

**MEETING MINUTES
PUBLIC CHARTER SCHOOL COMMISSION MEETING
TUESDAY, AUGUST 12, 2014
700 WEST JEFFERSON STREET
STATE CAPITAL, EW 41, BOISE, IDAHO**

A regular meeting of the Idaho Public Charter School Commission (PCSC) was held Tuesday, August 12, 2014, at 700 West Jefferson Street, Boise, ID, in the State Capital in the East Wing 41 (EW 41) Hearing Room. Chairman Alan Reed presided.

The following members were in attendance:

Gayle O'Donahue
Nick Hallett
Wanda Quinn
Brian Scigliano
Esther Van Wart

Chairman Reed called the meeting to order at 9:00

A) COMMISSION WORK

1. Agenda Review / Approval

M/S (Quinn/O'Donahue): To approve the agenda as presented. *The motion passed unanimously.*

2. Minutes Approval

M/S (Quinn/O'Donahue): To approve the meeting minutes from June 17, 2014 with the following amendments: correct references to Dr. Kleinhert, changing to Mr. Kleinhert. *The motion passed unanimously.*

B) CONSIDERATION OF CHARTER PETITIONS

1. North Star Charter School (NSCS) Transfer Petition

Bill Russell, Vice Chairman of the Board, Shirley Rau, Teacher, George Coburn, Finance Director, and Ellen Days represented NSCS. NSCS presented its transfer petition using a PowerPoint presentation.

Mr. Russell spoke to the budget issues of NSCS. NSCS had to take out a construction loan of \$12 million at 9% with \$1.2 million debt service for 25% of its

budget. He advised that the process of change has been a long, collaborative effort with bond holders, but NSCS believes it has completely solved its budget problems.

NSCS has an obligation to only do debt service on A and C bonds from \$12 million to \$6 million; \$490,000 is the yearly debt service now. NSCS only has an obligation to make payments at the end of the year on the B bonds if they have funds remaining after building back their reserves. B bonds are due 2049. Bonds will be restructured and renegotiated again. Because NSCS' annual payment of \$1.2 million is now down to \$490,000, the school can afford to move forward.

Mr. Russell introduced George Coburn and stated that Mr. Coburn is present to answer questions.

Shirley Rau, NSCS teacher, gave a presentation to answer academic questions. She provided a brief overview of the school, advising that the curriculum is designed by the teachers to accelerate the learning of all students.

Chairman Reed stated that NSCS's financial documents needs to be completed using the PCSC templates. He asked NSCS why they wanted to transfer.

Bill Russell responded that the Meridian School District wants NCSC to transfer. The school and district have had a difficult relationship in the past, particularly with regard to NSCS's financial situation.

Commissioner Scigliano inquired whether NSCS still had reserves. If excess reserves were used to pay down Series B, would NCSC have adequate contingency reserves?

Bill Russ responded that at this point NSCS's reserves are exhausted. At the end of every year, there will be some funds left, and NSCS will use that to start building a reserve. When reserve is replenished, then B series bonds are paid.

George Coburn said NSCS's operating reserve is 10% of operating fund, which is currently about \$400,000.

Commissioner Quinn commended NSCS for its academic performance and noted the importance of fiscal stability.

Chairman Reed inquired how NSCS arrived at its financial crisis.

Bill Russell stated that poor decisions were made by former board members, none of whom now continue to serve on the NSCS board. In 2009, NSCS took out a

construction loan with long-term financing at an unsustainable rate. The nationwide economic downturn impacted the school's ability to refinance.

Chairman Reed noted that NSCS needs to take additional steps to meet the quality standard established in the PCSC's petition evaluation rubric.

M/S (Hallett/Scigliano): To delay the decision and direct staff to issue to North Star Charter School a written response identifying the specific deficiencies in the petition, including items already identified on the Petition Evaluation Rubric included in these meeting materials.

C) CHARTER SCHOOL ANNUAL UPDATES

1. Kootenai Bridge Academy (KBA)

KBA provided a written report only. The Commission had no comments or questions regarding KBA's annual update.

Commissioner Quinn inquired about KBA's academic performance, and why the new framework was not used.

Ms. Baysinger explained that no test data was available from the state this year.

2. North Idaho STEM Academy (NI STEM)

NI STEM provided a written report only. The Commission had no comments or questions regarding NI STEM's annual update.

3. Palouse Prairie School of Expeditionary Learning (PPSEL)

PPSEL provided a written report only. The Commission had no comments or questions regarding PPSEL's annual update.

D) CONSIDERATION OF PROPOSED CHARTER AND PERFORMANCE CERTIFICATE AMENDMENTS

1. Bingham Academy (BA) Proposed Performance Certificate Amendments

Pat Kolbet, Business Manager, and Doug Owen, Administrator, represented BA via telephone.

Pat Kolbet and Doug Owen appreciated being given the opportunity to add a 4th goal. Mr. Owen said BA was able to make sure they had a quality assessment

and a useful measure for STEM results at the school.

M/S (O'Donahue/Quinn): To approve the proposed performance certificate amendments as submitted by Idaho STEM Academy doing business as Bingham Academy. *The motion passed unanimously.*

2. Compass Charter School (Compass) Proposed Performance Certificate and Charter Amendments

Kelly Trudeau, Administrator, Michael Adolph, Board Chairman, Jason Hessian, Board Secretary, and Cindy Stover, Business Manager, represented Compass.

Commissioner Van Wart verified with Chairman Reed that although the Meridian district was invited to comment on the proposal, no such comment had been received.

M/S (Scigliano/Van Wart): To approve the proposed performance certificate and charter amendments as submitted by Compass Charter School. *The motion passed unanimously.*

3. Idaho Science and Technology Charter School (ISTCS) Proposed Performance Certificate, Charter, and Bylaws Amendments

Tami Dortch, Administrator, Kelly Moulton, Board Chairman, NS Becky Adams, Board Vice Chairman, represented ISTCS.

Ms. Moulton introduced the proposed amendments.

Ms. Dortch explained the reasoning behind the proposed 4th and 5th grade pilot program, citing substantial community interest. ISTCS sent a survey to parents to identify needs; 35 parents responded the first week, and 65 more have responded. She described the academic program that ISTCS would provide, as well as the school's improved financial status. Upon audit, ISTCS's completion carryover is \$56,000, which is an increase of \$45,000. ISTCS is calculating next year's at \$77,000 with or without the pilot program. The first year of the program would be revenue negative, but ISTCS is prepared to absorb the cost. ISTCS has modulars that are approved for occupancy. Market interest for 4th grade exceeds the seats available.

Commissioner Quinn commented that she is pleased to see that ISTCS's proposal is based on programmatic, rather than financial, concerns.

M/S (Quinn/Hallett): To approve the proposed performance certificate, charter, and bylaws amendments as submitted by Idaho Science and Technology Charter School. *The motion passed unanimously.*

M/S (Quinn/O'Donahue): To adjourn the meeting.

The meeting adjourned at 10:22.