

**APPROVED MEETING MINUTES
PUBLIC CHARTER SCHOOL COMMISSION MEETING
THURSDAY, JANUARY 7, 2010
700 W. STATE STREET, WEST CONFERENCE ROOM**

A regular meeting of the Idaho Public Charter School Commission was held Thursday, January 7, 2010, at 700 W. State Street, Boise, ID, West Conference Room. Chairman William Goesling presided.

The following members were in attendance:

Brad Corkill
Alan Reed

Gayann DeMordaunt
Esther Van Wart

Gayle O'Donahue

Chairman Goesling opened the Meeting at 9:30 a.m.

1. Commission Work

M/S (DeMordaunt/Reed): A motion to approve the agenda as published. *The motion passed unanimously.*

M/S (Van Wart/O'Donahue): A motion to approve April 29, 2010, as the date and Boise, ID as the location for the following regularly scheduled Commission meeting. *The motion passed unanimously.*

M/S (DeMordaunt/Van Wart): A motion to approve the minutes from April 17, 2009, as submitted. *The motion passed unanimously.*

2. **Blackfoot Community Charter Learning Center (BCCLC) Transfer Petition**

Tamara Baysinger, PCSC staff, said BCCLC has existed for about 10 years as a charter school authorized by the local school district. The purpose of today's discussion is to consider a transfer of authorization from the school district to the PCSC. The school district has not yet clarified its agreement to the transfer and all associated charter amendments, but appears amenable. The transfer petition includes a request to increase enrollment to 600 students, and the district does not wish to authorize this expansion.

John Heintzelman, Board Chairman, and Dr. Fred Ball, Administrator, jointly presented for BCCLC.

Dr. Ball indicated that the existing enrollment cap of 120 was due to apprehension regarding starting up a charter school. After the move to a new building, enrollment grew dramatically. BCCLC approached the school district about expansion and they were not comfortable with that decision. The relationship has been very good, but they are not in favor of expansion because the district feels the oversight involved would be burdensome. BCCLC would like to align with the middle school, Idaho Science and Technology Charter School (ISTCS), in terms of enrollment numbers.

Mr. Ball reviewed BCCLC's ISAT and IRI scores. He said scores are on a general upward trend and are improving.

Commissioner Corkill asked whether there is enough interest to expand enrollment to 600.

Mr. Ball said there are currently 120 students and the expansion would be a gradual process. An additional 40 students would be added next year and one class per year beyond that over a five year period.

Mr. Heintzelman said BCCLC currently draws from the Blackfoot and Snake River school districts. The current middle school is drawing from Blackfoot, Snake River, Perth and as far up as Shelley. Because there are no other charter schools in these areas, BCCLC is confident they can draw students. The current waiting lists do not reflect the true interest in BCCLC.

Mr. Ball said the plan is to add another kindergarten class of 20 students, and an additional 20 students would be added throughout the upper grades based on needs and class sizes. There is no cap on class size.

Commissioner DeMordaunt asked if BCCLC has facility room for expansion.

Mr. Ball said that there is room for expansion over the next five years, but after that, modifications would be required.

Commissioner DeMordaunt said she would feel more comfortable having more detail on facilities and site plans, both current and for the planned expansion.

Mr. Heintzelman stated that in order to house the full 600 students, BCCLC would be required to relocate. ISTCS has allocated space on which BCCLC would be able to build. However, with additional portable classrooms, BCCLC can house all additional students for the next four to five years.

Chairman Goesling asked how much debt BCCLC carries for the current facility and how portables rental would affect the budget.

Mr. Ball said the existing facility debt is \$600,000. The building is in a commercial neighborhood and would be very easily sold for commercial use. Snake River school district has two portables for sale at \$5,000 each, but the purchase price is not reflected in BCCLC's budget.

Commissioner Reed said he would like to see a letter from the Snake River school district outlining that these portables are available and at the price quoted.

Commissioner DeMordaunt said she would like to see all the costs budgeted out for the future, including portables, excavation, buildings, and additional teaching staff. Ms. DeMordaunt would also like to see a plan stated in the charter for class sizes throughout the expansion process.

Chairman Goesling asked for waiting lists for each grade in a cohesive format.

Mr. Ball explained how the ISAT is administered within multi-age classrooms. Expanding enrollment will increase the school's likelihood of making AYP.

Mr. Heintzleman said there is small number of special needs students that do not qualify for the alternate assessment, resulting in lowered reading scores. However, making AYP is not the primary reason for the expansion.

Commissioner Corkill said he would like to see this proposal again with developed emphasis on facilities and population.

Commissioner Van Wart agreed with the concerns outlined by staff with regard to necessary charter revisions.

Commissioner O'Donahue requested documentation from ISTCS regarding plans for BCCLC expansion, feedback from parents within stakeholder surveys, and a programmatic audit.

Commissioners Reed and DeMordaunt concurred with the other commissioners' concerns.

Commissioner O'Donahue suggested that BCCLC submit minutes from the Blackfoot School District board meeting regarding why the district supports BCCLC's transfer.

Chairman Goesling expressed concern that BCCLC would lose its existing support from the district if the transfer is successful.

Mr. Ball said district has assured BCCLC that they will support the school in transportation and/or child nutrition services for an additional year if needed.

Commissioner Corkill expressed discomfort with the school district's unwillingness to make their reasons for the transfer public knowledge.

M/S (Reed/DeMordaunt): A motion to hold the decision on the proposed transfer of the Blackfoot Charter Community Learning Center petition until the next meeting of the PCSC and to direct PCSC staff to work with the petitioners to address concerns which will be outlined in a forthcoming letter from the PCSC. *The motion passed unanimously.*

3. Vision Charter School (VCS) Proposed Charter Amendment and Facilities Update

Lee Hannah, Board Chair; Wendy Oldenkamp, Administrator; and Tim Cobb presented for VCS.

Ms. Hannah requested a charter amendment updating the school's enrollment preferences to include a new preference for the children of full time employees, in accordance with new school legislation effective July 1, 2009.

Ms. Baysinger said PCSC staff has reviewed language in the proposed amendment, and it does align with Idaho Statute.

M/S (Van Wart/DeMordaunt): A motion to approve the proposed charter amendment for Vision Charter School updating the school's enrollment preferences to include a new preference for the children of full time employees. *The motion passed unanimously.*

Ms. Hannah presented another request for VCS to change its primary attendance area boundary. This change would allow VCS to utilize a facilities site that is within the new boundary.

Commissioner DeMordaunt asked whether Vallivue School District has been notified of this proposed change.

Ms. Hannah said Vallivue has not been notified, but it is an extremely large school district and this change would only affect a small sliver.

Commissioner DeMordaunt noted that it is not obligatory to notify Vallivue, but doing so would be a courtesy. She acknowledged that the attendance area change would not impact enrollment since VCS is already full.

Ms. Hannah added that most of the additional area is farmland.

Commissioner Corkill said he would be more comfortable if a simple letter of notification were sent to Vallivue School District.

Ms. Hannah said she would be happy to send such a letter.

Commissioner DeMordaunt emphasized that she is comfortable approving this amendment and sending a letter to the school district afterward, since there will be little impact to the district.

Commissioner Van Wart said it would have been nice to notify the district to protect the working relationship VCS has with the district.

Chairman Goesling asked about costs of relocation and their impact to the budget.

Ms. Hannah said the school has already met with city planning officials. This property is larger than the previously approved site, less expensive, and already has sewer and water.

Ms. Oldenkamp said the purchase price for this parcel is \$300,000 less than the originally planned purchase. VCS hopes to finance the land and improvements, but has the funds to purchase the land outright if financing is not available. The budget numbers will be firmer once financing is finalized.

Chairman Goesling asked staff if a motion can be made contingent on notification to the school district and submission of a revised budget.

Jennifer Swartz, PCSC counsel, expressed concern regarding the approval of any motions with contingencies.

Commissioner DeMordaunt said in terms of academics, finances, and governance, VCS is one of the strongest schools in the state. She did not wish to hinder their efforts in relocating their property, especially given the financial advantages involved.

M/S (DeMordaunt/Corkill): A motion to approve the charter amendment concerning boundary changes for Vision Charter School. *The motion passed unanimously.*

Chairman Goesling reminded VCS to follow up with a letter to Vallivue School District and a revised budget to the PCSC.

4. The Academy (at Roosevelt Center) Proposed Charter Amendment

Ellen Jensen, Board Chairman, and the school Administrators represented The Academy.

Ms. Baysinger said PCSC staff has reviewed the proposed charter amendment requesting expansion into high school grades, beginning in fall 2011 with the addition of grades 9 and 10. The school is here today to update the PCSC on specifics of the academic program and how they will handle the expansion with regards to facilities and budget.

The Academy provided updates on strategic planning and relocation plans. Currently, enrollment is at 278 students with a waiting list of 260. Financially, The Academy has always had a budget carryover. Approximately 10% of the K-8 population is taking advantage of charter schools, but there are no charter school options for high school in the Pocatello area. The estimate is that of those 10%, a minimum of 3.5% of those students would take advantage of a charter high school. A parent survey two years ago revealed 72% had a strong interest in a high school with a college preparation focus. The Harbor methodology would be carried over into the high school with a focus on the implementation of character development, academic and behavioral accountability, critical thinking skills, and technology. The Academy will model after several other high schools in the state with concurrent enrollment with Idaho State University.

The PCSC advised The Academy to work with the local school district to ensure continued, positive relationships with regard to extracurricular activities.

Commissioner Van Wart confirmed with The Academy that the district is aware of the plans to expand into high school.

Mark Stenberg reported that the proposed building has been vacated by the Bonneville School. It was built in 1923, subsequently remodeled and would need additional remodeling to meet The Academy's needs. By purchasing an existing building, there is an estimated 30% savings over constructing a new building.

Commissioner Van Wart requested remodeling bids for the proposed building.

Mr. Stenberg said that, according to the city, there is nothing structurally wrong with the building. It appraised at \$1.6 million for the grounds and the building, so even with \$1.4 million in improvements, the building would still be under the \$5 million estimate for new construction.

Commissioner Van Wart said The Academy has an excellent reputation within the community and agreed there is a need for a charter high school in the area. She does have some concerns regarding the building.

Commissioner O'Donahue advised The Academy to consider how the school will retain high school students, as charter schools often encounter difficulty in this regard.

Commissioner Reed asked if the money for the new building is in the budget.

Ms. Jensen said the updated budget reflects additional lease payments, increasing the lease column to include payments on a debt service of \$3M. Unfortunately, the revised budget was not included in the materials.

Commissioner O'Donahue asked what the impact of that budget change is to the bottom line.

The Academy reported that there would be carryovers leaving each year; \$46,000 the first year; \$74,000 in the second year; and \$124,000 in the third year. The school will tap into its contingency reserve and the reserve, which will then be built back up to the maximum of 5%.

Commissioner Reed said he needs to see a revised budget before approval with more information regarding loan financing.

Commissioner Corkill requested photos of the proposed building.

Commissioner O'Donahue requested a budget that reflects more conservative enrollment numbers in years three and four.

Commissioner DeMordaunt said the percentage of the contingency reserve is at a very healthy level, even adjusted by \$100,000-\$200,000 and asked if there are any negative consequences to the school of delaying today's decision.

Ms. Jensen stated that an offer must be made on the building by mid-February in order to meet the timeline for opening 2011 at the new facility.

Ms. Baysinger said the PCSC will need to hold a special meeting to discuss proposed legislation, and this agenda item could be added to that agenda.

Chairman Goesling recommended a special meeting prior to February 7th so the school can act with respect to the school district's deadline.

Commissioner Van Wart requested a budget reflecting further review of building renovations and an alternate plan, or two, in case current plans fall through.

Ms. Jensen said The Academy can accommodate these requests.

Commissioner DeMordaunt summarized that the PCSC needs back-up facility plans, additional information on costs of remodeling, a letter notifying the school district of changes and development, images of the proposed building, and a revised budget reflecting this information.

Chairman Goesling asked for The Academy's input regarding how to build strong relationships between districts and PCSC authorized schools. This would be useful for the PCSC to share with other charter schools that are struggling in these areas.

The PCSC agreed to delay the decision of the proposed charter amendments for The Academy until a special Public Charter School Commission meeting to be scheduled on January 28, 2010.

5. Xavier Charter School (XCS) Corrective Action Plan Update

Scott Hunsaker, Board Chairman; Cindy Fulcher, Administrator; Tracy Merenhoffer, Board Member; and Theresa Barry, Board Member, represented XCS.

Ms. Fulcher reviewed details of XCS's corrective action plan (CAP) and progress on each point.

Commissioner DeMordaunt and Chairman Goesling expressed appreciation for XCS's efforts.

6. Nampa Classical Academy (NCA) Corrective Action Plans

James Lorenzen, board chair; Eric Makrush; board member and public relations committee chairman; Val Bush, headmaster; Michael Moffett, vice chair; Irene Ganz, secretary; and David Cortman, NCA lead counsel with the Alliance Defense Fund, represented NCA.

Ms. Baysinger said that the PCSC has issued three, outstanding notices of defect (NODs), one of which sites multiple defects, to NCA. NCA is here to present the corresponding corrective action plans (CAPs).

Mr. Makrush stated that the first NOD issued on November 13, 2009, addressing seven points was responded to on December 14, 2009, by the law offices of Amy White. A progress report sent on December 28, 2009, noting that provisional certification had been obtained for NCA's Latin teacher and the media specialist. An application for Title I funding was submitted on January 4, 2010, and NCA anticipates funds will be received by the end of January.

Mr. Lorenzen clarified that Title I funds are expected to be approved by the end of January, not necessarily received.

Mr. Makrush reviewed the NCA board's training schedule and topics. NCA is reviewing policies and has scheduled professional development sessions for its faculty. A grant writing committee has been established and an administrative consultant for the headmaster hired.

Chairman Goesling asked NCA to address items in the November 13, 2009, NOD.

Mr. Lorenzen reported that all faculty and staff are certified to standards, including the Latin teacher and the librarian, which have provisional certifications.

Mr. Bush indicated that one exception to this item is a part-time math substitute in two periods of math. NCA is currently recruiting for this position.

Mr. Makrush stated that a new policy and procedure relating to public records law was passed at a November 10th NCA Board meeting. On November 17th that approved policy and procedure was provided to the PCSC. An NCA board email address has been established as requested by PCSC staff.

Mr. Makrush reported NCA's board members are holding themselves to core values as outlined in the charter. A resolution regarding professionalism in emails is being put on the agenda of the next board meeting.

Mr. Lorenzen indicated that NCA has not instituted any stakeholder surveys yet, but that it is one of the first things on his agenda as board chairman, with a yearly survey thereafter.

Mr. Isaac Moffett stated that through a programmatic audit a survey was done by the auditors and came back with very good feedback and constructive criticism.

Mr. Makrush indicated that the only administrator at NCA is Val Bush. Isaac Moffett is not an administrator and his duties are not part of the administrative functions.

Mr. Lorenzen said the board is clarifying each employee's title and responsibilities.

Mr. Makrush reported that the Idaho Charter School Network (ICSN) performed a programmatic audit on December 7-8, 2009. The results were given to NCA this morning and an overview presentation was provided to the PCSC. This audit was well received, though there are some areas that need to be corrected.

Chairman Goesling asked what additional audits NCA can expect to have in the near future.

Ms. Baysinger said PCSC staff will perform an oversight visit during the school year. She clarified that the oversight visit performed by PCSC staff is unrelated to the programmatic operations audits.

Mr. Lorenzen indicated that NCA's board will vote to amend the budget at its next meeting. Actual numbers and budgetary information are unavailable since Mr. LaMasters was unable to attend today's meeting.

Mr. Makrush said anticipated Title I funds will help greatly with fiscal soundness and added that there is a spending freeze currently in place. No funds can be expended without approval of NCA's treasurer and board chairman.

Mr. Lorenzen elaborated that one of the things requested by the PCSC is a designated and documented line of authority for approval of purchases that is adhered to. NCA is refining this process and policy. The necessary measures are being taken to put purchasing in line with accurate reporting and governance measures.

Chairman Goesling said NCA is expected to make ongoing progress and provide frequent updates to PCSC staff.

Commissioner DeMordaunt emphasized the importance of thorough stakeholder surveys. She requested a copy of the revised budget after alterations are made in NCA's board meeting, in addition to NCA's fiscal management policies.

Chairman Goesling moved to the second NOD, which is regarding failure to submit required reports, specifically, the report required by PCSC Chairman Goesling's November 17, 2009, letter.

Mr. Lorenzen asked for specifics on which reports are being referred to.

Ms. Baysinger listed the four items in the NOD, all related to NCA's curricular materials.

Mr. Lorenzen said much of the material has been provided to the PCSC as attachments within the CAP. Some of the requested material is related to pending litigation.

Mr. David Cortman, lead counsel for NCA with The Alliance Defense Fund, said NCA is stuck in a quandary between following counsel's advice and complying with the PCSC. The request is to move the legal issues aside, let the court decide the legal disputes, and then NCA and the PCSC can continue with other compliance issues.

Ms. Jennifer Swartz, PCSC counsel, responded that there is difference in legal opinion. The NOD issued was not for failure to submit documents pursuant to public records requests, but for failure to submit required reports. The PCSC has separate statutory authority to request required reports from the school. Those requests are independent of public records requests and public records law. The court has declined to issue a temporary restraining order restricting the commission from performing its oversight obligations. The recommendation is not to get into legal arguments in this forum.

Chairman Goesling indicated that the PCSC has a statutory requirement to conduct the business of the commission. The second NOD was not fully addressed in NCA's presentation.

Mr. Makrush asked for clarification that the NOD was not related to a public records request.

Chairman Goesling said the reports were identified in a letter dated November 17, 2009 and a NOD letter issued on November 23, 2009 and a timeframe was set for a CAP in response.

Mr. Makrush again asked for clarification between a requested report and a public records request.

Ms. Swartz indicated that the PCSC has sent a description of the distinction between the two types of requests, and an explanation of its position, on at least one occasion, including the citations, statute, and administrative rule applicable to the PCSC's oversight authority.

Mr. Makrush said NCA does not want to reject the authority of the PCSC, but at the same time there is an obligation to protect NCA and their sister schools.

Mr. Lorenzen said NCA did supply K-10 curriculum books, excluding math and any subjects not included in the request.

Mr. Michael Moffett asked what reports were not submitted.

Chairman Goesling indicated the letter will be resent to NCA. The NOD will still be effect until such time that the PCSC receives a CAP separate from the November 13, 2009 letter.

Chairman Goesling said he appreciates NCA's request for additional guidance and the PCSC will provide NCA with further information in the future. In the meantime, the PCSC expects NCA to comply with the CAP submitted to date, specifically, not to use religious documents and texts in curriculum including the Bible, Book of Mormon, and Quran. With respect to other texts listed in the curriculum, the PCSC expects NCA to use good judgment.

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