

**APPROVED MEETING MINUTES  
PUBLIC CHARTER SCHOOL COMMISSION SPECIAL MEETING  
MONDAY, DECEMBER 7, 2009  
650 W. STATE STREET, 3<sup>rd</sup> FLOOR  
BOISE, ID 83709  
WILDLIFE ROOM**

A special meeting of the Idaho Public Charter School Commission (PCSC) was held on Monday, December 7, 2009, at 650 W. State Street, 3<sup>rd</sup> Floor, Wildlife Room, Boise, Idaho 83709. Chairman William Goesling presided.

The following members were in attendance:

Brad Corkill                                      Gayle O'Donahue                                      Alan Reed  
Esther Van Wart

Absent: Gayann DeMordaunt

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

**1. Rolling Hills Public Charter School (RHPCS) Fiscal Update**

Chairman Goesling asked staff for an update.

Tamara Baysinger, PCSC staff, indicated this meeting was scheduled at the request of the PCSC at the November 12<sup>th</sup> meeting, at which time concern was expressed regarding the financial status of RHPCS. The PCSC wished to receive a more thorough update before issuing a notice of defect for fiscal instability.

John Montgomery, RHPCS Administrator, presented on behalf of RHPCS. Changes were made to balance the budget by the end of the current fiscal year. All budget reductions were approved at the last RHPCS board meeting. Budget items were reviewed line-by-line and total cuts amounting to \$156,608 and consisted of the following:

- Salaries: The majority of budget cuts were absorbed through salary adjustments for certified staff. The original budget was cut by 15%, for a total budget reduction of \$93,804. A future reduction in salaries and staff will save approximately \$8,500. The number of classroom assistants will be reduced. The office assistant took a 15% reduction in salary for another \$3,000. The total savings in salaries was \$105,000. There were no reductions in employee benefits.
- Counsel: The remaining budget of \$1,000 will hopefully remain unused.
- Marketing and Advertising: Budgets are frozen, for another \$2,200 reduction.
- Lease: Approximately \$9,700 was saved on the lease of RHPCS' property.
- Grounds Maintenance: Staff members will be taking care of this item for the remainder of the year for a savings of \$5,700.

- Janitorial: The current level of services has been reduced and some of the budget will be used to purchase janitorial equipment for school use. This yielded a \$30,000 budget cut.
- Technology: Budget cut by \$2,000.

Commissioner Van Wart asked if there was a yearly contract for janitorial services.

Mr. Montgomery said there is no signed janitorial contract. The changes were discussed and the reduction of services agreed upon with the service provider.

Commissioner Van Wart asked for clarification on reductions to the school supply budget.

Mr. Montgomery said RHPCS has contacted parents, stakeholders, and PFA soliciting contributions to minimize necessary purchases.

Commissioner Reed asked for clarification of the lease renegotiations and whether RHPCS has a new signed lease document.

Mr. Montgomery said the lease was renegotiated for a \$9,765 savings and is not sure if that is verbal or if a signed lease document is yet in place.

Commissioner Corkill asked if RHPCS has negotiated with the bank regarding its facility loan.

Mr. Montgomery said several people met with the bank and were told that in order for the bank to do anything, it would have to go into Struggling Asset Group accounts. There are still ongoing discussions with the bank.

Commissioner Corkill inquired about employee morale after the salary cuts.

Mr. Montgomery said that staff is willing to take the reductions in order to keep RHPCS open.

Commissioner O'Donahue asked if it is overly conservative not to include fundraising.

Mr. Montgomery said that PFA raised \$14,000 and that amount is included as part of the \$25,000 listed on the submitted budget.

Commissioner O'Donahue is concerned with unforeseen budget emergencies. Does RHPCS still have the mandatory reserve in place?

Mr. Montgomery said the reserve is still in place. If something happened which was beyond the school's financial means, RHPCS would turn to stakeholders.

Chairman Goesling asked what the current enrollment is.

Mr. Montgomery said current enrollment is 227.

Chairman Goesling said the budget is based on 230. Does RHPCS plan to enroll more students at mid-year?

Mr. Montgomery reported that there are four students slated to begin after Christmas. The marketing budget was cut, but we are still marketing the school.

Chairman Goesling suggested a survey of students for the remainder of the year and into next year for enrollment projection purposes.

Commissioner Van Wart asked if there is a waiting list for any grades.

Mr. Montgomery said there are no waiting lists.

Commissioner O'Donahue asked how high the average daily attendance is.

Mr. Montgomery said it was 97%-98%, but has dipped slightly due to the flu outbreak.

Commissioner Corkill commended the school's efforts in presenting a thorough picture of their current budget status.

Commissioner Reed expressed concern that the budget is set on enrollment figures that are higher than current enrollment.

Commissioner O'Donahue said it looks like RHPCS used very conservative enrollment numbers for the next three years.

Commissioner Reed said he would prefer to see a budget based on 230 throughout the projections. He asked if the community knows the school is in financial trouble, and how this will affect marketing efforts.

Commissioner O'Donahue said it is not uncommon for Harbor schools to take this approach. In some ways, it could be a very effective marketing tool to get parents involved. The school needs to get through this year and take steps so this situation doesn't happen again.

Commissioner Van Wart asked why RHPCS does not have any waiting lists when most charter schools do. Having a plan now could head off enrollment problems in the future.

Mr. Montgomery indicated that there are other successful charter schools in close proximity to RHPCS in competition for enrollment. The RHPCS Board of Directors is having ongoing marketing discussions.

Leanne Gilberg stated that this year's enrollment is at a historic low point at 230. Last year ended with between 240-250 students. There is no reason to believe that enrollment will not rebound.

Carolyn Mauer testified that she was the first administrator of RHPCS in 2005 when the school first opened. The first year there was a balanced budget. The second year, the board and parents put together a package with U.S. Bank to build a permanent building, continued with the balanced budget, full enrollment, and wait lists in year two. There was much dissention last year causing teachers and students to leave the school. Dr. Montgomery is now the new administrator. The teachers, staff, and students are committed to the future.

Commissioner O'Donahue warns that RHPCS's commitment not to get into this position again comes down to leadership, the new administrator, and restructuring of the board of directors. The PCSC has seen problems each time the school's leadership breaks down.

Commissioner Van Wart asked how test scores are at RHPCS.

Ms. Mauer stated that, through last spring, students performed very well in meeting and exceeding state and neighboring school's scores.

Commissioner Corkill said he would be comfortable proceeding with a notice of defect.

Commissioner Reed and Chairman Goesling suggested a monthly update requirement.

Ms. Baysinger said that RHPCS has done monthly updates since last April and the PCSC may wish to request that they continue to do so.

The PCSC agreed to continue requiring that RHPCS provide monthly fiscal updates.

**M/S (Reed/Corkill): A motion to adjourn.** *The motion passed unanimously.*