



Alabama Department of Examiners of Public Accounts

Special Report on the **Bessemer City Board of Education** **Jefferson County, Alabama**

October 1, 2022 through March 31, 2024

Filed: July 26, 2024

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ALABAMA STATE HOUSE

Rachel Laurie Riddle, Chief Examiner



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Department of
Examiners of Public Accounts

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Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

A special examination was conducted on the Bessemer City Board of Education, Jefferson County, Alabama, for the period October 1, 2022 through March 31, 2024, by Examiners Laura Madison, Kalandria Morris and Trishuna Holt. I, Laura Madison, served as Examiner-in-Charge on the engagement and under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Laura H. Madison'. The signature is written in a cursive, flowing style.

Laura H. Madison
Examiner of Public Accounts

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Table of Contents

	<i>Page</i>
Summary	A
Contains items pertaining to state and local legal compliance and other matters.	
Schedule of Findings	C
Contains detailed information about findings pertaining to noncompliance with state and local laws.	
Additional Information	1
Exhibit #1 Board Members and Administrative Personnel – a listing of the Board Members and Administrative Personnel	2



Department of
Examiners of Public Accounts

SUMMARY

**Bessemer City Board of Education
Jefferson County, Alabama
October 1, 2022 through March 31, 2024**

The Bessemer City Board of Education (hereinafter referred to as the “Board”) is governed by a seven-member body elected by the citizens of the City of Bessemer. The Board is a governmental agency that provides general administration and supervision for public schools located within the city limits of Bessemer, Pre-K through high school. The Board members and administrative personnel of the Board are listed on Exhibit 1.

This report presents the results of a special examination of the Board and a review of the Board’s compliance with applicable laws and regulations of the State of Alabama in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-5(a)(8) and (9).

FINDINGS

Instances of noncompliance with state and local laws and regulations and other matters were found during the examination as shown on the Schedule of Findings and they are summarized below.

- ◆ 2024-001: The Board did not approve the fiscal year 2024 budget, capital plan and salary schedule in accordance the Alabama Department of Education requirements.
- ◆ 2024-002: The Board failed to comply with the *Code of Alabama 1975*, Section 16-24B-2 and Section 16-24B-3, regarding the employment of principals through approved, written contracts.
- ◆ 2024-003: The Board did not comply with the Alabama Competitive Bid Law.
- ◆ 2024-004: The Board failed to comply with Public Works Law.

EXIT CONFERENCE

Board members and administrative personnel, as reflected on Exhibit 1, were invited to discuss the results of this examination at an exit conference. Individuals in attendance were Superintendent Dr. Dana Arreola and Board Members Renna Soles-Scott, Margie Varner, Terry Dawson and Lee Jones. Also in attendance were the following representatives from the Department of Examiners of Public Accounts: Joshua D. Taylor, Audit Manager; and Laura Madison, Examiner. An exit conference was held by telephone call with Chief School Financial Officer Patricia Stewart and Board Member Anthony Williams.

Schedule of Findings

Schedule of Findings
October 1, 2022 through March 31, 2024

Ref. No.	Finding/Noncompliance
2024-001	<p><u>Finding:</u> The <i>Code of Alabama 1975</i>, Section 16-13-231(b)(1)(d) and (e), provides the conditions that a local board of education shall meet to share in the apportionment of the Foundation Program Fund. The requirements provide that the local board of education shall expend funds for teachers' salaries in accordance with a salary schedule adopted by the local board of education and approved by the State Superintendent of Education and the local board of education must develop a comprehensive, long range capital plan. Further, the Alabama Department of Education provided a memorandum to all school systems, dated August 8, 2023 that as part of the fiscal year 2024 annual budget, the salary schedule and budget must be submitted by September 15, 2023. In addition, the State Department of Education provided a memorandum to all school systems, dated August 10, 2023 that the 2024 capital plan was due no later than September 22, 2023.</p> <p>At the October 17, 2023 regular board meeting, the Bessemer City Board of Education (the "Board") voted to approve the 2024 budget, excluding the salary schedule. Employees are currently being paid from the 2022-2023 salary schedule with an additional 2% cost of living adjustment as required by the State Legislature. During the same meeting, the Board voted to approve the capital plan that was dated September 15, 2023. Adequate policies and procedures were not in place to ensure that the budget, including the salary schedule, and capital plan were approved and submitted in accordance with Alabama Department of Education deadlines. As a result, the Board did not meet all requirements to share in the appointment of the Foundation Program Fund.</p> <p><u>Recommendation:</u> The Board should comply with the provisions of the <i>Code of Alabama 1975</i>, Section 16-13-231(b)(1)(d) and (e).</p>

Schedule of Findings
October 1, 2022 through March 31, 2024

Ref. No.	Finding/Noncompliance
2024-002	<p><u>Finding:</u> The <i>Code of Alabama 1975</i>, Section 16-24B-2 and Section 16-24B-3, provides definitions and requirements relating to the employment of principals under the “Teacher Accountability Act”. A contract principal is defined as those persons hired on or after July 1, 2000, and certified for the position of principal as prescribed by the State Board of Education who are employed by an employing board as the chief administrator of a school, including a vocational center. Further, the statutes provide that any contract principal hired on or after July 1, 2000, to work in the capacity of a contract principal in a public school in the state shall be properly certified and shall be employed pursuant to a written contract for an initial period of not less than three years. Testing performed during the examination indicated that two principals were approved for hire by the Board through personnel action reports; however, written contracts were not approved by the Board. The Board did not have adequate procedures in place to ensure that all contract principals had approved, written contracts. As a result, the Board did not comply with the <i>Code of Alabama 1975</i>, Section 16-24B-2 and Section 16-24B-3, and ensure that all principals were employed pursuant to written contracts.</p> <p><u>Recommendation:</u> The Board should implement procedures to ensure written contracts are approved for all principals hired in accordance with the <i>Code of Alabama 1975</i>, Section 16-24B-2 and Section 16-24B-3.</p>

Schedule of Findings

October 1, 2022 through March 31, 2024

Ref. No.	Finding/Noncompliance
2024-003	<p><u>Finding:</u> The <i>Code of Alabama 1975</i>, Section 16-13B-1(a), as amended by Act Number 2023-203, Acts of Alabama, (the “Alabama Competitive Bid Law”) requires all expenditures of funds of whatever nature for labor, services, work, or for the purchase of materials, equipment, supplies, or other personal property involving \$40,000.00 or more, made by or on behalf of any city or county board of education to be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible bidder. Furthermore, Board policy 3.9.4 provides, “all purchases will be made in compliance with the competitive bid law, when applicable, and with such corresponding rules, regulations, and procedures as may be set forth in the Board’s finance manual.”</p> <p>During the examination period, the following items or services were not bid in compliance with the <i>Code of Alabama 1975</i>, Section 16-13B-1(a):</p> <ul style="list-style-type: none">✓ Janitorial services✓ Fuel✓ Trash disposal✓ Pest control✓ Furniture <p>The Board failed to follow its established policy regarding competitive bid law. As a result, the Board did not ensure free and open competitive bidding.</p> <p><u>Recommendation:</u> The Board should follow its established policy regarding the Alabama Competitive Bid Law.</p>

Schedule of Findings
October 1, 2022 through March 31, 2024

Ref. No.	Finding/Noncompliance
2024-004	<p><u>Finding:</u></p> <p>The <i>Code of Alabama 1975</i>, Title 39, as amended by Act Number 2023-497, Acts of Alabama, commonly referred to as the Public Works Law, contains various legal requirements related to public works projects. Public works projects include the construction, installation, repair, renovation, or maintenance of public buildings, in whole or in part with public funds. Furthermore, Title 39 states that no public works project involving a sum in excess of \$100,000 shall be split into parts involving sums of \$100,000 or less for the purpose of evading the requirements of the Public Works Law. Testing performed during the examination revealed the Board entered into the following contracts for projects that met the definition of a Public works without adhering to the requirements of the <i>Code of Alabama 1975</i>, Title 39:</p> <ul style="list-style-type: none">✓ Door replacements✓ Theatre improvements✓ Playground equipment and installation✓ School lighting project <p>Proper policies and procedures were not in place to ensure these contracts were competitively bid in accordance with applicable statutes. As a result, the Board failed to comply with Title 39, commonly referred to as the Public Works Law.</p> <p><u>Recommendation:</u></p> <p>The Board should ensure all public works projects are competitively bid in accordance with Title 39 of the <i>Code of Alabama 1975</i>.</p>

Additional Information

Board Members and Administrative Personnel
October 1, 2022 through March 31, 2024

Board Members		Term Expires
Hon. Anthony Williams	District 1	November 2026
Hon. Amos Rembert	District 1	November 2022
Hon. Terry Dawson	District 2	November 2026
Hon. Vera Eades	District 2	November 2022
Hon. Renna Soles-Scott	District 3	November 2026
Hon. Sam Morris	District 4	November 2026
Hon. Margie Varner	District 5	November 2026
Hon. Jerome Cook	District 5	November 2022
Hon. Remeka Thompson	District 6	November 2026
Hon. Lee Jones	District 7	November 2026

Administrative Personnel

Dr. Dana Arreola	Superintendent	June 2026
Dr. Paul McKendrick	Interim Superintendent	June 2023
Dr. Autumm Jeter	Superintendent	April 2023
Patricia Stewart	Chief School Financial Officer	February 2025