Findings of the 2013 GAO Report on DC Vouchers
U.S. Gov’t Accountability Office, District of Columbia Opportunity Scholarship Program: Actions Needed to Address Weaknesses in Administration and Oversight

Prospective Voucher Students and Families Are Not Given Enough Information To Make Informed Decisions.

- In 2012, the DC Children and Youth Investment Trust Corporation (Trust), which is charged with providing parents information about the voucher program, failed to publish its directory of participating schools until 9 months after the school year had started. Parents had to rely on data from the previous year’s directory to make decisions.
- The 2012-2013 directory contained inaccurate and misleading information, including: it listed only one tuition cost for each school even though many schools offer discounts and varying prices; it failed to list certain fees associated with attending the schools; and it did not provide updated information on schools’ accreditation status.
- The Trust also published a shorter list of participating voucher schools, intended to be supplemental to the directory, which it updated with new information during the year. However, the Trust only updated the supplemental list of schools without simultaneously updating the full directory, meaning that parents were left with two competing and incomplete sources of information.
- Note: as of April 2014, the Trust has not yet made available the directory of participating schools for the 2014-2015 school year. Parents wishing to make decisions for the upcoming school year continue to lack the information necessary to assist them in their decision making.

Vouchers Are Awarded After Important School Deadlines Have Passed.

- In 2012, the Trust did not accept students into the voucher program until many of the participating schools had closed their admissions process for the year.
- The Trust also did not hold its lottery until July and did not hold its selection fair until August, meaning that parents had only weeks or days before the school year began to process the information and select a school.
- The Report concluded that “by the time a student is awarded a scholarship, there are neither financial aid dollars from the school nor space available for the student.”

The Program’s Administrator Does Not Provide Effective Oversight to Voucher Schools.

- The Trust has no way to verify that schools are in compliance with standards outlined in the SOAR Act, including whether schools are maintaining valid certificates of occupancy and proper accreditation, are providing information on student achievement to parents, are financially viable, and employ only teachers with bachelor’s degrees for core subjects. Instead the Trust merely relies on each school’s self-certification that they have met the qualifications.
- Even if the Trust were to ascertain that a school is not in compliance, it has no formal policy on how to respond. The Report found: “It is a weakness in the Trust’s control activities that there is not a clearly defined, comprehensive written policy addressing schools out of compliance with program rules. Trust officials told us that they were not clear on what actions they could take to address non-compliant schools.”

Source: GAO Report at 12-16, 18


The National Coalition for Public Education
The System Used to Administer the Voucher Program Is Outdated and Replete with Inaccuracies.

- The Trust became the administrator of the voucher program in 2010 but has never updated or verified the information in its database that was sourced by the former administrator. Accordingly, the database that tracks voucher recipients contains missing, inaccurate, and unverified information.
- The Report states that “[t]he Trust’s database has several deficiencies including a lack of documentation and automated checks, and a deficient structure, which leaves the database open to errors, and slows the Trust’s ability to manage the program on a day-to-day basis.”
- Additionally, the database has no user guide or supplemental documentation, and operates completely based on employees’ institutional knowledge.


Financial Accountability Is Severely Lacking at All Levels of the Program.

- The “Trust’s policies and procedures lack sufficient detail to ensure each participating school in [the voucher program] has the financial systems, controls, policies, and procedures in place to ensure federal funds are used according to the law” and has no means of verifying the financial statements of participating private schools.
- In 2010 and 2011, the Trust failed to acquire financial statements demonstrating financial viability from six out of the ten schools that enroll the most voucher students.
- The Trust did not track its administrative expenses prior to 2012; thus, there is no way to know how much of the voucher program’s money went to overhead costs rather than to providing scholarships for students, and whether the Trust exceeded the limit on administrative costs allowable under the SOAR Act.
- The Trust has failed to comply with its requirement to submit annual financial reports to the Department of Education. The Trust did not submit its 2010 report until two years after the deadline. As of November 2013, the Trust had not submitted any further financial reports.


Private Voucher Schools Do Not Comply with Accreditation Standards.

- The Trust failed to ensure that voucher schools were either accredited by approved accrediting organizations or that they were reviewed by the Office of the State Superintendent for Education (OSSE).
- Information in the Trust’s directory revealed that some voucher schools lacked proper accreditation. The directory incorrectly listed some schools’ religious affiliation (e.g., the National Association of Episcopal Schools) as their accreditation agency, even though such organizations lack the authority to grant accreditation.
- The OSSE stated that the Trust had not submitted accreditation approval forms since before the 2010-2011 school year.