



Elaine M. Howle State Auditor

CONTACT: Margarita Fernández | (916) 445-0255 x 343 | MargaritaF@auditor.ca.gov

## Alliance College-Ready Public Schools

The Nonprofit Did Not Spend Public Funds or Divert Classroom Resources In Response to Unionization Efforts

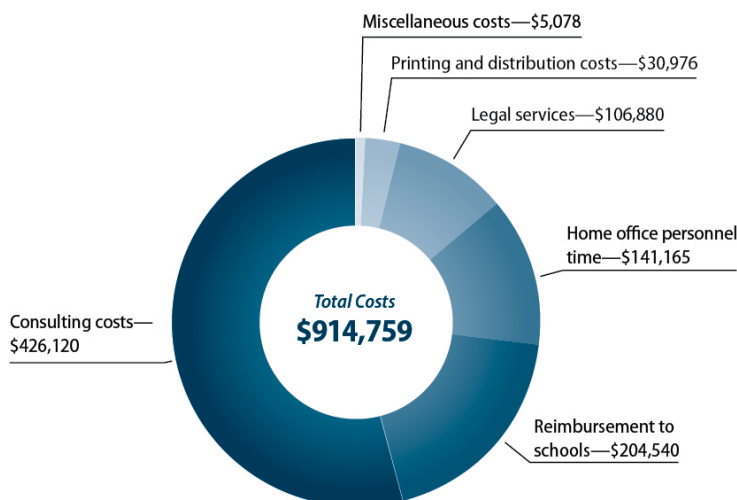
### Background

Nearly 9 percent of California students in public schools are enrolled in charter schools which receive public funds but operate independently from the school district structure. Alliance College-Ready Public Schools (Alliance) is a private nonprofit corporation that supports the operation of a network of 25 charter schools throughout the Los Angeles area that serve nearly 12,000 students. Alliance charter schools receive funding from state, federal, and local sources. Although employees of Alliance charter schools are not currently represented by a union, in March 2015 a group of teachers and counselors announced their decision to unionize and join the United Teachers Los Angeles.

### Key Findings

- Although Alliance spent nearly \$1 million on consulting fees, legal expenses, and flyers and letters to parents and teachers in response to unionization efforts, it did not use public funds for these activities.
- Alliance raised private funds to respond to unionization efforts, and thus, did not divert funds from classroom activities to pay for its response to unionization efforts. We found that per-pupil classroom spending at three Alliance charter schools we reviewed increased during the period from July 1, 2013, to June 30, 2016.
- Prior to the 2016–17 school year, Alliance did not fully comply with federal requirements when it shared parent, student, and alumni information with third-party entities.
  - » It did not annually notify parents and students about their privacy rights under federal law.
  - » Although Alliance provided parents with opt-out letters at the beginning of each school year, schools did not retain opt-out requests. As a result, we were unable to determine if Alliance had honored the requests.
- Although it has data-sharing agreements with 19 third-party entities, the security and confidentiality provisions in the agreements are inconsistent.

### Alliance Spent Nearly \$1 Million in Response to Unionization Efforts



### Our Key Recommendations

- Alliance should document its revised process for collecting, tracking, and monitoring the list of students and families who opt out of sharing their information with third parties.
- Alliance should standardize its data-sharing agreements so that each agreement contains robust and specific language regarding data security and the confidentiality of the data being shared.