

**APPROVED MEETING MINUTES
PUBLIC CHARTER SCHOOL COMMISSION MEETING
THURSDAY, DECEMBER 15, 2011
700 W. STATE STREET, BOISE, IDAHO
JRW WEST CONFERENCE ROOM**

A regular meeting of the Idaho Public Charter School Commission (PCSC) was held Thursday, December 15, 2011, at 700 W. State Street, Boise, ID, JRW West Conference Room. Chairman Alan Reed presided.

The following members were in attendance:

Gayann DeMordaunt	Nick Hallett
Gayle O'Donahue	Wanda Quinn

Absent: Esther Van Wart, Brad Corkill

Chairman Reed called the meeting to order at 9:01 a.m.

M/S: (Hallett/DeMordaunt): To move into executive session pursuant to Idaho Code Section 67-2345(1)(d) to consider records that are exempt from disclosure as provided in Chapter 3, Title 9, Idaho Code. *The motion passed unanimously.*

M/S: (DeMordaunt/O'Donahue): To leave executive session. *The motion passed unanimously.*

Chairman Reed called the regular meeting back to order at 9:25 a.m.

1. Commission Work

Agenda Approval

M/S (DeMordaunt/O'Donahue): To approve the agenda as amended with a change to Rolling Hills Public Charter School from "fiscal" update to "status" update to broaden the scope of consideration to include a recently identified concern. *The motion passed unanimously.*

Rolling Calendar

M/S (Quinn/DeMordaunt): To approve May 31, 2012, as the date and Boise, Idaho, as the location for the regularly scheduled PCSC meeting to follow the April 5, 2012, meeting. *The motion passed unanimously.*

Minutes Approval

M/S (Quinn/DeMordaunt): To approve the meeting minutes from October 20, 2011, as submitted. *The motion passed unanimously.*

2. Summit Public Charter School (Summit) New Charter Petition

Jonathan Braack, Board Chair; Heather Lorimer, Board Member; Susan Hall, Board Secretary; Greg Smith, Board Member and Financial Advisor; Richard Kirkham, Board Member and Founder of The Academy at Roosevelt Center; and Heath Mitchell, Finance Manager, represented Summit.

Mr. Braack provided a presentation introducing the Summit petition including academic method, fiscal projections, facilities options, research-driven curriculum and practices, and marketing plan.

Mr. Kirkham indicated that several families were in attendance to support the Summit petition.

In discussion, the PCSC agreed that the long list of outstanding concerns cited in the most recent staff review of Summit's petition need to be addressed prior to making a decision.

Commissioner DeMordaunt noted that the PCSC must make approval or denial decisions based on the content of the petition because that is the document on which both parties will rely to evaluate the future performance of the school.

Commissioner Quinn asked whether the petitioners can reasonably resolve all the outstanding issues before the next meeting.

Ms. Baysinger noted that while the petitioners have been aware of many of the concerns cited throughout several staff reviews, and have failed to correct those issues, timely resolution is possible should the petitioners choose to address the concerns.

M/S (Hallett/Quinn): To hold the decision on the Summit Public Charter School petition until a future meeting of the PCSC and to direct staff to continue work with the petitioners to address outstanding concerns. *The motion passed unanimously.*

Commissioner DeMordaunt commended the school for assembling a well-qualified board of directors.

Chairman Reed encouraged the school to clean up all unresolved issues prior to the next Commission meeting on February 9, 2012.

3. Rolling Hills Public Charter School (RHPCS) Status Update

John Montgomery, Administrator; and Niki Crow, Board Clerk, represented RHPCS.

Ms. Crow said meeting materials reflected the school's fiscal status through October 2011. There is an anticipated \$2,500 reserve at year-end. Enrollment is currently 270. RHPCS has worked diligently to keep expenditures down and to keep them in line with budget. The Medicaid number is based on last year's actual. Preliminary numbers indicate that RHPCS will be under budget on Medicaid.

Commissioner Quinn asked whether demands will be made by the bank due to the lack of the required reserve. She also inquired about the status of the founders' loan.

Ms. Crow said the bank has been working with RHPCS and has not demanded any payments. RHPCS cannot begin paying the founder's loan until the bank reserve is met.

Chairman Reed asked about the school's plan is for Board elections.

Mr. Montgomery said Board elections are scheduled for January and the expectation is to have several new board members at that time.

Ms. Crow indicated February 9th is the specific date of the board elections.

Commissioner DeMordaunt noted that, according to the RHPCS bylaws, elections were to be held in the fall and have now been delayed six months.

Ms. Crow said the RHPCS bylaws provide the option of delaying elections. She was not certain of the reason for the delay of the elections, but believed it may be due to special projects.

Commissioner DeMordaunt noted that it appears the required annual board meeting has not taken place and will not take place until February.

Commissioner Quinn asked for clarification on the Board election schedule.

Ms. Crow said applications will be collected, distributed, and reviewed during January and actual elections will be on February 9th.

Chairman Reed reviewed language from RHPCS's bylaws and said the concern is that RHPCS is out of compliance with their charter because they did not hold an annual meeting and did not hold board elections.

The PCSC agreed that RHPCS needn't continue to make frequent fiscal updates at PCSC meetings unless their financial situation changes. Monthly updates should still be provided to PCSC staff.

M/S (DeMordaunt/Quinn): To issue a notice of defect to Rolling Hills Public Charter School on the grounds of material violation of a standard, condition, or procedure in the approved charter, specifically, Bylaws Article IV with regard to board elections.
The motion passed unanimously.

Ms. Baysinger said PCSC staff has asked for a five-year budget from RHPCS to demonstrate how the school will begin funding the reserve in order to begin repayment of the founder's debt.

The Commission noted that RHPCS board members are required to be present at the February 9, 2012, PCSC meeting to address the notice of defect and provide a corrective action plan. If possible, board elections need to be held prior to the meeting.

4. Xavier Charter School (XCS) Update & Proposed Charter Amendment

Debbie Burr, Board Chair; James Wallace, Board Treasurer; Joan Hurlock, Board Vice Chair; Mel Wiseman, Interim Co-Administrator; Justin Lanting, Business Manager; and Melissa Crane, Board Secretary, represented XCS.

Ms. Burr reported that the recent fiscal audit confirmed a carryover fund balance of \$500,000. Documentation was lacking on two-thirds of audit items. Payroll did not balance with the 941 report, and documentation of revenue was poor. Part of the reason for this is funds were placed in an escrow account. Negotiations are underway regarding the escrow account for visibility and transparency. XCS is vigorously pursuing a purchase of the current facility and is confident they will be able to accomplish this purchase.

Ms. Burr further reported on how technology supports the educational model at XCS, concluding that XCS is comfortable with the language in the charter regarding provision of a technology-rich environment.

Ms. Burr introduced a proposed charter amendment that would increase enrollment.

M/S (Hallett/Quinn): To approve Xavier Charter School's proposed charter amendment increasing the enrollment cap to offer two classes per grade level. The motion passed unanimously.

The PCSC commended XCS on its progress in reestablishing transparent fiscal processes and providing a thorough review of the school's technology.

5. Taylor's Crossing Public Charter School (TCPSC) Compliance Update

Aaron Clegg, Board Chair; Jamie Toop, Finance Manager; Teresa Adelizzi, Board Clerk and Jared Emfield, Acting Administrator, represented TCPSC.

Mr. Clegg said TCPSC has put all teachers on approved contracts, which should resolve the recent NOD issued by the PCSC.

Ms. Baysinger confirmed that the school's teachers are on contracts approved by the Superintendent of Public Instruction and the defect does appear to be resolved.

XCS said they are committed to meeting or exceeding the Commission's expectations.

Mr. Emfield said morale is good and TCPSC is working toward a new chapter.

M/S (O'Donahue/DeMordaunt): To lift the notice of defect issued to Taylor's Crossing Public Charter School on the grounds of violation of a provision of law, specifically, I.C. §33-5206(4), and committing a material violation of a condition, standard or procedure set forth in their approved charter, specifically, the provision that "Taylor's Crossing Public Charter School's staff will meet or exceed qualifications required by state law, including the following: ...All teachers and administrators will be on a written contract approved by the Superintendent of Public Instruction." The motion passed unanimously.

6. White Pine Charter School (WPCS) Annual Update

Terry Rothamer, Administrator; and Gina Stevenson, Acting Board Chair, represented WPCS.

Mr. Rothamer provided a review of the school's status.

Commissioner DeMordaunt commended the school for its use of STAR. She encouraged WPCS to examine MSES 3 and consider submitting a charter amendment.

Mr. Rothamer said WPCS has implemented an additional IRI test to provide longitudinal data from fall to spring.

Chairman Reed inquired about the health insurance issue facing WPCS.

Ms. Swartz said I.C. § 33-5205(3)(m) indicates the legislature does have the expectation that health insurance be provided by public charter schools. She said WPCS' charter includes language stating that all employees will participate in group health insurance.

Commissioner O'Donahue understands budget issues are a concern, but noted that other small schools have been able to provide health insurance.

Commissioner Hallett stressed the importance of compliance with the charter.

M/S (Hallett/Quinn): To direct staff to issue to White Pine Charter School a notice of defect on the grounds of violation of any provision of law, specifically, I.C. 33-5205(3) (m) and material violation of any condition, standard, or procedure set forth in the approved charter, specifically, Tab 6(c), Employee Benefits, for failure to provide group health insurance to staff members.

Commissioner DeMordaunt noted that if WPCS would be able to verify that all employees are participating in group health insurance, whether through the school or not, they would be in compliance with the charter.

Commissioner Hallett asked for interpretation from PCSC counsel.

Ms. Swartz said WPCS provided a letter prepared by its attorney which offered the opinion that neither state statute nor WPCS's charter required the school to provide group health insurance coverage to its employees. However, based upon the language of the statute, as well as the terms of WPCS's charter, it is the opinion of PCSC counsel that such a requirement does exist.

Commissioner DeMordaunt indicated the charter uses the word "participate" not "provide" health insurance. They are therefore out of compliance because one or more of their employees are not participating in group health insurance. She is supportive of the motion based on that fact.

The motion passed unanimously.

7. Blackfoot Community Learning Center (BCCLC) Annual Update

Emily Hansen, Board Secretary; Fred Ball, Administrator; John Heintzelman, Board Chair; and Jocelyn Hayes, Teacher, represented BCCLC.

Ms. Hayes and Ms. Hansen provided a report regarding the status of the school.

Mr. Heintzelman reviewed the school's finances and enrollment expansion of over 40 students.

Commissioner Hallett asked whether the document cited on page 2 of the fiscal audit is now available.

Mr. Heintzelman indicated the school would need to follow up with auditors and let the PCSC know the outcome.

Mr. Ball reported that BCCLC's FY11 anticipated fund balance was \$16,000, but the school actually ended the year with a negative fund balance of \$24,000.

Commissioner Hallett asked about the auditor's comments regarding deficiency in internal controls and financial reporting.

Mr. Heintzelman said this was primarily due to limited funding and the amount of staffing as a result.

Hallett asked whether the auditor was concerned with the accuracy of the financials.

Mr. Heintzelman said BCCLC is unable to hire additional staffing to segregate duties.

Hallett cited page 23 of the audit and said this is not an issue of segregation of duties.

Mr. Ball said there were no reports missing.

Commissioner Hallett strongly encouraged BCCLC to return directly to the auditor when findings are cited to determine exactly what is needed to resolve any concerns.

Mr. Heintzelman said BCCLC will follow up with the auditor and relay findings to PCSC staff.

Commissioner DeMordaunt commended BCCLC's AimsWeb training and focus on RTI implementation using scientific, data-driven decision making.

Chairman Reed said district and state comparisons show that BCCLC's ISAT scores are consistently low compared to the local district and the state. He also noted that BCCLC is out of compliance with the enrollment caps of its charter for grades 1 and 2.

Ms. Hayes said BCCLC took a chance on violation of the charter to grow enrollment and improve the school's fiscal outlook.

Mr. Heintzelman said BCCLC is in the process of developing amendments to the charter. Chairman Reed confirmed that BCCLC made a decision to increase class sizes without prior approval from the PCSC, which is out of compliance with the school's charter.

Commissioner O'Donahue pointed out that BCCLC was aware of the accountability involved with the transference of the school to a PCSC-authorized school, and even stated during the transfer process that BCCLC looked forward to more stringent oversight.

Commissioner Hallett observed that this school demonstrates a persistent pattern of non-compliance with audit findings and non-compliance with the school's charter.

Mr. Heintzelman said a programmatic audit was done and BCCLC is planning another one in the spring to bring BCCLC back on schedule.

M/S (Hallett/Quinn): To direct staff to issue to Blackfoot Community Charter Learning Center a notice of defect on the grounds of failure to demonstrate fiscal soundness as defined by Section 33-5209(2)(d), Idaho Code. *The motion passed unanimously.*

M/S (Hallett/O'Donahue): To direct staff to issue to Blackfoot Community Charter Learning Center a notice of defect on the grounds of violation a condition set forth in the approved charter, specifically with regard to Tab 2, Enrollment Cap. *The motion passed unanimously.*

Commissioner DeMordaunt requested that the school return to provide the PCSC with an MSES update when spring 2012 test scores are available.

8. The Academy at Roosevelt Center (The Academy) Annual Update

Ellen Jensen, Board Chair; Joel Lovstedt, Principal; and Rod Jackson, Board Vice Chair, represented The Academy.

Mr. Lovstedt reported regarding the status of the school.

Ms. Jensen said an eight acre piece of property was recently purchased for future development.

Commissioner O'Donahue expressed her appreciation for the school's caution in moving forward with facilities.

Chairman Reed inquired regarding PCSC staff's difficulty in obtaining budgets from The Academy.

Mr. Lovstedt said the school's accountant has been directed to work within the PCSC's requirements. The school anticipates a \$50,000 carryover in FY12.

Commissioner Quinn asked whether the Summit petitioners' plans to market to The Academy's waiting list are supported by The Academy.

Mr. Lovstedt said there is no chance The Academy can meet the needs in the community evidenced by the waiting list of over 200 students. The Academy will not provide Summit with their waiting list, and The Academy's lottery will take place prior to Summit's lottery.

Commissioner O'Donahue cautioned the school to protect the privacy of stakeholders.

The Academy reported that Mr. Braack is terminating his position with their school at the end of January and there are no other board members serving on both boards.

9. INSPIRE Connections Academy (INSPIRE) Annual Update

Gerald Chouinard, Principal; Janet Stout, Superintendent; and Kris Cochran, Administrator and Special Education Coordinator, represented INSPIRE.

Mr. Chouinard provided an update regarding the status of the school.

10. Palouse Prairie School of Expeditionary Learning (PPSEL) Annual Update

Summer Clayton, Executive Director, represented PPSEL.

Ms. Clayton provided an update regarding the status of the school.

Commissioner Hallett cited concerns regarding PPSEL's fiscal status, noting that the extra funding received during the school's early years will no longer be available. He encouraged PPSEL to rethink using the IRI as an educational standard.

Ms. Clayton agreed but has had difficulty convincing the board not to look at the IRI as a measurable outcome.

Commissioner Hallett indicated PPSEL can still publish the IRI data, and not use it as a measureable outcome.

Ms. Clayton said every year PPSEL has had a budget carryover and she feels that the school will avoid financial crisis. Teachers are paid less than at other schools and have not received a salary increase in three years. One option is more aggressive fundraising, but with two other charter schools and a private school in the area, in addition to Moscow being a small community, this will be a challenge.

Chairman Reed excused himself at 1:00 pm. Gayann DeMordaunt, PCSC Vice Chair, presided for the remainder of the meeting.

11. Richard McKenna Charter High School (RMCHS) Annual Update

Larry Slade represented RMCHS.

Mr. Slade provided an update regarding the status of the school. He noted that increased virtual options throughout Idaho's public schools may present challenges to RMCHS's online enrollment.

Commissioner Hallett encouraged RMCHS to use Skype for teacher interaction.

Commissioner O'Donahue commended RMCHS for a strong budget, as well as monitoring and understanding fixed costs. She also commended the school for a 93% approval rating in student surveys. She encouraged RMCHS to increase public awareness of the school as an option.

12. Vision Charter School Annual (Vision) Update & Proposed Charter Amendment

Andy Marshall, Site/Building Committee Head and Board Member; and Wendy Oldenkamp, Administrator, represented Vision.

Ms. Oldenkamp provided an update regarding the status of the school. She introduced a proposed charter amendment allowing the high school to double in size.

Commissioner Hallett asked whether Vision has anticipated potential cultural changes with the addition of a larger high school.

Ms. Oldenkamp said long conversations with the board and staff have been held, and the growth will take place slowly, primarily through retention of younger Vision students.

Commissioner Quinn complimented the Vision staff and board for their efforts.

M/S (Hallett/Quinn): To approve the proposed charter amendment permitting the doubling of high school grades as submitted by Vision Charter School. *The motion passed unanimously.*

M/S (Hallett /Quinn): To adjourn the meeting. *The motion passed unanimously.*

The meeting was adjourned at 1:43 p.m.