

**APPROVED MEETING MINUTES  
PUBLIC CHARTER SCHOOL COMMISSION MEETING  
THURSDAY, MARCH 4, 2010  
650 W. State Street, Clearwaters Room**

A regular meeting of the Idaho Public Charter School Commission was held Thursday, March 4, 2010, at 650 W. State Street, Boise, ID, Clearwaters Conference Room. Chairman William Goesling presided.

The following members were in attendance:

Brad Corkill	Gayann DeMordaunt	Nick Hallett
Gayle O'Donahue	Alan Reed	Esther Van Wart

Chairman Goesling called the meeting to order at 9:30 a.m.

### **1. Commission Work**

New commissioner Nick Hallett introduced himself. Mr. Hallett's most recent experience has been with charter schools as founder, principal, and director for ARTEC Charter School for three years. Additional experience has been as a superintendent, a principal, and a university professor.

**M/S (Reed/Corkill): To approve June 24, 2010, as the date and Boise, ID, as the location for a regularly scheduled Commission meeting. *The motion passed unanimously.***

**M/S (Corkill/Hallett): To approve the minutes from May 28, 2009, and February 11, 2010, as submitted. *The motion passed unanimously.***

**M/S (DeMordaunt/Reed): To move into executive session pursuant to Idaho Code Section 67-2345(1)(f), to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. *The motion passed unanimously.***

### **2. Legacy Charter School (Legacy) New Charter Petition**

Commissioner O'Donahue recused herself from this discussion due to her role as a founder of Legacy.

Tamara Baysinger, PCSC staff, said the Legacy petition is for another Nampa-area Harbor school modeled after Liberty and Victory. The waiting lists for the existing schools are very long. The petition document looks different from Liberty's and Victory's because it is up to current standards and includes more information than was previously required.

Christine Ivie, Founding Board Member; and Rebecca Stallcop, Harbor Method Founder, introduced the Legacy petition.

Ms. Ivie said Legacy is designed to replicate Liberty and Victory, and the petition includes elements intended to guarantee the kind of success experienced by the older schools. Ms. Stallcop will have ongoing involvement in teacher training and oversight.

Commissioner Corkill said the petition is well organized. He asked whether Legacy has anticipated budget cuts in upcoming years.

Ms. Ivie said anticipated cuts have been taken into account. The budget is conservative with over-budgeted costs and under-budgeted revenue.

Commissioner Corkill asked what impact Legacy will have on the Nampa School District.

Ms. Ivie anticipates the impact will be relatively small, with an estimate of less than 2% decrease in district enrollment. Some students will come from existing charter schools and home schools.

Commissioner DeMordaunt asked how Legacy's suspension process tracks with local district and state statutes.

Ms. Stallcop said the policy is set at nine absences based on health and/or unexcused absences, and noted high success rate of the policy at Liberty and Victory. She said Legacy's board could make exceptions on a case-by-case basis for students with chronic health issues.

Commissioner DeMordaunt indicated she was very pleased to see the financing through The Baird Group and Mr. Jim Blandford, as they are experts in charter school financing.

Commissioner Reed said he was impressed with the petition, and the budget appears sufficiently conservative to ensure that upcoming cutbacks would not be problematic.

Chairman Goesling confirmed with the petitioners that there is no relationship between Legacy's founders and the developer of the housing complex surrounding the proposed school site.

Commissioner DeMordaunt expressed concern that the small primary attendance area may be a precedent setting decision by the Commission.

Ms. Baysinger clarified that the primary attendance area applies only for purposes of preferences within the lottery. Students from outside that area may also attend.

Chairman Goesling said each charter school petition is reviewed based on its own merit and specific situation.

Dale Wheeler, Chairman of the Nampa School District Board of Trustees, testified in opposition to the Legacy petition. He said further charter school development should be put on hold until the state's budget situation stabilizes. He requested denial of future virtual or brick-and-mortar charter school petitions within Nampa School District boundaries. Nampa parents already have many school choices with five other charter schools, one virtual school, private schools, homeschooling, and traditional public schools. Nampa has more school choices than any other district in the State of Idaho. Legacy would be a duplication of teaching methods already in place with Liberty and Victory.

Mr. Wheeler also expressed concern about a clause in Legacy's petition (bylaws, article 5, paragraph F) stating that the board can exclude a member from voting if a majority of board chooses to do so.

The Legacy petitioners indicated the bylaws had been changed to remove that statement.

Mr. Wheeler estimated that Nampa School District would lose 218 students to OWL Charter School in 2010-2011, resulting in a loss of 10 certified teaching position, 3.5 classified positions, and 1 administrative position. If Legacy charter is approved, the loss would be a total of 525 students, 24.9 certified positions, 8.5 classified positions, and 1.7 administrative positions.

Commissioner Reed asked how many students Nampa School District anticipates losing for reasons other than charter school development.

Mr. Wheeler said he anticipated zero growth over the next three to five years.

Chairman Goesling noted that the long waiting lists at Victory and Liberty indicate market demand for another Harbor school.

Mr. Wheeler said the district has opened New Horizons, a dual language school, in order to accommodate students.

Commissioner DeMordaunt said there is a mechanism in the state funding formula that protects districts by delaying the revenue hit of decreased enrollment for one year. During that year, schools still receive funding but do not have the obligation of educating the students that have moved. She observed that the district authorized OWL Charter School, but apparently did not wish to consider Legacy in the same

way. Ms. DeMordaunt complimented Mr. Wheeler's work and said she appreciates his opinion.

Commissioner Reed expressed puzzlement, in light of Mr. Wheeler's comments, that Nampa School District approved OWL Charter School.

Mr. Wheeler said OWL was approved because it offers new ideas for helping students with disabilities.

Two members of the public testified in support of Legacy Charter School.

Commissioners Hallett, Corkill, and Reed said the petition was very well done and market demand for the school was well documented.

Commissioner Reed inquired whether the PCSC has any statutory obligation with regard to the district's interests.

Ms. Baysinger said the PCSC has an obligation to hear comments from a district representative.

Chairman Goesling added that the PCSC has a responsibility to the Nampa School District's patronage, which clearly wishes to see Legacy established.

Commissioners Hallett and Corkill said they are sympathetic to district's declining enrollment. However, they feel Legacy's impact will not be devastating to the district.

**M/S (DeMordaunt/Corkill): A motion to approve the charter petition for Legacy Public Charter School. *The motion passed unanimously.***

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

John Heintzelman, Board Chairman; and Fred Ball, Director/Administrator, represented this petition.

Ms. Baysinger said this is the second time the PCSC has reviewed the proposed transfer petition for BCCLC, a district authorized school. The district has expressed agreement to the concept of the transfer, but has not formally approved the associated charter amendments. If the PCSC approves the transfer, the district would need to proceed with approval in order for the transfer to become final. If the PCSC denies the transfer, district approval is a moot point. At the January meeting, the PCSC made a number of requests of the transfer petitioners. Some of the requested items were submitted, but others were not.

Mark Fisk, BCCLC parent, spoke in support of the transfer. He said he feels that the district has been a hostile authorizer.

Diane Demarest, executive director of the Idaho Charter School Network (ICSN), summarized a recent, two-day programmatic audit of BCCLC performed by ICSN. She said the audit results were primarily positive, and noted the district authorizer did not seem to hold a favorable view of the school.

Commissioner Hallett asked whether the auditors attempted to communicate the negative perceptions of the authorizing relationship to the district office.

Ms. Demarest said the auditors did not independently interview the district staff. BCCLC is working with the district, but is frustrated with the lack of support and opportunity for growth provided by the district.

Commissioner Reed expressed frustration that the PCSC was not provided with the results of the programmatic audit prior to this meeting.

Commissioner Hallett asked if a programmatic audit was performed the previous year as it is required annually for all charter schools.

BCCLC has held monthly meetings with the district. The district indicated that these meetings replaced the official programmatic audit requirement.

Dr. Ball reviewed BCCLC's market analysis, enrollment figures, and strategic plan for growth including a charter amendment for specific grade level caps, and the cost of necessary modular classroom expansions.

Commissioner Corkill asked whether any input has been provided by the Blackfoot School District.

Ms. Baysinger said a letter from the district, dated last spring, indicated the district's support of the transfer concept. It appears that the district chooses not to respond to PCSC requests for their consideration of the proposed charter amendments until the PCSC makes a decision regarding the transfer.

Commissioner DeMordaunt noted that, without the previously requested bylaw changes and other corrections, it is difficult to make a decision today.

Commissioner Corkill expressed concern that the transfer of authorization to the PCSC could make the relationship with the district worsen.

Dr. Ball said the district is willing to support BCCLC's proposed expansion only if the authorization of the school is transferred to the PCSC.

Commissioner Reed noted that statute clearly indicates that the charter school is responsible for submitting programmatic audits, regardless of authorizer enforcement.

Commissioner DeMordaunt concurred with Commissioner Reed. She said she felt that delaying the decision would not significantly impact the school.

Commissioner O'Donahue stated that BCCLC has been operating in a very different manner than what the PCSC is used to.

Commissioner Corkill said he felt it was necessary to hear from the Blackfoot School District prior to making a final decision.

Ms. Baysinger said the Blackfoot School District's board was invited to the January meeting, as well as today's meeting, but they chose not to attend.

Chairman Goesling stressed to BCCLC the importance of providing necessary documentation in a timely manner for review by PCSC staff members, Commissioners, and SDE staff. Specific information was requested and outlined in detail in a January 8, 2010 letter, yet BCCLC failed to provide the information.

**M/S (Corkill/Reed): To deny the transfer of chartering authority over Blackfoot Charter Community Learning Center to the Public Charter School Commission. *The motion was defeated 2-3. Commissioners DeMordaunt, Hallett, and O'Donahue voted nay.***

Commissioner DeMordaunt stated that the PCSC has a legal obligation to judge a petition on its own merit.

Commissioners DeMordaunt and O'Donahue said BCCLC cannot be held responsible for the district's decision not to testify.

**M/S (DeMordaunt/Hallett): To hold the decision on the Blackfoot Charter Community Learning Center transfer petition, by mutual agreement, until the next meeting of the Commission on April 29, 2010, and to direct Commission staff to work with the petitioners to address concerns to be identified by a letter from Commission staff. *The motion passed unanimously.***

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

Ms. Baysinger stated that, in January, The Academy proposed a charter amendment allowing them to add high school grades. At that time, the PCSC requested a back-up facility plan and addition facility documentation.

Joel Lovstedt, Administrator; and Ellen Jensen, Board Chair, presented on behalf of The Academy. He provided a general update and presented the proposed facility options.

Several Commissioners expressed concern with the third and fourth facility options, which appeared to be financially out of reach.

Chairman Goesling indicated that if The Academy were to become fiscally unsound due to excessive facility costs incurred to accommodate the high school, a notice of defect would then be issued.

**M/S (DeMordaunt/Reed): To approve the proposed charter amendments for The Academy at Roosevelt Center, permitting the addition of high school grades. *The motion passed unanimously.***

## **5. Falcon Ridge Public Charter School (FRPCS) Annual Update**

Earl Rice, Treasurer; Alice Heida, Business Manager; and Mark Green, Administrator; presented an annual update on behalf of FRPCS.

Commissioner Hallett noted significant gender differences in ISAT results in the lower grades.

Mr. Green said FRPCS has not planned interventions specific to the gender differences, but the school is providing extra help for all students who fall below basic on ISAT testing.

Commissioner DeMordaunt asked what FRPCS is doing to address the increasing number of students achieving below basic ISAT reading scores.

Mr. Green said FRPCS is using computer programs to assist struggling students, and is providing additional teacher training in reading.

Chairman Goesling recommended that FRPCS perform a programmatic audit in order to have an outside entity come and provide suggestions on areas to improve.

## **6. Nampa Classical Academy (NCA) Corrective Action Plan (CAP) and Update**

James Lorenzen, NCA board chair, offered additional meeting materials but said he understood the PCSC's policy that such materials would not be distributed during the meeting. He acknowledged the importance of meeting deadlines. He said NCA did not amend its budget in January as planned due to confusion on the NCA board. He said Mr. Matt Schneiderman has been added as a new board member.

Ms. Baysinger said NCA would be updating the Commission on the school's progress in working corrective action plans submitted previously in response to defects identified by the Commission. She noted that staff had requested additional, written documentation with regard to the CAP update submitted by Mr. Erik Makrush, NCA board member, but that information was submitted too late to permit staff or Commission review in advance of the meeting.

Chairman Goesling asked what NCA has done to ensure that NCA will not continue to miss deadlines, as failure to provide information appears to be NCA's mode of operation.

Mr. Lorenzen said the board has been attempting to resolve confusion resulting from the fact that most of NCA's board is comprised of non-founding board members. He introduced Mr. Holland Johnson, who has been hired to assist Mr. Bush with administration and internal auditing, and Mr. Terry LaMasters, NCA's new controller. He said controls have been implemented to correct roughly 80% of the defects identified by the Commission last year.

Mr. Lorenzen said the Dean of Students position was created at Mr. Johnson's recommendation to assist Mr. Bush with daily administrative work, particularly with regard to student discipline. He said the position and its requirements were modeled after similar positions in other school districts. He acknowledged that an individual whose duties go beyond those of a typical classroom teacher requires an administrative certificate.

Mr. Val Bush, NCA Headmaster, said NCA's students vary from high-income students to last-chance students who can be very challenging, and he had been spending about 60% of his time on discipline. IEP meetings and discipline issues occupied the bulk of his time. He said the part-time addition of Mr. Johnson, an experienced administrator, has helped relieve the burden of IEP meetings and discipline, as well as providing some operational consulting. He said Nampa School District's Dean of Students does not have administrative credentials, a fact which led NCA to the conclusion that Mr. Isaac Moffett could be hired as NCA's Dean of Students.

Mr. Goesling said it is his understanding that teachers refer disciplinary issues to Mr. Moffett that cannot be dealt with in the classroom. He inquired of Michelle Clement Taylor, School Choice Specialist for the State Department of Education, about the SDE's position on whether administrator certification was required for such duties.

Ms. Clement Taylor said the SDE's certification team's position is that any individual dealing with issues beyond the scope of a regular classroom teacher must have an administrative certificate. Therefore, administrator certification would be required for an individual dealing with disciplinary issues referred by other classroom teachers. She said the SDE had indicated to NCA the need for an individual assigned these duties to be a certified administrator.

Chairman Goesling said it appears clear that Mr. Moffett's duties as Dean of Students do require an administrator certificate.

Mr. Lorenzen said he feels NCA has researched the matter and drawn a different conclusion. He indicated that Paragon, NCA's management company,

recommended a head teacher without additional certification to serve as an intermediary level between the classroom teacher and the headmaster. He said most of the issues would be acceptable for handling by classroom teachers in other schools, but NCA's method dictates that students be removed from the classroom for even minor infractions. He said Mr. Johnson also recommended a Dean of Students position, and other districts have implemented similar positions.

Mr. Bush gave examples of minor disciplinary infractions that would result in removal of a student from the classroom.

Chairman Goesling said the Commission has already cautioned NCA about ensuring that its employees are properly certified. He said the SDE has already made clear that the Dean of Students position at NCA requires an administrator certificate.

Mr. Bush verified that he has been certified as a superintendent since 1988.

Chairman Goesling said his concern is with Mr. Moffett serving as Dean of Students without an administrator certificate. He said NCA must respond to the direction of the SDE and the Commission.

Mr. Lorenzen said the SDE has not told NCA their Dean of Students must be certified, but rather that there is no official definition of that position for the purpose of IBEDS coding. He said the SDE clarified that if NCA does create a Dean of Students position, the individual holding that position must not do certain things.

Mr. Bush said Mr. Moffett does not evaluate other teachers.

Chairman Goesling asked whether Mr. Moffett is involved in the student disciplinary process, and Mr. Bush indicated that he is.

Chairman Goesling asked Ms. Clement Taylor what certification is required for an individual involved as Mr. Moffett is in student discipline.

Ms. Clement Taylor said the person would need administrator certification.

**M/S (Corkill/Hallett): To direct staff to issue a notice of defect on the grounds of failure to ensure proper certification of its staff, specifically, administrative certification of the Dean of Students. *The motion passed unanimously.***

Mr. Lorenzen asked whether any individual involved with discipline outside the classroom setting requires an administrative certificate.

Ms. Clement Taylor clarified that an administrative certificate is required of any individual who participates in student discipline at a level beyond that of the typical classroom teacher.

Chairman Goesling referred Mr. Lorenzen to IDAPA 08.02.02.026 and read the applicable portion of the rule aloud.

Commissioner DeMordaunt said Mr. Moffett appears to be qualified to oversee a detention classroom for students who have been removed from the regular classroom setting, so long as he does not participate in decisions regarding escalated disciplinary action.

Mr. Lorenzen said it is his full intent to operate in compliance. He asked how the matter in question relates to school counselors, who are involved in discipline beyond the classroom.

Ms. Clement Taylor noted that counselor certification and the training counselors receive is quite different from that of a classroom teacher. Furthermore, their primary function is in working through the motivations behind disciplinary issues, not necessarily making disciplinary decisions. She said the SDE's certification team could help NCA understand appropriate duties for a counselor.

Mr. Lorenzen verified with Mr. Goesling that Mr. Moffett's disciplinary actions should be limited to those of a typical classroom teacher.

Mr. LaMasters said NCA has created a business process review committee that includes himself, and a CPA and state auditor, to review NCA's operational processes and make recommendations to the board and headmaster. He said NCA has not previously had a good operational budget, and the committee is now forming a detailed budget based on actual spending from the current year. He said monthly budget reports have recently been instituted in place of the previous, "top of the trees" budget discussions. He said the CPA has been hired as an NCA employee to help establish a previously-lacking understanding of from where undocumented budget numbers were drawn.

Commissioner Corkill asked how many of the individuals just mentioned are NCA employees.

Mr. LaMasters said the committee consists of himself and three other, non-employee individuals. A controller was also hired for \$5,000 per month, which was part of NCA's former contract with Paragon at the same cost.

Commissioner Reed asked when NCA will submit budgets.

Mr. Lorenzen said the budgets would be emailed by the end of the day.

Commissioner Reed noted that the budgets were due 30 days ago.

Chairman Goesling asked how much federal grant money NCA has received, and how much is anticipated.

Mr. Lorenzen said no grant money has yet been received this fiscal year.

Chairman Goesling asked how much grant money was anticipated in the original budget.

Mr. Lorenzen said different amounts were anticipated at different times and according to different individuals.

Chairman Goesling asked whether NCA, which is hiring for new positions, has sufficient funds to support basic operations.

Mr. Lorenzen said NCA does not consider grants secure or recurring income, so they do not belong in a budget. He said he feels a budget should account only for monies whose receipt is guaranteed.

Commissioner Hallett said he anticipates that a number of budgets will be provided, including an operation budget, a budget for grants, and budgets for other funds. He inquired as to who comprises NCA's business department.

Mr. LaMasters said that prior to the hiring of the controller; there was an individual in the office, Ms. Annette Reese, taking care of accounts payable. Payables were then forwarded either to himself or the controller at Paragon. Previous to the hiring of Mr. Ben Greenwood, Paragon was responsible for all accounting functions other than the accounts payable handled at NCA.

Commissioner Hallett confirmed with Mr. LaMasters that NCA now has an in-house controller and an accounts payable clerk.

Chairman Goesling asked what services Paragon now provides to NCA.

Mr. Lorenzen said the current plan is that Paragon will handle nothing further with regard to NCA. He said a contract phasing out Paragon completely will be considered by the NCA board at an upcoming meeting for finalization of a mutual agreement to terminate Paragon's services. Paragon will continue to provide some services, already paid, such as access to a database previously maintained by Paragon. By mutual consent, no further disbursements will go out to Paragon.

Commissioner Corkill verified with Mr. LaMasters that even after the termination of the contract with Paragon, NCA will retain a CPA at a salary of \$60,000 per year. He asked about the nature of Paragon's involvement prior to this time.

Mr. Lorenzen said Paragon had, on paper, many responsibilities including all reporting to the state, accounting, financial reporting, audit coordination, organizational model consulting, and ensuring compliance for many of the items for which NCA has received notices of defect.

Chairman Goesling advised Mr. Lorenzen to cease placing blame on an entity with which NCA has now terminated its relationship. He said the school's board has ultimate responsibility.

Commissioner DeMordaunt asked whether NCA would finish the year in the black, and Mr. Lorenzen said they would. She further verified with Mr. Lorenzen that the school's positive fund balance did not depend on grant or federal monies that remained uncertain.

Commissioner Reed said he recalls that NCA's original budget included, and depended upon, substantial grant monies in order to finish the year with a positive fund balance.

Mr. Lorenzen indicated that Commissioner Reed was correct, but the budgets have been revised to demonstrate a positive fund balance in the absence of federal grant monies. He said the board's realization that the school had not received substantial funds that it believed it had received resulted in confusion and inability to create revised budgets on time.

Commissioner O'Donahue said the budgets were the part of the report she had wanted most to see. She reminded the school that the deadlines for budget submission were in January. She said she was even more greatly concerned by the fact the NCA lacked the basic understanding necessary to revise its budgets and said NCA should have approached the Commission honestly and with a specific plan to remedy the problem. She said charter schools have the responsibility to wisely manage taxpayer dollars and understand their financial situation, including the reviews of monthly budget summaries. She said NCA has been granted extensive time by the SDE and Commission to correct the identified defects, and has chosen to debate the validity of the defects rather than solving the problems. She said statements of fiscal stability, in the absence of documentation, are insufficient and noted that the Commission required extensive, monthly reporting requirements that were made of Rolling Hills when that school was in financial crisis. She expressed frustration at the damage NCA's actions have inflicted on the charter school movement as a whole.

Commissioner Hallett said the Commission needs to see a current budget including actuals, a March 2010 financial report stating how much of the budget has been expended, and a projected fund balance for the end of the fiscal year.

Commissioner DeMordaunt asked for a summary of what NCA's CAP includes with regard to the budgeting process.

Mr. Lorenzen said the basics of budgeting includes budget narrative explaining how each line item number was calculated. He said the budget should also demonstrate variance between budgeted and actual numbers.

Chairman Goesling emphasized that the format in which the budget presented must be readable and give the Commission confidence that NCA is in control of its financial situation. He also directed NCA to submit enrollment data, including attrition details; exit interview results; and contact information for all current and former NCA families. He said CAP updates must include supporting documentation.

In response to an inquiry from Chairman Goesling, Ms. Clement Taylor explained that federal Charter Start grant dollars are awarded based on 3-year grant budgets provided by the school. As long as continuation reports submitted by the school demonstrate progress toward the goals stated in the grant application, and documentation is provided, the money will be disbursed. However, when she received NCA's July continuation report, it was lacking numerous elements and details. At that time, she contacted both Paragon and Isaac Moffett, who was listed as NCA's program director, but had difficulty in getting adequate response. Last year's grant disbursements have finally been resolved. She expressed offense at Mr. Lorenzen's claim that the amount of this year's anticipated grant funds "depend on who you talk to", as she has made every effort to be a good steward of the federal monies. She said that in December, she received a copy of NCA's FY 2009 fiscal audit, which was a qualified audit due to poor record keeping resulting in inability to determine how funds had been spent and whether spending had been appropriate. SDE experts could not recall ever receiving any other qualified audit. Her federal grant program director advised her to fund the school as much as possible, but only within the bounds of proper oversight. Due to the qualified audit and the late time of year, she recently decided to award \$100,000 instead of the \$175,000 NCA originally requested. She has asked Mr. Bush for a revised budget for that \$100,000 and hopes to disburse the monies, under strict conditions, by the end of next week. Due to the qualified audit, similar, strict conditions will likely be attached to all federal funds NCA may receive. She expressed discomfort with the NCA board's statements that they were unfamiliar with the budgets because such budgets were drafted before their involvement as board members. She said she will not guarantee that grant funds will be awarded to NCA next year, and she is certain no additional funds will be disbursed if NCA continues to behave as they have this year.

Chairman Goesling expressed grave concern at the impact NCA's actions is having on all Idaho's current and future charter schools, at both state and federal levels.

Mr. LaMasters said the appropriate accounting controls should be in place prior to the next fiscal audit.

Commissioner O'Donahue inquired about the status of NCA's other federal funds.

Ms. Clement Taylor said NCA has not been awarded Title I funds due to continued lack of responsiveness on the part of the school in drafting detailed plans. Title IIB funds, for professional development; have not yet been requested by NCA. She

believed special education funds are still being held pending further improvements by NCA.

Mr. Bush said NCA has submitted the Title I and special education information and is waiting to hear back from the SDE.

Chairman Goesling said the defects previously identified by the Commission have not been resolved, and NCA needs to take action to fulfill both Commission and SDE requirements.

Commissioner DeMordaunt verified with staff that the new notice of defect issued today with regard to Mr. Moffett's lack of administrator certification is separate from a similar notice of defect issued in November 2009.

Chairman Goesling indicated that notices of defects will remain in place until the Commission is confident that NCA has cured the defects or, in the case of long-term cures such as permanent teacher certifications, is continuing to show reliable progress toward curing the defects. He asked whether NCA has checked its curriculum against the guidelines adopted by the Commission in an effort to identify those texts that would be considered religious.

Mr. Lorenzen said NCA is applying the guidelines to ensure compliance. Mr. Isaac Moffett is heading up the curriculum committee's work on this.

Mr. Makrush added that the Bible, Book of Mormon, and Qur'an are not currently being used.

Chairman Goesling cautioned that the guidelines will encompass additional, less obviously religious texts and reminded the school that the onus is on NCA to ensure compliance.

Commissioner Hallett said he is very concerned about NCA's financial status and confirmed that a notice of defect has been issued previously with regard to failure to demonstrate fiscal soundness.

Chairman Goesling said the question is how much time NCA should be given in which to demonstrate fiscal soundness, and indicated that he didn't believe it was time yet for the Commission to take further action in that regard.

Commissioner Hallett asked when a thorough financial report could be expected from NCA, and Chairman Goesling said such a report was needed as soon as possible.

Commissioner Reed said he believes the school has had sufficient time to resolve the problem, and expressed distaste for the fact that federal monies may be released to a school that could soon be shut down.

In response to Chairman Goesling's request, Ms. Baysinger explained that if the Commission opines NCA has failed to cure a defect within a reasonable period of time, the Commission could move to issue a notice of intent to revoke the charter. She read the definition of "fiscal soundness" contained in I.C. 33-5209(2)(d). She said that if a notice of intent to revoke is issued, the school has 30 days in which to respond in writing. The Commission has another 30 days in which to hold a public hearing. If the defect has not been cured by that time, the Commission may proceed to revoke the charter.

Commissioner DeMordaunt said that while she may not be comfortable issuing a notice of intent to revoke at this time, she is also uncomfortable with waiting until the April 29 regular meeting for additional information. She said the Commission has been terribly accommodating with NCA, the last financial report the school provided was not promising, and all the Commission has to go on at this time is NCA's word. She noted that the Commission typically requires documentation to back up schools' statements.

Commissioner Corkill said NCA has failed to be responsive in correcting defects in the past and he therefore has no reason to expect that they will do so in the future.

Commissioner DeMordaunt said she would like to have a special meeting between now and April 29 to evaluate budgets and documentation from NCA.

Chairman Goesling noted that in nearly every case in the Commission's history, schools have responded to notices of defect with positive results. He said this has not been the case with NCA and the next step is the issuance of a notice of intent to revoke.

Commissioner O'Donahue noted that the Commission has already addressed NCA at numerous regular and special meetings, and that the statutory process does allow additional time to cure a defect following the issuance of a notice of intent to revoke.

Commissioner Corkill said he believed the issuance of notice of intent to revoke in late April, rather than today, could be even more disruptive to students. Commissioner Hallett concurred.

**M/S (Corkill/Reed): To direct staff to issue to Nampa Classical Academy a notice of intent to revoke the charter on the grounds of failure to demonstrate fiscal soundness as defined in I.C. 33-5209(2)(d).**

Commissioner DeMordaunt noted that the issuance of a notice of intent to revoke is likely to negatively impact NCA's enrollment.

*The motion passed 3-2, with Commissioners DeMordaunt and O'Donahue dissenting.*

Chairman Goesling thanked NCA for their presentation.

## **7. Staff Update: Charter School Legislation**

Ms. Baysinger indicated that copies of pending legislation are provided in meeting packets. She reviewed each of them briefly.

The PCSC directed staff to testify on behalf of the Commission if a SB 1304 print hearing is held.

Ms. Baysinger expressed significant concerns regarding a possible bill that would prohibit an authorized chartering entity from taking further relevant action with regard to a public charter school in the event that said school is engaged in an active lawsuit with the authorizer.

The PCSC directed staff to testify against this bill should the need arise.

The PCSC is in favor of updating House and Senate Education Committees on a regular basis.

The PCSC directed staff to testify supporting a possible bill that would require charter schools to notify school districts of expected enrollment increases of 10% or more.

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