members total compensation, not just base salary, for the 2020-2021 year and beyond. The Board's legal counsel and special nonprofit tax counsel will guide the Board further on state and federal requirements pertaining to compensation and benefits. Data gathered by the consultants and legal counsel, coupled with peer salaries and compensation data gleaned through groups such as Charter School Growth Fund, the Texas Education Agency public school data (although TEA only tracks base salary), Guidestar.org data and IRS nonprofit 990 data tables (reflecting total compensation of various nonprofit entities), are considered as part of the comparability study.

IDEA's Board will rely on its professional third-party advisors (legal counsel and compensation consultants) to ensure that compensation of its management team is fair, reasonable and not excessive, in compliance with IRS guidelines, and that it is not in excess of the TEA rules for "fair market value" that is "based on the individual's education, experience, prior salary history, the job duties actually performed, and what a typical person with similar skills, experience, and job duties would earn." See 19 Tex. Admin. Code § 100.1022. The comparability study will review total compensation (base salary, bonuses and fringe) for application of legal standards.

IDEA has also included claw back provisions in each of the chief's contracts offered August 2020, to wit:

A determination of the reasonableness of total compensation that is required to be taken into account for the purposes of Section 4958 of the Internal Revenue Code (the "Code") will be analyzed by a qualified third party approved by the Board and reviewed by the Board. The parties agree to work together in good faith to modify the contractual terms if there is a final determination by the Board that the compensation provided by the School, in this Agreement or otherwise, is not reasonable or is excessive (based on the Board's selected compensation consultant) or other concerns arising under the Code, which modifications may require Employee to, among other things, return to the School any excess amount of compensation, as may be determined by the IRS which the parties understand and



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acknowledge may enable Employee to avoid an excise tax and fulfill the School's duty to seek recoupment.

This provision provides IDEA the opportunity for recoupment if there is ever a determination that compensation was not supportable under legal standards.

Regarding some of the items outlined in your correspondence, those executive benefits previously paid been rescinded by the Board and are now prohibited. A revised policy was approved in May 2020—see [Executive Benefits policy](#). This was done with the intention of crafting policies that align with the best practices of nonprofit, education entities and other public entities. In doing this, IDEA's focus was on ensuring every dollar possible was used for the benefit of student learning and success. This policy includes numerous safeguards to ensure appropriate use of time and resources (both public and non-public).

4. What changes have been made in the structure of the board or board membership to ensure appropriate financial controls outlined in this correspondence? How will these changes improve the ability of the board to provide highly effective governance for the organization? Please provide the new board structure and roles as supporting documentation.

As stated above, the IDEA Board has held 12 separate meetings since January for 35 hours total, in addition to eight Finance Committee meeting, two Audit Committee meetings and eight Executive Committee meetings where policy planning and implementation has been a primary topic of discussion. The Board will continue to meet at least monthly, and likely more often, along with committee meetings in between. [Nygren Consulting](#) continues to be engaged to provide specific consultation advice and services to the Board, to achieve the following goals:

- Ensure that IDEA board members have the appropriate sector and governance knowledge to oversee its complex and growing enterprise.
- Ensure governance policies are comprehensive and robust so they can guide the board's work effectively.
- Ensure the board is properly structured—in terms of size (number of directors), committees, officers, and support—for effective governance oversight.
- Also as part of the structure review effort, examine the roles of management and the board, and establish appropriate communication norms between IDEA executives and the board.

Nygren's work is ongoing and will continue for several more months. Nygren's biographies can be found [here](#). The Board has had eight board members resign from IDEA Public Schools for various reasons, including to dedicate more time to personal familial needs during COVID, election to public office, health reasons and other potential conflicts with continued board service. IDEA still has 12 active board members, with no more anticipated resignations. The Board has decided that it will not fill any vacant seats until Nygren's work is completed (as that work will be



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guide the Board on filling vacancies) and COVID-19 has subsided, so that prospective board members can be fully vetted, properly introduced to IDEA and on-boarded, which is difficult and impractical given COVID-19. Future board recruitment work and considerations will include bringing more diversity to the Board (both in terms of background, experience and demographics) and considerations for alumni and parent representation on the Board. In that regard, two current board members are parents of current students, two are parents of former students, and in the past few years IDEA has had one additional parent of students serving on the board.

See above discussions on the Board's reconstituted committees and also refer to the [Board Structure and Operations Policy](#) for further discussion on board operations, duties and responsibilities, committee functions and oversight. This Board operating policy was adopted by the Board in consultation with legal counsel and Nygren Consulting.

5. What changes have been made in the central administrative structure and executive level staffing as well as in administrative procedures to ensure appropriate management and oversight of the school? Which individuals are responsible for the implementation of any new procedures? How will you monitor the effectiveness of the new procedures?

IDEA Public Schools implemented a number of key changes to our administrative structure and executive-level staffing over the last 12 months, with the most significant changes occurring since April 2020. Consistent with our mission, values, and approach, each change was made to strengthen our organization and ensure that IDEA is well positioned to continue achieving our mission of preparing historically underserved students for success in college and citizenship.

Earlier this year, the IDEA Board worked through the transition of former CEO Tom Torkelson. Upon his departure, the Board consolidated the CEO and Superintendent roles and named IDEA's Co-Founder, President and Superintendent, JoAnn Gama, as the new CEO and Superintendent. Ms. Gama interviewed internally to fill a Chief Schools Officer role with long-IDEA tenured school administrator, [Elizabet Garza](#) to ensure the seamless running of IDEA's regions. Ms. Gama meets with each chief weekly to review their progress toward goals and priorities for the week ahead and also discusses upcoming transactions, staffing and other organizational needs.

Last month, Ms. Gama accepted the resignation of the former Chief Financial Officer, Wyatt Truscheit. Upon accepting Mr. Truscheit's resignation, Ms. Gama appointed Leanne Hernandez and Carlo Hershberger as co-acting CFOs, each with a specific domain of responsibility. IDEA has initiated a national search for new CFO. IDEA also organized the above-discussed internal audit department, reporting directly to the Board, and staffed a VP of Governance, Ms. Jessica Hess, reporting to Ms. Gama and working with the Board. The VP of Governance also oversees staff counsel and coordinates with internal audit and on compliance matters. This department will continue to be built out over the next few months.



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IDEA is additionally restructuring its purchasing functions and staffing. These teams are building training modules for business managers and executives to comply with law and policy. The protocols in place will have several stopgaps to ensure that there cannot be management override of policy. Moreover, there is consultation with legal counsel throughout the implementation and execution of policies and procedures, with direct reporting to Ms. Gama and the Board.

As discussed above, in addition to the independent auditor and internal audit, IDEA has also directed counsel to facilitate an ongoing review and audit of financial activities. That work started in July and will be ongoing for several more months. As noted above, IDEA's general procurement process has been tightened. [Board approval](#) is now required for any expenditure that exceeds \$250,000 and is not procured through a governmental or interlocal cooperative. As an added safeguard, the board must approve any public works or [capital asset contract](#) above \$50,000.

New policies have also laid out in detail who has contracting authority in the [Authority Over Fiscal Matters](#) policy. This document also establishes clear "Prudent Person" and "Waste and Abuse" policies, which can be broadly applied to ensure appropriate behavior by IDEA staff. Finally, IDEA has launched an anonymous third-party [whistleblower hotline](#) to receive and investigate reports. Reports submitted will go to Internal Audit, Board and Legal Counsel to ensure they are appropriately addressed.

6. What additional training for board members and administrative staff has occurred or will occur as a result of the practices outlined in this letter? Who is providing/provided the training? Which board members are receiving/received the training?

IDEA Public Schools is taking a multi-pronged approach to ensure that all appropriate staff are fully trained on the revised policies and procedures adopted by the Board. This includes all officers (Chief Executive Officer/Superintendent; Chief Advancement Officer; Chief College Officer; Chief Financial Officer; Chief Human Assets Officer; Chief Operating Officer; Chief Program Officer; Chief Schools Officer; Area Superintendents; Regional Superintendents; Executive Directors; Vice-Presidents; Directors; Campus Principals; Campus Assistant Principals and any other person who may be characterized as an officer under applicable law), corporate card holders, and financial managers (Business Clerks, Administrative Assistants, Executive Assistants, and Coordinators).

First, IDEA set aside 25% of the Business Clerk summer institute this past June to discuss the revised policies and procedures with new and existing business clerks and assistants. Additionally, during each weekly HQ meeting (a Monday morning convening of all central staff), a different policy is discussed, with a specific focus on the revisions made to the policy, the rationale for the changes, and examples of how the revised policy will be implemented.

Finally, IDEA Public Schools is currently building a robust training series to ensure all appropriate staff fully understand the new fiscal policies and can implement them with fidelity. A separate



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online training for each new policy will be developed and released through IDEA's online training platform, Roadmap. Roadmap allows IDEA to create customized online training modules that can include text, video and audio as well as attached or linked resource documents. Roadmap tracks participation and completion of each training module across the organization, and also allows IDEA to embed checks for understanding throughout the trainings to ensure that team members fully understand the content.

In February 2020, the Board received lengthy training from legal counsel on board member roles, responsibilities, conflicts of interest and other legal topics. The Board has also received training from counsel on board member fiduciary duties and financial oversight. Specific training will be scheduled with legal counsel, TEA-certified trainers, and school compliance specialists, both with the board and senior staff. Through legal counsel, IDEA has also engaged and is working with Mr. Ramon Medina for financial compliance review and assurance under supervision of counsel for the Board, ensuring that IDEA will have the right expertise available to stay fully compliant. Additionally, regular meetings are conducted with legal counsel to review policies and implementation, thus ensuring the board and senior leaders receive prompt and correct answers to questions. IDEA's internal auditor, members of the Audit Committee, and senior management already received an extensive training from outside counsel as the committee ramped up operation, and will continue to receive training and support.

7. Please provide any additional information that will demonstrate a robust repertoire of institutional and financial controls as outlined in this correspondence.

The Board and IDEA are committed to best-in-class financial practices, and Ms. Gama as CEO is leading the organization with prudence. All expenditures must be tied to a direct benefit to IDEA's students. The work is ongoing, and we will provide TEA with updates as any additional issues are identified and resolved. The Board is working with leading experts in the state and nationally to ensure IDEA Public Schools continues its high performance for students, but also high performance financially and operationally.

Financial and operational procedures are in the process of being developed and improved to align with new and revised policies, including procedures around procurement, federal funds, financial accounting, and many other areas. We are happy to provide these to TEA when they are completed. TEA is also invited to attend open session of IDEA's committee meetings and board meetings, if desired. We are conducting these meetings using videoconferencing during COVID-19, which should facilitate your participation. While we post our meetings in compliance with the Texas Open Meetings Act, we are happy to provide specific invitations.

IDEA has also included for your reference materials (Exhibit I) related to our human capital practices aligned with goal-setting and annual performance reviews, feedback mechanisms, and talent assessments.



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As IDEA Public Schools enters the 2020-21 school year and looks ahead to future school years, we appreciate the opportunity to respond to the agency's inquiries. We are eager to ensure our growth in 2021-22 and beyond. Finally, we remain available to answer any further questions or provide information needed to facilitate our expansion requests.

A handwritten signature in black ink, appearing to read "JoAnn Gama", is written in a cursive style.

IDEA Public Schools Management Team

JoAnn Gama

CEO and Superintendent