



TEXAS EDUCATION AGENCY

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CommissionerIMPORTANT
ACCREDITATION
INFORMATION

CERTIFIED MAIL

101-909
101-909-003
2011-2012

November 10, 2011

Mr. Albert Coleman, President, Board of Trustees
Ms. Edna Forté, Superintendent
North Forest Independent School District
6010 Little York
Houston, Texas 77016

Dear Mr. Coleman and Ms. Forté:

The purpose of this letter is to provide official notice to the North Forest Independent School District (ISD) regarding the status of the district and its North Forest High School campus. The Texas Education Agency (TEA or agency) has determined that the North Forest ISD and the North Forest High School have earned a 2011 rating of *Academically Unacceptable* (AU), the district for the third consecutive year and the high school for the sixth consecutive year. It has further been determined that, in 2011, the district has earned a substandard financial accountability rating for the fourth consecutive year. These consecutive ratings, coming after the performance history discussed below, require me to assign the North Forest ISD a 2011-2012 accreditation status of **Not Accredited-Revoked** and to close the district effective July 1, 2012.¹

Background Information²

As you are aware, when academic accountability ratings were issued on August 1, 2008, the Forest Brook and Smiley High Schools were rated AU for the third consecutive year. On March 15, 2008, these two high schools were merged to form the North Forest High School, and, in 2008-2009, the campus was required to implement school improvement and reconstitution plans. (See enclosed.) As a result of previous performance concerns, the North Forest High School had been assigned a campus intervention team (CIT), which remained assigned to the campus. (See August 29, 2008 correspondence, Bates pp. 79-84.)

¹ Academic accountability data tables for the North Forest ISD and its campuses are accessible on the TEA's website at <http://ritter.tea.state.tx.us/perfreport/account/index.html>. Financial accountability data results for the North Forest ISD are accessible on the TEA's website at <http://luna.tea.state.tx.us/First/forms/main.aspx>. Accreditation status determinations for the North Forest ISD are accessible on the TEA's website at <http://www.tea.state.tx.us/accredstatus>.

² The North Forest ISD participated in a record review on April 1, 2011, related to its 2010-2011 accreditation status assignment. The official record developed for that review includes a comprehensive correspondence history for the district and is incorporated here by reference. Documents included in that record are not enclosed with this correspondence but are referenced by date and/or Bates stamp page. Additional documents not already in the specified record are enclosed with this correspondence.

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Additionally, as described in a letter dated November 1, 2007, the district was assigned a conservator to oversee continued implementation of school improvement and/or reconstitution plans for the multi-year AU campuses within the district. (See enclosed.) The second conservator also was assigned to oversee the district's efforts regarding ongoing compliance and program effectiveness concerns for the special education program area. This conservator joined a financial conservator appointed in March 2007 to address the district's ongoing financial concerns. (See enclosed letter dated March 7, 2007.)

On July 31, 2008, the agency notified the North Forest ISD that it would appoint a board of managers and superintendent to exercise the powers and duties of the district's board of trustees due to the district's extensive history of deficiencies, its recent significant problems, and its failure to consistently work cooperatively with previously-assigned conservators to address numerous problems within the district and its campuses. (See enclosed.) The district requested a review of my determination, and, after completion of the review, on October 16, 2008, I assigned the board of managers, effective immediately. (See Bates pp. 52-54.)

On January 8, 2009, a hearing was conducted to provide district leaders an opportunity to explain the continued academically unacceptable performance, lack of improvement, and plans for academic improvement at the North Forest High School. The statutory intervention structure in place to address circumstances of ongoing academically unacceptable performance was reviewed during the hearing. Given the multi-year AU status of the campus, the district was notified of the requirement to develop a contingency plan for possible campus closure should performance not improve. (See Bates pp. 85-86 and enclosure dated December 16, 2008.)

On May 8, 2009, the agency officially notified the district that it was required to submit contingency plans for closure of the North Forest High School campus should the campus be rated AU when the 2009 and/or 2010 academic accountability ratings were issued. (See Bates pp. 85-86.) On May 22, 2009, the North Forest ISD submitted a board of managers-approved contingency plan to the TEA in the event that the North Forest High School did not meet the state accountability standards and was ordered closed for the 2009-2010 or 2010-2011 school years. (See Bates pp. 87-101.)

On July 31, 2009, the North Forest High School was rated AU for the fourth consecutive rating year, and it earned its fifth consecutive AU rating on July 30, 2010. During this time period, the agency continued to implement substantial sanctions at the district level due to ongoing and serious performance, compliance, and governance concerns. Additionally, with the passage of House Bill (HB) 3 during the 81st Legislative Session, an additional year was added to the timeline under which I am required to order an ultimate sanction for a chronically under-performing campus. Consequently, the campus was not ordered closed in 2009 or 2010. However, with the campus' sixth consecutive AU rating in 2011, it again was subject to an order under Texas Education Code (TEC) §39.107(e) of closure, repurposing, or alternative management. In correspondence dated July 8, 2011 (enclosed), the TEA notified the North Forest ISD that it would not order immediate closure of the North Forest High School and defer the sanction decision under TEC §39.107(e) pending the TEA accreditation status assignment for 2011-2012 and any subsequent action against the district.

As previously referenced, the North Forest High School earned a sixth-year AU rating when academic accountability ratings were assigned on July 29, 2011. Additionally, two elementary school campuses within the district also earned a 2011 rating of AU: the Hilliard Elementary (101-909-103) and the W.E. Rogers Elementary (101-909-106). The district did not appeal any of its 2011 campus-level ratings.

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In regard to district-level actions, the North Forest ISD was assigned an Accredited-Probation status for 2007-2008 and 2008-2009 due to findings related to a series of special accreditation investigations conducted in the district and resulting in the sanctions referenced above. (See Bates pp. 1-41.) The district was assigned a 2009-2010 accreditation status of Accredited-Warned based on its academic and financial performance. Specifically, the district was assigned a 2009 academic accountability rating of *Academically Unacceptable*, a 2008 financial accountability rating of *Substandard Achievement*, and a 2009 financial accountability rating of *Suspended-Data Quality*. (See Bates pp. 42-44.)

In 2010-2011, the district again was assigned an Accredited-Probation status due to the ratings assigned to the district in the state's academic and financial accountability rating systems and special accreditation investigation findings that remained of concern. Specifically, the district was assigned a 2009 and 2010 academic accountability rating of *Academically Unacceptable*, a 2008 financial accountability rating of *Substandard Achievement*, a 2009 financial accountability rating of *Suspended-Data Quality*, and a 2010 financial accountability rating of *Substandard Achievement*. (See Bates pp. 18-41, 45-51, 57-59, and 453-464, and enclosure dated May 4, 2011.)

In November 2010, in accordance with the timeline established by TEC §39.112, the board of managers was removed from the North Forest ISD, and control of the district was returned to the district's elected board of trustees. Specifically, on November 10, 2010, the agency officially notified the district that all previous appointments would expire upon the newly-elected members of the North Forest ISD board of trustees taking the oath of office in a board meeting to be held on November 15, 2010. (See Bates pp. 76-77.) On July 12, 2010, I reactivated the assignment of a conservator to the district and assigned Ms. Kay Karr the responsibility to assist in the transition to local board control and with the district's ongoing operations. (See Bates pp. 60-75.)

In a board meeting on or around March 28, 2011, the newly-elected board of trustees placed its superintendent on leave and appointed Ms. Edna Forté to serve as acting superintendent. Subsequently, the district requested a waiver of certification requirements for Ms. Forté to serve in the role of superintendent, and, in a TEA letter dated May 19, 2011 (enclosed), the agency approved the waiver request. Subsequently, on or around October 17, 2011, the North Forest ISD board of trustees issued a two-year superintendent contract to Ms. Forté. Of note is that this two-year contract was issued more than three months after the district had been provided advance notice of the potential closure and annexation of the district effective July 1, 2012. (See enclosed July 8, 2011 TEA correspondence.)

During the 2010-2011 school year, and continuing into the fall of 2011, performance, governance, and leadership issues have continued to be identified for the district. During this time period, the reports of the conservator have reflected concerns in the areas of governance, financial management, staffing and human resources, facilities, academic performance, compliance, and implementation of corrective actions. (See enclosed conservator reports.) Specifically, the most recent report of the conservator continues to identify weaknesses in governance, performance, business office operations, data integrity, and internal controls that include, but are not limited to, the following:

- the district's outstanding debt to its capital projects fund;
- weaknesses in procurement practices;
- backlogs in accounts payable due to a failure of the district to process and pay invoices in a timely manner;
- vacancies in certain key positions and inexperienced staff in others;
- failure to implement and appropriately monitor corrective action plans;

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- complacency on the part of staff members in adhering to policies and procedures for financial management;
- lagging collections of delinquent taxes;
- the board's committee structure and operating practices, which create concerns about the board exceeding its authority and micromanaging the district's business;
- efforts by individual board members to take independent actions (outside of posted board meetings) to evaluate the superintendent's performance;
- the number of member-to-member conversations of the board of trustees that take place outside of posted board meetings;
- overstaffing in certain divisions, including maintenance and transportation;
- lack of vertical alignment and planning within instructional programs;
- discipline practices and programs that result in student removals and lost instructional time; and
- questionable attendance accounting, Public Education Information Management System (PEIMS), special program, student leaver, and student assessment data.

Furthermore, and as referenced in previous TEA accreditation correspondence to the district dated May 4, 2011 (enclosed), the district's final 2009-2010 annual audit report reflected significant, and continuing, financial concerns, including, but not limited to, a deficit fund balance in the general fund, a qualified opinion on the district's financial statements, and material weaknesses in internal control over financial reporting. (See enclosed audit report and June 28, 2011 TEA follow-up correspondence.) The findings of this audit report reflected a continuing series of serious financial management problems also identified for the district in its 2007-2008 and 2008-2009 audit reports.³ (See Bates pp. 302-369 and 376-464 and TEA correspondence dated April 20, 2010.)

Additionally, despite a history of investigative findings and monitoring concerns related to data accuracy and the district's implementation of special programs, in a special accreditation investigation report issued on October 4, 2011, substantial data reporting irregularities and program compliance issues continued to be identified. (See enclosed report.) This report followed a long history of performance deficiencies identified through the Performance-Based Monitoring (PBM) system and included continuing findings related to the accuracy of the district's assessment and student leaver records.⁴ The agency's recent investigation determined that the district had failed to implement data system improvements and other required actions of previous investigative reports. This was attributed to the district's failure to appropriately monitor and support data system improvement activities and to hold staff accountable for accurate data submissions. This same report identified substantial and ongoing concerns regarding the district's implementation of the career and technical education (CTE) program. Furthermore, the report determined that, in previous PBM desk monitoring activities, the district had failed to accurately identify and assess its own compliance with program requirements. Many of the October 4, 2011 findings related to the CTE program confirmed broader, and previously-identified, concerns related to the district's implementation of guidance and counseling programs and its development of comprehensive student records and accurate

³ The financial conservator appointed to the North Forest ISD initiated action requiring the district to engage a new audit firm to conduct its 2007-2008 annual financial and compliance (independent audit) report. The new auditors identified serious and previously-existing findings for the financial operations of the district. This new firm also was retained to conduct the district's 2008-2009 and 2009-2010 independent audits.

⁴ Performance-Based Monitoring Analysis System (PBMAS) results for the North Forest ISD are accessible on the TEA's website at <http://ritter.tea.state.tx.us/pbm/distrpts.html>. PBMAS results contribute to a district's identified level of interventions in the PBM system. See the enclosed chart detailing 2005-2006 through 2011-2012 PBM and Data Validation Monitoring stages of intervention for the North Forest ISD.

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academic achievement records (AARs). The continuing issues leading to these findings are contributory factors to the district's ongoing academic concerns related to student completion and graduation. Furthermore, while the district has made progress in correcting noncompliance previously identified for the special education program, the program access review (PAR) section of the October 4, 2011 report again identified issues of noncompliance with special education program requirements.

Revocation of Accreditation; Annexation

We are aware that you appealed the North Forest ISD's district-level 2011 state academic accountability rating. On November 2, 2011, your appeal was denied. The district did not appeal the AU rating for the North Forest High School. Therefore, both the North Forest ISD and the North Forest High School have received a final 2011 academic accountability rating of *Academically Unacceptable*. With those ratings, the district has earned a third consecutive year of AU performance, and the campus has earned a sixth consecutive year of AU performance. Additionally, the district again earned a *Substandard Achievement* financial accountability rating in 2011. This third consecutive AU rating and fourth consecutive substandard financial rating, coming after the performance history reviewed in this letter and previous records, require me to assign the North Forest ISD a 2011-2012 accreditation status of **Not Accredited-Revoked** and to close the district effective July 1, 2012. This assignment is made under the authority of TEC §39.051 and §39.052 and 19 TAC §97.1055. 19 TAC §97.1055(d) provides as follows:

Determination of Not Accredited-Revoked status; Revocation of accreditation.

- (1) The accreditation of a district shall be revoked if, beginning with its 2006 rating, the district is assigned:
 - (A) for four consecutive school years, an academic accountability rating of Academically Unacceptable or insufficient performance under §97.1001 of this title;
 - (B) for four consecutive school years, a financial accountability rating of Substandard Achievement or Suspended--Data Quality under §109.1002 of this title;
 - (C) for four consecutive school years, any one of the ratings referenced in subparagraphs (A) and (B) of this paragraph; or
 - (D) for three consecutive school years, a combination of ratings referenced in both subparagraphs (A) and (B) of this paragraph.

In addition, as documented in previous TEA correspondence and this letter, program deficiencies and other issues of noncompliance have continued to be identified for the North Forest ISD. 19 TAC §97.1055(d)(2)-(3) provides, in part, as follows:

Determination of Not Accredited-Revoked status; Revocation of accreditation.

- (2) A district shall have its accreditation revoked if, notwithstanding its performance under paragraph (1) of this section, the commissioner determines this action is reasonably necessary to achieve the purposes of TEC, §39.051 and §39.052. Such action is generally required by the following circumstances: ...
 - (B) after investigation under TEC, §39.056 or §39.057, the commissioner finds:

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- (i) the district's programs monitored under §97.1005 of this title exhibit serious or persistent deficiencies that require revocation of the district's accreditation; or
 - (ii) the district otherwise exhibits serious or persistent deficiencies that require revocation of the district's accreditation.
- (3) Notwithstanding paragraph (2) of this subsection, a district's accreditation shall be revoked if the commissioner determines this action is reasonably necessary to achieve the purposes of TEC, §39.051 or §39.052.

Furthermore, 19 TAC §97.1055(e) provides, in part, as follows:

Determination of Not Accredited-Revoked status; Revocation of accreditation.

Legal compliance. In addition to the district's performance as measured by ratings under §97.1001 and §109.1002 of this title, the accreditation status of a district is determined by its compliance with the statutes and rules specified in TEC, §39.052(b)(2). Notwithstanding satisfactory or above satisfactory performance on other measures, a district's accreditation status may be assigned based on its legal compliance alone, to the extent the commissioner determines necessary...

The North Forest ISD is a public school system that has been plagued by performance issues and operational concerns for decades.⁵ Unfortunately, and despite the agency's ongoing attempts to intervene over time through the imposition of varied and escalating sanctions, the deep-seated performance, governance, and operational issues in the district have precluded sustained improvement in the district's overall systems for educating its student population and providing appropriate oversight of public funds.

Therefore, after carefully considering the accreditation and other performance history of the North Forest ISD over time, and in light of its substandard academic, financial, special program, and operational performance, I find that I must assign the North Forest ISD a 2011-2012 accreditation status of **Not Accredited-Revoked** and order closure of the district effective July 1, 2012. This order will annex the North Forest ISD to the Houston ISD (101-912) effective July 1, 2012. The procedures available to the district to request a review of the accreditation status assignment and order of annexation are discussed below. I will continue to defer my decision under TEC §39.107(e) on the North Forest High School. However, the district should be aware that this campus remains subject to a sanction order under TEC, Chapter 39.

Conservator

At this time, I will continue the conservator assignment to the district and charge Ms. Karr with overseeing the closure and annexation process, in addition to relevant duties previously assigned. It will be the role of the conservator to facilitate the annexation process in conjunction with the Houston ISD to ensure a smooth transition and transfer for the district and its students. Ms. Karr will report on her activities to both the North Forest ISD and Houston ISD boards of trustees and will have the authority to direct, approve, and disapprove actions for the North Forest ISD as she deems necessary to promote the smooth transition of functions from the North Forest ISD to the Houston ISD. The cost of the services provided by the conservator will continue to be paid by the district.

⁵ See enclosed history of agency interventions with the North Forest ISD and a related *Houston Chronicle* article from December 19, 1988.

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Record Review

In accordance with 19 TAC §97.1037, the district may request a record review related to the assignment of a 2011-2012 accreditation status of **Not Accredited-Revoked** and the order of district annexation to the Houston ISD. The request for record review must be received by the TEA no later than **November 22, 2011**, and may be addressed as follows:

Laura Taylor
Associate Commissioner, Accreditation and School Improvement
Texas Education Agency
1701 North Congress Avenue
Austin, Texas 78701
Fax: (512) 936-6474

Additional information regarding the record review process can be referenced at 19 TAC §97.1037 at the *Texas Administrative Code* link available at <http://ritter.tea.state.tx.us/rules/tac/index.html>.

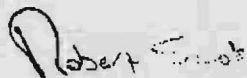
Preclearance

The annexation of the North Forest ISD to the Houston ISD has been determined to be a change requiring preclearance under the National Voting Rights Act of 1965 (42 U.S.C. §1973-1973aa-6). When the TEA applies for preclearance from the United States Department of Justice, you will be notified.

While it saddens me to take this action, given the expectations of state law and my concern for the long-term education of the students served by the North Forest ISD, I am compelled to move forward with this process. I am committed to an effective transition, and I will make agency staff available to support the two districts as questions or issues may arise. It is my sincere desire that the agency, the district, and the community work together in a cooperative and productive manner to address the needs of the district's students.

Any questions you may have regarding this correspondence may be addressed to Laura Taylor, Associate Commissioner for Accreditation and School Improvement, at (512) 463-5899 or by email at accred@tea.state.tx.us.

Sincerely,



Robert Scott
Commissioner of Education

RS/lt

Enclosures

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cc: Paula Harris, Board President, Houston ISD
Terry Grier, Superintendent, Houston ISD
Bill McKinney, Executive Director, Region 4 Education Service Center
Adam Jones, Deputy Commissioner, Finance and Administration, TEA
Lizzette Reynolds, Deputy Commissioner, Policy and Programs, TEA
Laura Taylor, Associate Commissioner for Accreditation and School Improvement, TEA
Nora Hancock, Associate Commissioner for Grants and Fiscal Compliance, TEA
Criss Cloudt, Associate Commissioner for Assessment and Accountability, TEA
David Anderson, General Counsel, TEA
Shannon Houson, Director, Performance Reporting, TEA
Janice Hollingsworth, Acting Director, Financial Audits, TEA
Karen Batchelor, Director, Program Monitoring and Interventions, TEA
Lisa Dawn-Fisher, Director, School Finance, TEA
Ron Rowell, Director, Governance and Waivers, TEA
Ted Kerr, Manager, Program Monitoring and Interventions, TEA
Judy Struve, Manager, Program Monitoring and Interventions, TEA
Mary Jane DeBusk, Campus Intervention Team Contact
Kay Karr, Conservator