

House Education Committee
April 29, 2010

OVERVIEW OF CHARTER SCHOOL

Civic Activist View of Cesar Chavez Academy

Alvin Rivera, Ph.D.
Pueblo, Colorado Resident

Chairman Michael Merrifield,

Thank you for the opportunity to provide my views on this bill as a Colorado citizen. I represent no other interest in this matter than my own.

Who am I and why am I here today? Actually, I am now a retired collegiate administrator who spent most of my career in public service, including serving in two presidential administrations and living in the Washington

D. C. area for over twenty-two years. A native of Fremont County, I graduated from four Colorado colleges, including completing a Ph.D. from CU-Boulder in higher education administration.

My interest in this House Bill derives from speaking out against abuses that have gone on at the Pueblo Charter School, Cesar Chavez Academy (CCA) over seven years. To understand why it was so costly for my speaking out, one has to understand how I became involved with charter schools to begin with. This is a sad story, but one this Committee should hear.

In the fall of 2002, I was approached by a group of CCA parents, teachers and several board members to help organize them in order to raise issues that they could not get the CCA leadership to address. I organized them. We called our group the Pueblo Advocates Committee (PAC-Pueblo), we brought forward issues raised and we were in constant conflict with the CCA leadership. When it was clear the charter school leadership would not work with us, we called a news conference in the County Commissioners hearing chambers on December 17, 2002, calling for the removal of the President and CEO Lawrence Hernandez citing five major issues.

Two days later, the CCA Attorney, Delores Atencio sent a letter of "intent to sue" six people, who would later become the Defendants in a private lawsuit. Ms. Atencio would be Lawrence Hernandez' private attorney and also the attorney for the CCA. The CCA Board of Directors justified the dual roles with a waiver that became common place, I later learned, in charter schools, or at least at the CCA. As recent as two weeks ago,

through a Freedom of Information inquiry, the CCA Board President indicated that Ms. Atencio was never paid for either position she occupied over six and a half year period. She was twice challenged for conflict of interest and withdrew twice from the Hernandez v. Rivera case. The Hernandez private lawsuit was filed the following year, October 3, 2003, and just recently ended in January 2010. My name was the first on the listed of the Defendants, and I was the only Defendant left for the last three or so years.

The issues we raised were important to these pending bills being discussed here today, and I will get to them in a minute.

The first PAC-Pueblo issue was the most important. Nepotism. Our press-release read (Dec. 17, 2002), "The abuse of authority by Dr. Hernandez emanates from his systemic practice of nepotism at the CCA. There are eleven members of his family working in CCA for a total annual Hernandez' family salary of \$248,311. Second in command of the organization is his wife, a high school graduate, with an annual salary of over \$40,000. Her personal salary started at \$20,000 in 2001 and in 2009 she was making \$134,826 (*Denver Post*, May 28, 2009). Lawrence Hernandez salary started in 2001 at \$82,690 (ednewscolorado.org) and made \$261,732 in 2007-2008 according to Internal Revenue Services. His chief financial officer, Jason Guerrero, **who is still working at CCA**, earned \$247,797. In 2002, this nepotism is further **compounded by a severance package that Dr. Hernandez developed and awarded solely for himself and his wife**, excluding any other CCA employees.

The nepotism issue impacted the next three issues: 2) lack of proper governance at CCA, 3) unprofessional and unethical conduct at CCA, and 4) abuses of students and teachers at CCA. Since the entire CCA staff and teachers had the Hernandez family looking over their shoulders and, as one person stated, "They were like spies everywhere." It no doubt impacted the educational climate and always had negative consequences if someone spoke out, challenging Hernandez' authority or the authority of any of his family members. In 2002, the CCA Board Members spoke to this issue with Hernandez on several occasions but he never changed a thing.

The last issue is not directly related to these bills, but rather to the lack of candidness by Hernandez regarding whether or not he was on sabbatical from Harvard University where

he was an assistant professor. PAC-Pueblo had reason to question it since it was Hernandez who bragged about it. Nevertheless, Harvard University would not confirm that he was on sabbatical during the time period in question. Why this was an issue is because if Hernandez was not on sabbatical as he claimed, he was not being honest with members of his CCA board.

On any of the above information, I am happy to answer any questions, including the lawsuit, the role of the Pueblo City Schools (formerly School District 60) which holds the legal authority for CCA, abuses of cost, abuse of board members, teachers and students and abuse of governance generally.

Now to the specific House Bills:

Public Advocates Committee for Pueblo
PAC—Pueblo
January 20, 2003

These are the FIVE allegations against principal and CEO Dr. Lawrence Hernandez of the Cesar Chavez Academy (CCA). They include:

- 1) Systemic practice of Nepotism at CCA by Lawrence Hernandez.**
- 2) Lack of proper governance of the CCA by Lawrence Hernandez.**
- 3) Unprofessional and unethical conduct at CCA by Lawrence Hernandez.**
- 4) Abuse of Students & teachers at CCA by Lawrence Hernandez.**
- 5) PAC—Pueblo questions if Hernandez was on sabbatical from Harvard University before taking the position at CCA as he claimed.**

Attachments:

- ❖ Nepotism: Relationship to Lawrence Hernandez**
- ❖ Accountability Report (*PuebloChieftain*, December 8, 2002)**
- ❖ Eight teachers depart Cesar Chavez Academy (school year 2001-2002)**
- ❖ Total number of staff Departing Cesar Chavez Academy 2001-2003**
- ❖ Board members Cesar Chavez Academy 2001-2003**
- ❖ Press Release Statement: (December 17, 2002) 3 pages**

RELATIONSHIP TO LAWRENCE HERNANDEZ

| NAME | RELATIONSHIP | POSITION | TOTAL ANNUAL SALARY June-Aug. 2002 |
|--------------------------|----------------|---|--|
| Dr. Lawrence Hernandez** | | CEO | 91,500 |
| Jaime Hernandez | Brother | Computer Teacher | \$39,500 |
| Annette Hernandez* | Wife | Office Coordinator | \$40,000 |
| Derek Hernandez | Nephew | After school program paid by the hour | Not available |
| Daniel Hernandez | Nephew | After school program paid by the hour | Not available |
| Marion Hernandez | Father | New Employee (paid) Coach for after school sports | Not available |
| Lisa Romero | Sister | Teacher | \$30,000 |
| Manuel Gallardo | Brother-in-Law | Tutor / P.E. Asst. | \$19,400 |
| Bea Bravo | Cousin | Secretary | \$18,320 |
| Elaine Sanchez | Aunt | Day Care | \$18,391 |
| Michelle Cordova | Sister-in-law | School Nurse | \$1,200 |

* Annette Hernandez was paid \$3,000 for one week, of a four week, summer school session.

STAFF DEPARTING CESAR CHAVEZ ACADEMY 2001-2003

FIRED

1. Gloria Pacheco, Mentor
2. Kathy Arwood, Teacher
3. Leo Ramos, Dir. Of Business Affairs
4. Miguel Garcia, Janitor
5. Carlos Sanchez, Janitor
6. Gina Office Help
7. Mark Sabo, Sub-teacher
8. Chris Beltran, Family Support
9. Michelle Lucero, Office Staff

NO CONTRACT RENEWAL

10. Denise Vargas, 3rd Grade teacher
11. Jose Chacon, Spanish teacher

TRANSFERRED

12. Pauline Enriques, Cafeteria Staff

QUIT

13. Madleon Tryon, Teacher
14. Lupe Beltran, Mentor
15. Eddie White III, Tutor
16. Connie Goodman, Teacher
17. Walter Blea, Teacher
18. George Alfaro, Janitor
19. Ramon Enriques, Janitor

MEDICAL LEAVE

20. Sylvia Barajas, Teacher
21. Victoria Beltran, Tutor
22. Leticia Cordova, Tutor

BOARD MEMBERS CESAR CHAVEZ ACADEMY 2001-2003

BOARD MEMBERS LEAVING *****

1. Carla Apodaca □□□
2. Tom Arguello □□□
3. Veronica Eggart
4. Yolanda Montoya
5. Linda Resendez □□□
6. Victor Reyes, +++
7. Nannette Santos Vigil
8. Eva Muñiz Valdez XXX
9. Judy Vigil □□□ XXX
10. Verna Vidafña

***** None of the members fulfilled their term of office

□ □ □ Hernandez took action to remove these members because of disagreements with him.

XXX Former President of the board

+++ Former Vice President

CURRENT BOARD MEMBERS *****

1. Robert DeWitt, President
2. Rose Hernandez
3. Carolina Parra
4. Dr. Elmer Wells
5. Dennis Feuerstein
6. Michael Engle

***** None of the members to date has fulfilled their term of office

Charter execs' pay questioned

Salaries draw notice as officials seek to close a school over money.

By **Jeremy P. Meyer**
The Denver Post

Questions are being raised about salaries of the top officials at the Pueblo-based Cesar Chavez Network of charter schools in southern Colorado as the organization seeks to close a school because of financial problems.

This afternoon, network officials will ask the Colorado Charter School

Institute, its authorizer, for permission to close Cesar Chavez Academy Central in Colorado Springs, which has declining enrollment and is in a building in need of repair. Students would be moved to Cesar Chavez North in the city.

Meanwhile, parents and staff members have been circulating federal disclosures that reveal the salaries of top executives are more than public-school superintendents' in the state.

Lawrence Hernandez, chief executive, made \$261,732 in total compensation in 2007, according to the most recent federal tax Form 990, which nonprofit groups file annually with the Internal Revenue Service.

Hernandez did not return a phone call seeking comment. He also did not deliver salary information requested two weeks ago in a formal open-records request by The Denver Post.

Hernandez's salary is more than the highest paid public-school superintendent in the state, John Barry of Aurora, who this year earned \$239,132 in total compensation.

Annette Hernandez, the Cesar Chavez Network's chief operating officer and Lawrence Hernandez's wife, made \$134,826. The network's chief financial officer, Jason Guerrero, earned \$247,797.

"We're going to ask them questions

about their finances," said Randy DeHoff, director of the Charter School Institute. "It doesn't make sense. There is a question about that."

Parent Maurice Pejeran, whose three children attend a Cesar Chavez school in Colorado Springs, said he is appalled by the possibility of shuttering the school and is also upset about the salaries.

"It's a shame that they want to sacrifice our children's education and they still are making money," he said. "It's a slap in the face."

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Charter exec defends salaries

State officials ask to see the school network's finances as its compensation is reviewed amid a cost-cutting request.

By Jeremy P. Meyer *The Denver Post*

The director of a Pueblo-based charter-school network that is opening a school in Denver defended his annual salary of \$261,732 that makes him among the highest paid K-12 educators in Colorado.

"In order to have great schools, you need great leaders, and you have to pay for them," said Lawrence Hernandez, chief executive of the Cesar Chavez School Network, which operates four charter schools and an online school in Pueblo and Colorado Springs. The network was approved last week

to open a K-8 charter school in Denver in the fall.

"I have nothing to do with our salaries; that is the (network) board's decision," Hernandez said before a meeting with the Denver-based Charter School Institute that authorizes two of the network's schools in Colorado Springs.

Hernandez wants to consolidate the two Colorado Springs schools into one because of low enrollment and because one of the buildings is in need of repair.

That plan has upset some parents who have made an issue out of Hernandez's salary, arguing that the network's cost-cutting should start with Hernandez's salary.

Charter School Institute board members on Thursday asked to see the network's financial information.

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"The salaries are out of line, given that these are public schools," said Van Schoales, Charter School Institute board member, after the meeting. "It's just not appropriate given the limited resources that we have."

Hernandez's wife, Annette Hernandez, last year made \$134,826 in total compensation as chief operating officer. And chief financial officer Jason Guerrero earned \$247,797, according to a federal tax form submitted for 2007-08.

"We stand behind the salaries because of the contributions they have made and the education they have provided local students," said

Chavez board president Dennis Feuerstein.

Feuerstein said the executives did not get pay raises this year.

Schools in the network have consistently scored above state averages on the Colorado Student Assessment Program tests, and schools in Pueblo have waiting lists.

Yet, throughout his nine years of operating Cesar Chavez, Hernandez and Pueblo 60 School District have been in near-constant conflict, with numerous lawsuits filed by both sides over various issues.

Hernandez said people either love him or hate him because of the changes he is making in Pueblo.

"I make the hard decisions," he

said. "If a teacher isn't working out, I fire them. That doesn't make me a popular person."

He said he cannot go to grocery stores in Pueblo out of fear of being attacked. He said he has had 15 to 20 death threats, that the Internal Revenue Service has audited him four times and someone recently hung a dead goose from a tree outside of his home.

"When you create a tipping point, you are going to shake up the whole system," he said. "I'm willing to be the person out front, with a target on my back."

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