

1. Agenda Approval

Does the Public Charter School Commission (PCSC) have any changes or additions to the agenda?

2. Minutes Approval

COMMISSION ACTION

To approve the meeting minutes from May 31, 2012, as submitted.

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**DRAFT MEETING MINUTES
PUBLIC CHARTER SCHOOL COMMISSION MEETING
THURSDAY, MAY 31, 2012
700 W. STATE STREET, BOISE, IDAHO
JRW WEST CONFERENCE ROOM**

A regular meeting of the Idaho Public Charter School Commission (PCSC) was held Thursday, May 31, 2012, at 700 W. State Street, Boise, ID, in the JRW West Conference Room. Chairman Alan Reed presided.

The following members were in attendance:

Brad Corkill
Gayle O'Donahue

Gayann DeMordaunt
Wanda Quinn

Nick Hallett
Esther Van Wart

Chairman Reed called the meeting to order at 9:00 a.m.

1. Commission Work

M/S (Hallett/DeMordaunt): To approve the agenda as published. *The motion passed unanimously.*

The PCSC has approved the following dates and Boise, Idaho as the location for its regularly scheduled meetings to follow the May 2012 meeting.

- July 24, 2012
- September 20, 2012
- December 4, 2012
- February 14, 2013

Commissioner Van Wart may not be able to attend the July 24, 2012 meeting.

M/S (Van Wart/Corkill): To approve April 11, 2013; June 13, 2013, August 8, 2013; October 10, 2013; and December 12, 2013 as the dates and Boise, Idaho as the location for the following regularly scheduled PCSC meetings. *The motion passed unanimously.*

M/S (DeMordaunt/Van Wart): To approve the meeting minutes from April 5, 2012, as submitted. *The motion passed unanimously.*

2. Commission Education: Office of Performance Evaluations (OPE) Comparison Study

Hannah Crumrine, Rakesh Mohan, and Maureen Brewer from OPE presented a

comparison study that Senator Shawn Keough of the Joint Legislative Oversight Committee (JLOC) requested they prepare. The scope of the study should be finalized with the next two weeks.

Commissioner DeMordaunt asked whether OPE would be contacting any outside organizations regarding programmatic audits or financial reviews for input or definition of how Idaho statutes are being implemented.

OPE said they were not planning to, but it may be beneficial to do some research in this area.

Commissioner Corkill asked into what aspects of charter school program OPE will be looking.

OPE stated they will be researching operational differences, including funding, and how charter schools operate differently from traditional schools. Student achievement and other aspects of academic performance will not be included. Toward the end of the project, a draft report will be shared with the commission for factual accuracy. As part of the final report, OPE will ask the commission to submit a formal response to their report and whether the commission agrees or disagrees with OPE's findings. Superintendent Tom Luna, the Board of Education, and Governor Otter will also include responses.

Commission DeMordaunt wants to be sure that Diane Demarest, from the Idaho Charter School Network, and Michelle Clement Taylor, State Department of Education, are included in the study. She encouraged OPE to understand the role of the charter document in the operations of a charter school and how thoroughly the schools are scrutinized prior to approval.

Commissioner Quinn asked how OPE will calculate the added value of charter schools without looking at student achievement. She noted that it is possible for operations to be efficient without producing improved results.

OPE said they will attempt to determine how much flexibility charter schools have, and how any such flexibility benefits them. OPE is only approved to focus on the operational side at this point in time, but may be asked to expand this study to include student outcomes in the future.

Commissioner Corkill asked if the analysis will include a financial/budgetary analysis and comparison of virtual and traditional charter schools.

OPE indicated the focus is on charter schools (both brick-and-mortar and virtual) versus traditional schools. Those details have not been determined yet.

Commissioner Hallett said some of the charter schools are chartered through the

school districts and some are authorized by the PCSC. He asked if OPE will be looking at the differences in oversight.

OPE said this will most likely be part of the study.

Commissioner DeMordaunt said the letter from Senator Keough states the study looks at the “betterment” and “added value” of charter schools to the entire system. If the definition of system is students and the education of students, then she feels this is not possible by looking only at operations and not achievement.

Commissioner O’Donahue agreed that the bottom line is whether students are achieving and wonders how that cannot be included.

OPE said there have been several attempts to perform a study of charter schools. The challenge has been there was not enough outcome data. Part of the recommendations may be to include achievement outcomes.

Chairman Reed expressed interest in seeing the report without the student achievement data, after the achievement data is layered on top.

OPE indicated their report will be completed the first week of December in time for the Legislative Session. The technical draft will be ready sometime in late October 2012.

3. Odyssey Public Charter School New Charter Petition (2nd Hearing)

Board members Karl Peterson, Chairman; Lisa Nolan, Finance; Monica Couch, Transportation and Charter Editing; Chris Peterson, Marketing, represented Odyssey.

Mr. Peterson said that much of the budget information in the petition was redone. However, it was not completed in time for inclusion in the meeting materials.

Commissioner Corkill asked how marketing is proceeding.

Ms. Peterson said it is going well and there are 81 students interested.

Ms. Couch said they are actively doing outreach to the Hispanic community.

Commissioner Corkill noted that, according to the petition, Odyssey needs 140 students to open.

Commissioner Hallett said it would be a better use of time if the Commission had thorough meeting materials prior to having Odyssey on a future agenda.

Ms. Baysinger said that PCSC staff was hoping to see more progress from Odyssey. The law is changing effective July 1st such that further delays are permissible by agreement of both parties. Beginning in July, petitioners will be advised to present only when their petitions show significant development.

Ms. Peterson said the changes have been submitted and a PowerPoint was prepared. However, these were not accepted because they missed the deadlines in PCSC policy.

Commissioner Hallett is concerned that the professional development budget is inadequate.

Ms. Couch said the petitioners have applied for \$600,000 in Federal Grant funds. Odyssey is planning on using a substantial amount of that grant for teacher training and technical equipment.

Commissioner Hallett is concerned because project-based learning requires extensive training, collaboration, and teacher development. Odyssey will have difficulty covering this expense if the grant is not awarded.

Odyssey said they also intend to use the grant funds for robotics and music labs.

Commissioner Hallett said a plan needs to be made for the next several years not dependent on grant funds.

Commissioner O'Donahue asked if the mission of the school is fluctuating.

Ms. Couch said the mission statement had changed several times. Odyssey has been refining its goals as a project-based school in all areas, rather than just STEM.

Commissioner O'Donahue cautioned that many schools have struggled because their mission was not clear in everyone's minds. A mission statement is key to keeping the school's focus and funding in line.

Commissioner DeMordaunt advised the petitioners to consider the wisdom of making charter commitments to stringent assessment schedules, which may prove impractical.

Commissioner Quinn asked what Odyssey's facility options are.

Mr. Peterson said the first facility option is a building that is a shell and was not completed. The challenge is there are no vacant schools to occupy. Several other light industrial facilities are being investigated. There is an LDS church in the historical area, which would need to be remodeled for a long-term tenant. A former Albertson's facility is also looking for a long-term tenant; the pillars in this building

could be problematic.

Ms. Couch said new materials provided to PCSC staff include three facility plans and each is included in budgets.

Commissioner Quinn expressed concern because project-based, place-based, and STEAM (which adds Art to STEM) are expensive programs that can be hard to staff. All of these subjects require significant facilities and equipment, and professional development is going to be quite expensive.

Mr. Peterson said Odyssey is looking for a larger student base so they can have more teachers and can cover all subjects. He said Odyssey's goal is to hire teachers before the other schools do their hiring contracts, because there is a teacher shortage in the area.

Chairman Reed cautioned Odyssey to heed the warnings of Commissioners regarding clarification of the school's mission, plan, and scope.

Commissioner DeMordaunt appreciates the efforts in the meet-and-greets and said public demand is difficult to gauge. She noted that a 6-12 school is difficult to fill. Most charter schools grow their middle and high school students from lower grades.

Mr. Peterson said the focus in other schools is not on middle and high schools, which will be an advantage for Odyssey. However, it will take a long time to meet enrollment caps and Odyssey understands that the high school program will take time to develop.

Commissioner DeMordaunt said that growing high school programs often results in the transfer of many alternative students from traditional schools. These students tend to need more remediation or special education, and are generally more expensive to educate. These possibilities should be reflected in budgets and achievement standards.

Commissioner O'Donahue concurred with Commissioner DeMordaunt. She commended Odyssey for having several facility options but cautioned the school that opening with enrollment of only 140 will create a very tight budget situation.

Ms. Couch said the school will focus on the reputation of the school in the first few years and will build on that foundation.

4. Idaho STEM Academy (ISA) New Charter Petition (2nd Hearing)

Greg Sigerson, Board Vice Chairman; Brian Thelin, Board Chairman; Madge Thelin, Board Member; and Pat Kolbet, Board Member, represented ISA.

Mr. Sigerson presented for ISA. He said ISA is looking for Commission input and expertise. Surveys were done with 186 written responses of interest, some of which listed multiple family members.

Commissioner DeMordaunt spent much time reading through the materials and the PCSC staff comments. She has confidence that ISA is being guided well by the comments of PCSC staff. She encouraged the school to continue working on the issues indentified.

Chairman Reed said ISA needs to follow through on those issues already identified until all items have been addressed.

Ms. Kolbet said the petitioners' focus is on curriculum development, building strong relationships with the local high schools, and obtaining and maintaining ADA.

Mr. Sigerson said ISA has a new board member who is a land developer and is investigating another possible facility option. The learning curve is steep and he appreciates all the help given by the commission and the PCSC staff.

Commissioner DeMordaunt appreciated the board members in attendance and encouraged board members to attend future PCSC meetings to increase their knowledge of what is expected of charter schools.

5. Blackfoot Charter Community Learning Center (BCCLC) Proposed Charter Amendment, Revised Corrective Action Plan (CAP), and Fiscal Update

John Heintzelman, Board Chairman; Fred Ball, Administrator; Joselyn Hayes, Teacher; and Stacey Lilya, Vice Chairman, represented BCCLC.

Mr. Heintzelman said that BCCLC is 2% ahead of current budget projections and expect to continue this trend through the end of the fiscal year. Loan paperwork was submitted to PCSC staff yesterday regarding a \$48,000 bank loan.

Mr. Ball said he has reflected on BCCLC's relationship with Commission and his understanding of the Commission's accountability requirements has expanded. He said initial budget projections for FY12 did include the \$48,000 loan. BCCLC could have gotten by without the loan, but it was taken out in order to cover a \$24,000 deficit at year end and avoid a carryover of a deficit from year-to-year. Fiscal policies have been modified and every month monies will be put aside into a reserve account going forward. Academics are going well and 100% of students met IRI targets, AYP will be met this year, 5th grade science scores are at 90% advanced or proficient (well above the state average of 67% and the district average of 58%).

Chairman Reed said that a loan does not erase a deficit, nor should it be considered income.

Commissioner Hallett said he is also concerned with the school borrowing money to cover a deficit.

Mr. Ball said the deficit was incurred due to the land purchase. BCCLC did not feel, at the time the land was purchased, that the purchase would result in a deficit. However, state payments were lower than anticipated.

Commissioner Hallett said the school should carry a sufficient fund balance to keep the school from borrowing money. His concern is the school will keep getting deeper in debt.

Mr. Ball agrees and the board looked at all options and felt this was the best solution. BCCLC will be extremely careful and expects to turn around fiscally.

Commissioner Hallett cautioned BCCLC not to treat loan funds as revenue.

Commissioner O'Donahue asked for clarification on late payments from SDE.

Mr. Ball said he worked with Tim Hill in April of last year, and Mr. Hill indicated there had been an error in attendance figures and no payments would be made until May 15th.

Commissioner Corkill asked if the \$48,000 was secured by the real estate.

Mr. Ball said it is not. The bank recommended the use of four buses as collateral.

Commissioner Corkill said that a year ago there was a short-term loan of \$100,000. Please explain this loan further.

Mr. Ball said the loan was made in April and repaid in July when state funds were received.

Commissioner O'Donahue asked if PCSC staff has a signed copy of the \$48,000 loan agreement.

Ms. Baysinger said the only copy received is dated May 10th and it is not signed. She has requested a signed copy.

Mr. Ball is working on getting the signed document from the business manager. BCCLC will provide a signed copy of the loan documents to the PCSC office by Tuesday, June 5th.

Commissioner Corkill asked BCCLC to describe a note payable to USDA through 2025-2026.

Mr. Ball said that note is secured by BCCLC's facility, is included in budgets, and there is no balloon payment tied to that note.

Commissioner DeMordaunt asked for a breakdown of enrollment numbers per grade.

Ms. Hayes indicated that by 2016, there would be 63 students in each grade level. The plan is focused on slow and organic growth.

Commissioner Hallett complimented BCCLC for their improving academic performance, but cautioned that the short-term impact of the enrollment increase could be an increased budget deficit. He stated many schools feel increased enrollment equals increased revenue, but sometimes it works to the school's detriment in the short-term.

Mr. Lilya said the enrollment numbers were calculated in such a way as to maximize BCCLC's existing assets to serve increased enrollment.

Mr. Ball said BCCLC has space for two additional classrooms without any additional funds required, which will cause a short-term revenue gain.

Commissioner Van Wart asked if BCCLC has submitted a 5-year budget and what other reports are outstanding.

Ms. Baysinger said the 5-year budget was requested but not received. She said BCCLC has been more timely in its responses to staff questions and requests, but the responses are often difficult to interpret and require further clarification.

Mr. Ball said he did not have enough time to get the 5-year budget completed by the deadline.

Commissioner Van Wart asked about the other items that have not been received by PCSC staff. She said such submissions should be a priority for BCCLC.

Mr. Ball said the transition to PCSC levels of accountability has been difficult.

Commissioner Van Wart said she is concerned that the school is asking to increase enrollment, which will demand additional work, when it appears BCCLC is unable to keep up with its existing workload.

Ms. Hayes said the end of the school year is a busy time for schools with ISAT testing requirements. It does not leave much additional time for administrative work.

Commissioner Van Wart said there are many charter schools that are able to get these items done in addition to seeing to operations of their school. Perhaps reprioritizing and reorganizing to meet the expectations of the commission are in order. She does not see BCCLC taking responsibility for continuing to miss deadlines.

Chairman Reed asked when the 5-year budget can be submitted.

Mr. Ball said a 5-year budget will be submitted by June 14th.

Commissioner Van Wart remains concerned with BCCLC's fiscal soundness.

Commissioner Corkill would like to see the 5-year budget prior to making any decisions. He recognizes that a 5-year budget is a "best guess" scenario.

Commissioner DeMordaunt suggested that the commission wait for a 5-year budget, one with the amendment and one without the amendment, followed by a special telephone meeting to review the proposed amendment in light of the budgets.

Commissioner Hallett noted that although he is inclined to approve the amendment, he does not want to send the message that such approval indicates the Commission's other concerns regarding poor communication, failure to meeting deadlines, and fiscal issues are insignificant.

Commissioner Quinn asked PCSC staff how BCCLC is doing on their corrective action plan regarding fiscal soundness.

Ms. Baysinger said it appears the steps in the corrective action plan have been followed, but they have not been effective in alleviating the problem because the school anticipates ending the year in deficit.

M/S (Hallett/DeMordaunt): To approve Blackfoot Charter Community Learning Center's proposed charter amendment related to the enrollment cap.

Commissioner Corkill agrees with Commissioner Hallett that this sends the wrong message and is against approving this amendment on the grounds that the Commission does not have all the information necessary to make the decision. He would like a special meeting after complete information has been received.

Commissioner Hallett said the Commission doesn't have quite all the information necessary, but timing is a factor since the amendment deals with enrollment caps.

Commissioner DeMordaunt feels BCCLC has made a turnaround under the Commission's authorization. She requested revised corrective action plans and monthly fiscal updates throughout the enrollment growth period.

Commissioner Van Wart asked if PCSC staff has received any input from the school district regarding enrollment impacts.

Ms. Baysinger said PCSC staff has not received anything from the Blackfoot School District and they are not represented at today's meeting.

Chairman Reed suggested that PCSC staff provide BCCLC with specific due dates for all materials requested.

Commissioner Van Wart would like to see a very detailed list with items expected and specific due dates assigned.

Commissioner Corkill feels asking for an amendment for increased enrollment without corresponding budgets is totally unacceptable.

Commissioner Quinn said there are multiple priorities facing every school: compliance with the law, fiscal soundness, and academic achievement. Though BCCLC is achieving academically, they are not in compliance with the law and not fiscally sound.

Commissioner DeMordaunt suggested the school submit the 5-year budget earlier, so the commission can meet at their earliest opportunity.

Ms. Baysinger said it typically takes PCSC staff several weeks to perform a thorough review process of any BCCLC budget due to confusion about school responses. She further indicated the budget could be forwarded more quickly, without PCSC staff's full review, if Commission wishes.

Commissioner Hallett said there isn't any question we need the 5-year budget. There is a serious notice of defect on the school and there is no excuse for getting information submitted late. The Commission does not want to send a message that the way BCCLC has been operating is acceptable. He still feels time is of the essence for the interest of parents and students.

Commissioner Corkill feels it is his responsibility to parents to analyze all information necessary to make an informed decision. Without that 5-year budget, he does not feel he is being fair to parents. If the amendment is approved and the school fails, then accountability falls back on the Commission.

Chairman Reed said that even though a 5-year budget is a projection, it can be reviewed by the Commission and PCSC staff is able to provide highlights. Additional questions can be asked during a telephone conference.

The motion failed, with Commissioners DeMordaunt, Hallett, Corkill, and Reed voting nay.

M/S (DeMordaunt/O'Donahue): To hold a special telephone conference meeting of the Public Charter School Commission at a future date yet to be determined to reconsider BCCLC's proposed charter amendment for an enrollment increase, pending the school's submission of a 5-year budget plan. *The motion passed unanimously.*

6. Legacy Charter School Proposed Charter Amendments

Commissioner O'Donahue recused herself due to her professional relationship with Legacy.

Emily Criddle, Board Secretary/Treasurer; Seth Stallcop, Co-administrator; and Niki Crow, Board Clerk, represented Legacy.

Mr. Stallcop introduced a proposed amendment to add a Harbor Room that would introduce the online opportunities and learning required for high school and college. Legacy is also requesting to increase enrollment by two students per grade in grades K-6 and fifteen students per grade in 7th and 8th, for a total enrollment of 325.

Mr. Stallcop said current waiting lists are at 562. He commended the PCSC staff for their support and quick answers to all questions. Parent survey feedback has been 85-95% positive across the board.

M/S (DeMordaunt/Corkill): To approve the proposed charter amendments increasing the enrollment cap and adding the Harbor Room online component as submitted by Legacy Charter School. *The motion passed unanimously.*

7. Xavier Charter School (XCS) Fiscal Status Update

Justin Lanting, Business Manager; Thad Biggers, Head of School; Debbie Burr, Board Chairman; James Wallace, Board Treasurer; Joan Hurlock, Board Vice Chairman; Melissa Crane, Board Secretary; and Mel Wiseman, Administrator Consultant, represented XCS.

Ms. Burr reported that, under Paragon's management, XCS had a payroll company processing their payroll. During the first quarter of 2010, XCS employees were registered as employees of the Utah based company. In April 2010, XCS was notified by the Attorney General's office that state employees who participate in PERSI cannot be employed by an out-of-state company. The first quarter of salary expenses were reported under the payroll company's tax identification number and the remaining three quarters were reported under XCS's tax identification number. The 941 forms showed the split in salaries, but the W-2's showed all four quarters

under XCS. The payroll company, A-Plus Benefits (now known as Exact), will need to re-file the 941 forms to get a refund in order to correct the error and eliminate a tax debt presently owing by XCS.

Commissioner Quinn inquired about whether XCS plans to complete a forensic audit.

Ms. Burr reported that a forensic audit regarding federal funding for FY11 was suggested by the SDE. Due to limited resources, XCS will re-create as much of the documentation as possible.

Commissioner Corkill confirmed with XCS that the school has paid Paragon in full.

Commissioner Hallett inquired about the length and terms of XCS's lease.

XCS reported it is operating under a 20-year lease with a 1.5% annual increase tied to the CPI.

Commissioner Hallett said a traditional school board could not enter into a long-term lease that obligates future boards. He asked PCSC counsel whether Idaho statute prohibits this practice.

Ms. Jennifer Swartz, PCSC counsel, said she is not aware of any provision in Idaho's charter school law that speaks specifically to the difference between entering a short-term versus a long-term lease.

Chairman Reed read from I.C. § 33-5204(3):

Nothing in this chapter shall prevent the board of directors of a public charter school, operating as a nonprofit corporation, from borrowing money to finance the purchase or lease of a school building, facilities, equipment, or furnishings.

XCS said the lease payment does not include maintenance and upkeep on the building, for which XCS is also responsible. The school is working with its counsel to resolve the facility issue, which will lead to a budget deficit if the lease cannot be renegotiated.

Chairman Reed commended XCS for their open communication with the PCSC.

8. Heritage Community Charter School (HCCS) Update and High School Pilot Program Report

Tamara Strikwerda, Board Secretary; Lisa McIntosh, Contracted Business Manager; Chris Yorgason, Board Attorney and Clerk; Richard Hammond, Board Chairman; Jean Taylor, Acting Principal; Archie Buck, Assistant to the Executive Director; Jennifer Knarr, PTSO Vice President; Barbara Hooper, PTSO Treasurer; Emilia de

Leon, PTSO President; Shantell Mullanix, School Counselor; and Dr. Lon McRae, Vice Chairman, represented HCCS.

Mr. Hammond expressed his appreciation of PCSC staff for their reminders of deadlines.

Mr. Yorgason said board elections will be held at the annual meeting in July. The board has developed a plan to have all members on a three year term. There are currently two vacant positions; one will be elected by the board and one will be elected by stakeholders. HCCS will send the new board list to PCSC staff.

Mr. Buck reported regarding certification requirements for school administrators. He is not certified as an administrator but has only been assisting Jean Taylor for the past month. He said that Mr. Castanada, the new administrator for next year, is properly certified.

Chairman Reed asked whether the current administrator is certified.

Ms. Taylor, who is serving as acting administrator, does have provisional certification.

Commissioner DeMordaunt emphasized that non-certified individuals cannot serve in an administrative capacity.

Ms. Baysinger noted that, at the time of a recent site visit by PCSC staff, Mr. Buck was performing disciplinary actions beyond the role of a classroom teacher. At that time, PCSC staff was told there would be two administrators next year, Mr. Buck and Mr. Javier Castanada. To date, SDE has not received any information regarding the new administrator's certification.

HCCS reported they are aware of the parameters involved with administrator certification.

Mr. Yorgason said much of the reports given at board meetings are given orally, so limited documentation is available.

Commissioner Van Wart expressed concern regarding the apparent disconnect between the board and its stakeholders.

Mr. Yorgason said he does not believe there is a lack of communication between the board and stakeholders. Almost every item is opened for public comment and board meetings are well attended by both school staff and parents.

Mr. Hammond said he spends two hours daily on Facebook addressing concerns and clarifying statements regarding the board.

Commissioner O'Donahue asked Ms. McIntosh whether budgets are reviewed by board members prior to meetings, and whether the board has a sense of where expenses are concerning the budget.

Ms. McIntosh said she prepares budget explanation sheets that are presented to the board prior to meetings. Since she has been with HCCS beginning in February, financial statements have been provided at least one week in advance of all board meetings.

Mr. Hammond said all expenditures are passed through Ms. McIntosh for her review and approval.

Commissioner Hallett is concerned with HCCS stating they would provide more documentation to their board if the commission desired. The goal is to provide enough documentation for board members in order for them to make good decisions.

Commissioner O'Donahue asked for clarification from PCSC staff on this topic.

Ms. Baysinger said the concern was raised when HCCS required additional time to fill a public records request for several months of board meeting materials. When the meeting materials arrived, they were incomplete. Also, emails were sent from various board members asking whether they had certain portions of the documentation, which indicated to PCSC staff that meeting materials were not kept in a consistent location. During the recent site visit, she had a discussion with the board, during which she provided training regarding production, distribution, and filing of meeting materials. At least up until that point in time, a process for creating and storing board meeting materials had apparently not been implemented.

Commissioner Corkill asked HCCS how it intends to address its failure to obtain provisional accreditation during year one.

Ms. Taylor said it was HCCS' understanding, based on conversations with Dr. Christine Ivie, accreditation application had been made at the beginning of the year. However, the application was not submitted by the December 6 deadline; Ms. Taylor sent the application in May 2012. According to the accrediting agency, HCCS will be eligible for provisional accreditation during the 2012-13 school year. Ms. Taylor said that HCCS has contacted surrounding schools, which have indicated they will accept credits for affected students.

Mr. Hammond said the accreditation issue was brought to the board's attention and an emergency board meeting was held last night. Parents were sent a letter informing them of the situation.

Commissioner Van Wart asked why nobody at HCCS received any documentation, emails, or phone calls regarding this issue.

Ms. Baysinger said the SDE begins informing charter school boards of this requirement before the school even opens and strongly encourages them to get the paperwork filed during the first week of school. Additional reminders are sent by the accrediting agency and SDE, as well as during the programmatic audit.

Chairman Reed asked why HCCS failed to recognize there was a problem when no accreditation site visit was made.

Ms. Taylor said that, as an interim administrator, she was not experienced in the accreditation process.

Mr. Hammond said it is possible the reminder messages were sent to Dr. Ivie, who was not active as administrator.

Commissioner O'Donahue noted that the administrator's email should have been forwarded at the time Dr. Ivie went on leave of absence.

Commissioner DeMordaunt asked whether Ms. Taylor had received any documentation verifying that the accreditation application had been made.

Ms. Taylor said she made several, unsuccessful attempts to contact Dr. Ivie through email, phone, and text messages.

Chairman Reed expressed concern regarding the number of significant problems at the school.

Commissioner O'Donahue noted it was unrealistic of the board to expect a single individual to serve as administrator and special education director.

Several Commissioners noted that the board should have a better understanding of its financial situation.

Ms. McIntosh said preliminary year-end financials indicate the school may be in a better situation than anticipated.

Commissioner Hallett asked when the HCCS board was first made aware of the \$201,000 operating loss.

Ms. McIntosh said the loss had been reported for months, but she could not speak to the board's level of understanding regarding the budget reports.

Mr. Hammond said the board was aware of budget concerns and all discretionary

spending has been frozen.

Chairman Reed noted that during the recent PCSC site visit, several board members thought the school would finish the year with \$100,000 in reserve, plus the Albertson's grant carryover of \$200,000. In reality, it appears all this money will be spent.

Ms. McIntosh feels that the misunderstanding was a result of the board's review of the February budget template, which was prepared by the previous business manager and administration.

Mr. McRae acknowledged that the board requires additional financial training.

Chairman Reed asked how they will make a positive budget next year and make up the \$94,000 rental increase.

Mr. Hammond said HCCS will have increased enrollment next year and is working on additional grants and funding. The new administrator is less expensive. Some positions were restructured for cost savings.

Mr. McRae said HCCS is working with the bank to finance the building for a savings on the lease payments.

Chairman Reed asked about the high school pilot report.

Ms. Taylor said that report is scheduled for the June board meeting. She was not aware of the requirement for that report at this meeting.

Ms. Baysinger said HCCS was advised two months ago that they would be giving a report on the high school pilot program at today's meeting.

The Commission and school discussed HCCS's provision of certain courses, including Health and Speech, and the school's failure to meet MSES referring to recitations of school, class, and personal creeds.

Ms. Taylor said the MSES issue will be addressed in teacher's training prior to the beginning of next school year.

Commissioner DeMordaunt would like to see HCCS' final ISAT scores when they become available. She expressed empathy for the school's first-year struggles.

Maria Gonzalez, parent and founder, provided public comment. She is concerned about HCCS' board. She would like assurance that complaints won't lead to employment repercussions. She feels the board has not made sound financial decisions.

Kirsten Mast, PTSO member, provided public comment. She noted that the board has two positions open, one of which is stakeholder elected.

M/S (Hallett/Van Wart): To direct PCSC staff to issue to Heritage Community Charter School a notice of defect on the following grounds:

1. **Material violation of a condition, standard, or procedure set forth in the approved charter, specifically with regard to: offering students the opportunity to take Latin in grades 7-12 and preparation by the administrator of an annual secondary school report for the board's review;**
2. **Failure to substantially meet any of the MSES in the approved charter, specifically, those MSES referring to recitation of creeds;**
3. **Violation of a provision of law, specifically, Idaho Code § 33-119 regarding accreditation, Idaho Code § 33-357 regarding maintenance of an internet based expenditure website, and IDAPA 08.02.02.026 and the charter regarding administrative certification.**

The motion passed unanimously.

Commissioner DeMordaunt suggested waiting for the high school pilot report to determine how to proceed regarding that matter.

M/S (Quinn/DeMordaunt): To require Heritage Community Charter School to provide reports regarding:

- **Board of Directors**
- **School Administration**
- **Fiscal Status**
- **High School Pilot Program**
- **Academic Status**
- **Accreditation**

The motion passed unanimously.

13. Public Charter School Commission Officer Elections

M/S (O'Donahue/Van Wart): To move agenda item 13, Public Charter School Commission Officer Elections, to this time on the agenda. *The motion passed unanimously.*

Vice Chairman DeMordaunt took the floor and opened the meeting to nominations for PCSC Chairman.

M/S (Corkill/Hallett): To elect Alan Reed as Chairman of the PCSC. *The motion passed unanimously.*

Chairman Reed took the floor and opened the meeting to nominations for PCSC Vice Chairman.

M (Van Wart): To elect Gayann DeMordaunt as Vice Chairman of the PCSC. *The motion passed unanimously.*

9. Idaho Connects Online (ICON) Annual Update

David High, Board Chairman; Vicki McCullough, Administrator; and Dorian Bell, Business Manager, represented ICON.

ICON provided an annual update including teacher staffing ratios, mission consistency, education alternative, one-to-one support, changes in curriculum, and innovative approaches.

Commissioner DeMordaunt commended the school's successful work.

Chairman Reed inquired about ISAT results, some of which appear low.

Ms. McCullough indicated participation rates are high. However, during year two, ICON did not make AYP. Many students coming to ICON have missed large portions of subjects. Teachers had previously taught up to 32 courses each. This ratio has been improved dramatically. The expectation is that these changes will impact ISAT scores positively going forward.

10. Compass Public Charter School Annual Update

Kelly Trudeau, Administrator; Cindy Stover, Business Manager; LeAnne Simmons, Board Treasurer; and Mike Adolf, Board Chairman, represented Compass.

Compass provided an annual update including a successful RTI program, doubling of student enrollment in grades K-3, internet accessibility, board training, dual credit program, common core standards transition, and a fiscally sound budget with a large reserve. ISAT math and reading scores are well above state averages and Compass did meet AYP. Retention from 8th to 9th grades is high and there is a 50-60% retention rate from 8th to 9th grades. Compass has also increased community involvement at the recommendation of PCSC staff.

Commissioner Hallett asked how Compass' demographics compare to district and local high schools.

Compass said the Free and Reduced Lunch program has similar participation rates

as those in the Meridian School District, but a lower number of Special Education students have enrolled at Compass.

11. North Valley Academy (NVA) Annual Update

Nadine Coyle, Vice Chairman; Cathy Thompson, Financial Officer; and Gayle DeSmet, Lead Administrator, represented NVA.

NVA provided an annual update including the blended program, staying true to their mission statement, and the recent addition of a new board member.

Ms. DeSmet said public relations have improved and staff turnover has reduced. NVA will attempt to be an all Title I school due to the number of Free and Reduced Lunch students.

Commissioner Hallett commended the school for its cooperative effort with the Bliss School District.

12. Sage International School of Boise Annual Update

Don Keller, Administrator; Lisa Lechner, Business Manager; Bryan Moore, Board Member; and Trina Segó, Board Member, represented Sage.

Mr. Keller thanked the Commission, PCSC staff, and the State Department of Education for their roles in getting Sage opened. He invited Commissioners to any of Sage's future board meetings.

Sage provided an annual update including enrollment growth, the International Baccalaureate program, additional facility space, surveys, special education team, parent association, 5-star school rating, and a goal to move 100% of all students from proficient to advanced.

The Commission commended the school for its stellar academics and operations.

M/S (Van Wart/O'Donahue): To adjourn the meeting. *The motion passed unanimously.*

The meeting was adjourned at 3:45 p.m.

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