

**APPROVED MEETING MINUTES  
PUBLIC CHARTER SCHOOL COMMISSION MEETING  
WEDNESDAY & THURSDAY, APRIL 28-29, 2010  
700 W. State Street, JRW West Conference Room**

A regular meeting of the Idaho Public Charter School Commission was held Wednesday and Thursday, April 28-29, 2010, at 700 W. State Street, Boise, ID, JRW West Conference Room. Chairman William Goesling presided.

The following members were in attendance:

Brad Corkill  
Gayle O'Donahue

Gayann DeMordaunt  
Alan Reed

Nick Hallett  
Esther Van Wart

**Wednesday, April 28, 2010 – 700 W. State Street, JRW West, 8:30 a.m.**

Chairman Goesling opened the meeting. Commissioners Corkill and DeMordaunt were not yet present.

**M/S: (Van Wart/Hallett): To move to 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.***

**1. Commission Work and Officer Elections**

Rolling Calendar

Commissioners had conflicts with both the August 12, 2010, and October 7, 2010 dates. Tamara Baysinger, PCSC staff, will email commissioners to solicit alternative dates for scheduling the following regularly scheduled PCSC meetings.

Minutes Approval

**M/S: (DeMordaunt/Van Wart): To approve the minutes from July 9, 2009, as submitted. *The motion passed unanimously.***

Commission Officer Elections

**M/S: (Corkill/Reed): To elect Bill Goesling as the chairman of the Public Charter School Commission. *The motion passed unanimously.***

**M/S (Van Wart/O'Donahue): To elect Gayann DeMordaunt as the vice-chairman of the Public Charter School Commission.** *The motion passed unanimously.*

**M/S (Van Wart/Hallett): To move into executive session pursuant to Idaho Code Section 67-2345(1)(f).** *The motion passed unanimously.*

## **2. Heritage Academy New Charter Petition**

Dale Lane, Superintendent; and Don Mitchell, Board Member; represented The Jerome School District and are not in support of Heritage.

The Heritage petitioners were not present due to a miscommunication.

### **Dale Lane, Jerome School District Superintendent of Schools, testified:**

- Heritage could result in \$1.5 million in reduced funding for Jerome School District
- Heritage could result in unpredictable enrollment within the district.
- Heritage would be a duplication of services.
- Heritage's budget appears unrealistic for several reasons.
- Choice already exists for parents and students in the Jerome School District with charter schools of Xavier in Twin Falls and North Valley Academy in Gooding. The school in Gooding is not significantly different from the proposed Heritage Charter School.

### **Don Mitchell, Jerome School District Board Member, testified:**

- The district has strong community support, as evidenced by the recent supplemental levy passing by 77%. The board feels Heritage will not do as good a job as the Jerome School District is already doing.
- The Jerome School District (as a whole) is 40-45% Hispanic, while other charter schools in the area are currently 96% Caucasian. Heritage Charter School has placed barriers to lower income and Hispanic families to attend their school by requiring two hours of volunteer work per week.

### **The City of Jerome, Christopher Barber's letter (undated), states:**

- Heritage offers no new innovations to teach our local children more effectively and any innovations are already in place in our schools.
- Heritage will, potentially, divide our community.
- The district is already short of funds for public schooling. Adding a charter school will not help the current financial situation.

Commissioner Reed and DeMordaunt appreciated the testimony, comments and documentation presented today.

Commissioner Van Wart indicated the preference of the Commission is that charter schools be authorized through the school districts. She urged the Jerome School District to work with the school and develop a relationship that is healthy.

Mr. Lane said the primary concern is a segregated school district. The other concerns are with the facilities.

Chairman Goesling asked about the timeline when the petition was presented.

Mr. Mitchell said the petition was delivered on November 19, 2009, and a district board meeting was held November 24, 2009. On December 15, 2009, the board first considered the petition.

Tamara Baysinger said there is a definition in administrative rule of the good faith effort that needs to be made between a district and petitioners before the petitioners are allowed to withdraw their petition from consideration by the district. Part of that reasonable and good faith effort requires the district to hold a hearing regarding the petition within 60 days of receiving the petition. A petition is considered received on the date of the first regular board meeting after the petition has been physically delivered. The petitioner is saying it should be considered being received as of the November 24, 2009 board meeting, but the district is saying it was considered received at the December 15, 2009 board meeting.

Mr. Lane indicated all timelines were met according to administrative rule. The plan was to hold a special meeting on February 8, 2010. Just prior to that meeting, the petitioners withdrew their petition.

Further discussion of the petition was delayed until the following day. The Jerome School District representatives were provided an opportunity to participate via telephone, and audio of the April 28 discussion was provided to the Heritage petitioners.

On April 29, Kelly Bangerter, Board Chairman; Anneli Crouch, Secretary; Scott Bybee, Board Member; Amanda Bingham, Board Member; and Blair Crouch, Board Member; attended representing Heritage Academy.

Ms. Crouch reviewed enrollment (approximately 364 students), mission, academic programs, commitment to education, community needs for another charter school, and Schoolwide Enrichment Model (SEM) at Heritage.

Commissioner Corkill asked about tension between the school district and Heritage.

Mr. Bangerter indicated the district has a lack of experience dealing with a charter school, has a desire to protect their position, and the district is struggling financially and tends to perceive the charter school as a threat to their financial position.

Commissioner Corkill asked if there is a reason Heritage prefers to be authorized by the PCSC versus the school district.

Mr. Bangerter said time had run out on the 60-day window without a mutual agreement being reached. The petitioners were concerned about meeting deadlines to open in a timely manner, as well as possible legislation to put a moratorium on charter schools.

Commissioner Hallett has concerns about professional development. He feels a book and a one week course will not translate to effective implementation without continued follow up in the classroom.

Mr. Bangerter said the budget includes \$17,000 for professional development. Heritage will be working with SEM for ongoing educational opportunities and staff development.

Chairman Goesling asked for a comparison of special education populations in the district and Heritage's anticipated demographic.

Mr. Bangerter said the district's special education population is roughly 10%. All students will have the opportunity to attend Heritage.

Chairman Goesling said it appears that the budget only has one special education teacher for 35 students.

Mr. Bangerter said staffing would be adjusted to meet the needs of the students.

Chairman Goesling has concerns about technology budgets since Jerome school district has a reputation as a leader in technology and Heritage students will be returning to those schools, which may put them at a disadvantage.

Mr. Bangerter said the school management professional which whom he has consulted felt the budget numbers were realistic. He reviewed the facility options in the petition.

Commissioner O'Donahue cautioned against sacrificing budget strength to achieve technology advances.

Ms. Crouch said Heritage would be the first SEM school in Idaho, but Minidoka is also seriously looking at the program. SEM does not replace curriculum choices, rather enhances curriculum.

Christen Rivera, Northwest Regional Director of Renzulli Learning at the University of Connecticut, gave a detailed overview of the SEM model, including the Enrichment Triad Method, Total Talent Portfolio, and phases of implementation.

Commissioners Hallett and DeMordaunt requested a professional development plan and corresponding budget.

Commissioner Van Wart noted a discrepancy in enrollment numbers provided in the petition. She requested more details on facilities.

Chairman Goesling expressed concern about how Heritage will prepare students for reintegration back into the local district. He requested additional plans in that regards. Another concern is the amount of volunteer hours Heritage strongly recommends of parents. He feels it is difficult for a low income or non-English speaking family to accomplish this recommendation.

The PCSC discussed whether there was a good faith effort between the Jerome School District and Heritage Academy in reaching an understanding. If not, the PCSC has an opportunity to send the petition back to the Jerome School District. If there was a good faith effort on behalf of both parties, the PCSC will proceed with a decision regarding the petition.

**M/S (Corkill/Hallett): To indicate the PCSC's conclusion that Heritage Academy's petition was withdrawn from the Jerome School District and submitted to the Public Charter School Commission prior to the expiration of the sixty (60) day timeline provided for in Idaho Statute 33-5205(1)(c) and is therefore not appropriately before the Commission at this time. *The motion failed 4-1, with Commissioner Corkill dissenting.***

**M/S (DeMordaunt/Van Wart): To hold the decision with respect to Heritage Academy's petition until the next regularly scheduled Commission meeting and to direct PCSC staff to work with the petitioners to address items identified. *The motion passed unanimously.***

### **3. North Idaho STEM Community Charter New Charter Petition**

Cathy Richardson, Treasurer; Darell Richardson, Vice Chairman of the Board; Dan Teswell, Chairman of the Board; and board members Dr. Lorna Finman, Scott Thomson, and Colleen Thomson represented North Idaho STEM.

The petitioners introduced the STEM (Science, Technology, Engineering, Math) concept with regard to curriculum, programs, implementation, training, grants, and ongoing support.

Commissioner Corkill inquired about published research regarding STEM, as well as the likelihood that the school will enroll a sufficient number of students to ensure fiscal stability. He appreciated the petitioners' approach of underestimating revenue and overestimating expenses.

North Idaho STEM will provide research as requested. The enrollment estimates are based on the waiting lists of CDA charter school, homeschooled student population in the area, and parent letters of interest. An influx of technical population has come into the Northern Idaho community within the last five years.

Commissioner DeMordaunt asked how the petition standards compare to Lakeland School District's current achievement scores.

North Idaho STEM is at an 85% goal for the first year and Lakeland is at 90%.

Commissioners O'Donahue and Reed warned that middle school grades are hard to fill.

Commissioner Corkill asked what Dr. Finman's involvement will be with this charter school.

Dr. Finman is on the North Idaho STEM Board of Directors, will be donating property, will assist financially with facilities regardless of location, and provisions of internships for students.

Commissioner Reed requested a letter of intent for Dr. Finman's contributions.

**M/S (DeMordaunt/Van Wart: To delay a decision on North Idaho STEM Community Charter's petition until the next regularly scheduled meeting of the Public Charter School Commission and direct staff to work with the petitioners to include parent surveys, letters of intent for facilities, measurable achievement data, and research studies. *The motion passed unanimously.***

#### **4. Blackfoot Charter Community Learning Center (BCCLC) Transfer Petition (third hearing)**

Dr. Scott Crane, Superintendent of Blackfoot School District Board of Trustees, presented.

Dr. Crane reviewed events leading to the transfer request to the PCSC. This transfer will allow the charter school to grow and better coordinate with other charter schools.

Ms. Baysinger indicated this petition contains information not provided in the first two hearings for BCCLC. The school district has approved the charter amendments associated with the proposed transfer. The PCSC would now also have to approve the completion of the transfer. However, despite the receipt of all the documentation, PCSC staff is not comfortable with the quality of the petition, and the school's history of non-compliance is not up to PCSC standards. Therefore, PCSC staff does not recommend approval.

Commissioner O'Donahue asked how this transfer would help BCCLC with technology coordination.

Dr. Crane indicated there is another charter school in the area with a technology focus. Dr. Fred Ball, BCCLC administrator, also assists with that charter school.

The PCSC expressed serious concerns with the lack of oversight provided by the school district as the authorizing agency to BCCLC, particularly since the school is in its seventh year of failure to meet AYP. There seems to be a lack of action taken by the school district to rectify the situation and ensure the program is effective.

**M/S (Van Wart/Corkill): To deny the transfer of chartering authority over Blackfoot Charter Community Learning Center to the Public Charter School Commission.** *The motion was withdrawn pending arrival of petitioners.*

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

Dr. Ball said the school has struggled in reading in the past, but initial ISAT results indicate that BCCLC has now made AYP in reading. Therefore, if students meet AYP in math, which they historically have done, BCCLC will make AYP for the first time.

Commissioner Corkill asked why BCCLC wants to transfer under the PCSC.

Dr. Ball indicated that BCCLC wishes to align themselves with Idaho Science & Technology charter school. Additionally, the relationship with the school district prohibits growth, restricting BCCLC to 120 students.

Commissioner Corkill asked why BCCLC hasn't addressed AYP sooner.

Dr. Ball said the Blackfoot School District has not given the charter school priority. Under a grant, BCCLC did not receive any funds such as those distributed to other schools in the district. The students are not included in communications, activities and community events. BCCLC feels they would get more support if authorized through the PCSC.

The PCSC and petitioners discussed waiting lists, lotteries, ISAT testing in sub-populations, Alternate Assessment, enrollment cap, portable facilities to accommodate growth, and expected support from PCSC.

Ms. Baysinger said there are several items in the charter where BCCLC is out of compliance. They have failed to complete annual operations audits, meet student educational standards, and perform parent surveys.

Commissioner Van Wart cautioned BCCLC that the PCSC will not approve an expansion of a charter school until it sees the school become successful for a period of time. Also, the PCSC, based on the information provided, would have issued three notices of defect.

Dr. Ball is not hesitant to have BCCLC authorized or accountable to the PCSC.

Commissioners Reed, DeMordaunt, and Corkill stressed that PCSC meetings will not supplant required programmatic audits.

Chairman Goesling feels BCCLC will not survive in its current authorizing environment and therefore he strongly supports the transfer petition.

**M/S (Reed/Corkill): To approve the transfer of chartering authority over Blackfoot Charter Community Learning Center to the Public Charter School Commission.**

Ms. Baysinger noted that approval of the transfer would include the growth of BCCLC to a new enrollment cap of 300 students, adding one new classroom per year beginning with Kindergarten in 2010/2011, as stated in the transfer petition. Additionally, Tier I schools need to meet requirements as outlined in meeting materials, regardless of authorizer.

Ms. Swartz said statute does not require the transfer of a charter petition be decided upon within a specific amount of time. Therefore, if the AYP school improvement issue is something the PCSC wants more information on before it makes a decision, further delay would be appropriate.

*The motion passed unanimously, with Commissioner Van Wart abstaining.*

## **5. Nampa Classical Academy (NCA) Corrective Action Plans Update**

Chairman Goesling asked Ms. Swartz to explain the revocation hearing process.

Ms. Swartz said there is not one clear definition of a hearing. The statute does not specifically describe procedures for a hearing of a notice of intent to revoke a charter. The hearing officer will provide information to both parties regarding materials and information for review prior to the hearing. The hearing officer has not provided any information to PCSC staff regarding expectations. The hearing officer will hear reasoning from both parties, then issue a recommendation to the Commission. The recommendation is not binding. The Commission will review the recommendation in an open meeting and reach a conclusion on what action will be taken.

It was clarified that the notice of intent to revoke the charter is only on the grounds of fiscal instability.

Chairman Goesling explained that a hearing officer was decided upon due to the circumstances experienced with this particular school and in order to have an impartial third party to chair proceedings.

James Lorenzen, Chairman of the Board; Val Bush, Headmaster; and Terrance LaMasters, Treasurer, presented on behalf of NCA.

Ms. Baysinger stated that the materials were condensed from over 200 pages submitted by NCA.

Chairman Goesling asked NCA to review their CAP and address the five sections as follows:

- Administrative Certification NOD and CAP

Mr. Bush stated NCA has not been using any uncertified individuals for administrative duties. There was a one month period when Isaac Moffett was filling these duties, but since informed this was not allowed, Mr. Moffett has not performed administrative duties. Mr. Moffett remains at NCA as a part-time teacher of History and Geography. He also orders supplies, supervises and organizes teacher's aides, and writes policies with a position title of Prevention Specialist / Certified Teacher.

Chairman Goesling asked if this title has been submitted and approved by SDE.

Mr. Bush said Christina Linder was confused because there was much work involving curriculum. There is no official title for the part-time position Mr. Moffett fills. Mr. Bush feels Director of Operations is more appropriate.

Mr. LaMasters said NCA has taken out all administrative duties Mr. Moffett was performing based on feedback in meetings with the PCSC.

Ms. Baysinger indicated the SDE does have the revised job description, but has not had an opportunity to review it fully.

Chairman Goesling expressed concern that Mr. Moffett's purchasing duties do not include any mention of staying within budgetary guidelines.

Mr. Lorenzen said Mr. Moffett does not have approval authority for expenditures, but only gives input for curriculum purchases as a local subject matter expert.

Chairman Goesling said NCA would need to work with SDE to determine that Mr. Moffett's position is correctly coded, and that he has the appropriate certifications.

Mr. Bush said NCA is awaiting a letter from LCSC verifying the Latin teacher was accepted into their program. The librarian is also on track with classes leading to certification.

- Use of Religious Texts CAP Update

Ms. Baysinger reported that at the time of the March 4, 2010, meeting, NCA indicated the school was in the process of evaluating its existing and planned curriculum in light of the religious text guidelines. NCA has since provided a CAP update stating no changes have been made to their curriculum regarding the use of religious texts. PCSC staff is in the process of making the same comparisons and will provide an update on their findings at the June 24, 2010, meeting.

Mr. Bush stated the use of the Old Testament does not come up until ninth grade. During NCA's review of current curriculum, it has been reported not to be in conflict with guidelines.

Commissioner Van Wart asked who performed the analysis.

Mr. Bush said NCA used a committee of five, on-staff secondary teachers.

Mr. Lorenzen said the list in the meeting materials was a previous list submitted to the PCSC. NCA is not using the Bible, Qur'an, or Book of Mormon. All texts coming directly from religious texts have been removed.

Commissioner Van Wart asked if NCA would provide a current list of curriculum that excludes these texts.

Commissioner Corkill is uncomfortable with the reading list which includes Kindergarten Beginner's Bible and second grade Children's Bible. NCA has had plenty of time to submit a corrected list.

Mr. Lorenzen will make sure that the PCSC gets a corrected curriculum list.

Ms. Baysinger said the lists are in the meeting materials because NCA stated the lists had not been changed.

Mr. Lorenzen said the truth is the religious texts were removed and an updated copy provided.

Commissioner O'Donahue quoted a March 24, 2010 letter, signed by Mr. Lorenzen, which states that "there have been no changes regarding the use of religious texts."

Mr. Lorenzen stated NCA is not using the Bible, The Book of Mormon, or the Qur'an. The list should reflect that, but unfortunately it does not.

Commissioner Reed expressed concern that something this important was not documented in detail.

Mr. Lorenzen will provide an updated curriculum as soon as possible.

Chairman Goesling stressed that Mr. Lorenzen, as Chairman of the Board of Directors for NCA, is responsible for all documentation submitted on behalf of NCA.

Commissioner DeMordaunt recommended that NCA communicate with the staff at a classical education program operating in the Treasure Valley in Pierce Park Elementary under the authorization of the Boise School District which is in its third or fourth year of operation. There have been absolutely no problems, media attention, or challenges to their curriculum.

- Multiple Defects CAP Update (excluding fiscal stability update)
  1. NCA has committed a violation of any condition, standard or procedure set forth in the approved charter, specifically: (a) Failure to employ only individuals who meet or exceed qualification required by law.

Commissioner O'Donahue noted that Mr. Moffett's job title on the NCA website needs to be updated.

2. NCA has committed a violation of any condition, standard or procedure set forth in the approved charter, specifically: (b) Failure to comply with all aspects of Idaho public records law.

Chairman Goesling feels NCA's fees associated with public records requests are excessive.

NCA indicated that the fees for public records were pulled from another state entity.

Ms. Swartz indicated statute provides that NCA can recover actual costs of copying over 100 pages. In the State Board of Education, costs were calculated at \$.018322/per page. If there is support for NCA's fee of \$.10/per page, that would be acceptable, but there is currently no documentation regarding how NCA arrived at that cost.

Commissioner Van Wart clarified the PCSC's concern over this issue is to ensure that whoever needs public records is able to afford to receive the documents regardless of their financial situation.

3. NCA has committed a violation of any condition, standard or procedure set forth in the approved charter, specifically: (c) Concern that core values such as character, charity, civility, and integrity are not being modeled by NCA staff and board members as required by the approved charter.

There is one ethics violation pending investigation by the SDE's Professional Practices Division. There is no estimate as to when this violation will be resolved.

4. NCA has committed a violation of any provision of law, specifically: (a) Employment of an individual to serve in an administrative capacity without administrator certification.

Chairman Goesling said this was previously discussed and the PCSC agreed it can be removed.

5. NCA has committed a violation of any provision of law, specifically: (b) Employment of individuals to serve as teachers without teacher certification or SDE approval of provisional certification.

Chairman Goesling said this was previously discussed and the PCSC agreed it can be removed.

6. NCA has committed a violation of any provision of law, specifically: (c) Failure to comply with public records law.

Chairman Goesling said this was previously discussed and the PCSC agreed it can be removed.

7. NCA has committed a violation of any provision of law, specifically: (d) Failure to permit oversight visits by Commission designees.

Ms. Baysinger said an oversight visit is scheduled for May 11, 2010. There needs to be an administrator and at least one board member present.

8. NCA has committed a violation of any provision of law, specifically: (e) Failure to notify the Commission of known compliance violations.

Chairman Goesling indicated this appears to be resolved.

9. NCA has failed to demonstrate fiscal soundness.

Commissioner Hallett said NCA's budget includes a line of credit for \$400,000 listed as a revenue item, which is inappropriate. He also indicated that the expenditure side does not appear to include repayment of the loan.

Mr. LaMasters said the loan was listed as revenue to offset expenses. The payback will be reflected over the next two years. Next year shows a \$300,000 loan payout.

Commissioner Hallett asked why this year the budget shows Title I funds of \$97,951 and next year shows \$145,000. Does NCA have evidence that Title I funds will increase by 50%?

Mr. LaMasters said next year's budget will have to be modified to show a reduction in Title I funds.

Mr. Bush indicated NCA was counseled to take one-half of the ARRA funds (approximately \$60,000) and put them into next year. This was done to level out those funds and expenses.

Commissioner Hallett asked why administrative expenses of \$73,526 in the current year go up to \$160,000 in next year.

Mr. Bush said next year the budget goes from one administrator to two. NCA will add an assistant headmaster.

Commissioner Hallett said the lease for modular buildings in the current year is \$339,000 and in next year's budget it is listed as \$3,500.

Mr. LaMasters and Mr. Bush said this has to be a typographical error and will follow up on it.

Chairman Goesling expected the most accurate information possible and there is a typo of significant size. He asked what asset backs the \$400,000 line of credit.

Mr. LaMasters said the loan represents the landowner's attempt to support NCA, and is not assigned to a particular asset.

Commissioner Hallett said donations show \$50,000 in next year, and inquired how much was received in donations this year.

Mr. LaMasters indicated donations were just added to NCA's website and a marketing plan is being developed. There were no donations collected this year.

Commissioner Hallett would be reluctant to include these funds in next year's revenue unless there was a better basis for doing so.

Mr. Lorenzen said NCA has not received any grants other than the Federal Start-Up Grant. NCA has four grants applications in process.

Commissioner Hallett warned grants are limited to what those funds can be spent on and not for any expenses the school chooses.

Michelle Clement Taylor reported that \$100,000 was awarded to NCA for the 2009-2010 school year start up grant for curriculum. The money needs to be encumbered by June 30<sup>th</sup> and requests for reimbursement submitted by September 1<sup>st</sup>. The award for 2010-2011 will be made this summer for a maximum amount of \$233,000 and is contingent on NCA's continuation report submission.

The PCSC expressed concerned that NCA did not bring documentation regarding the loans it has received, even in the face of charter revocation.

Mr. Lorenzen reported that 466 students are planning to return to NCA. There are 506 students currently enrolled.

Chairman Goesling requested a budget based on current enrollment numbers to determine NCA's current status.

Mr. LaMasters said a certified CPA was hired as controller for the same sum budgeted for Paragon. Paragon's contract was terminated.

Commissioner Van Wart asked if a special education director has been hired.

Mr. Bush said NCA has begun advertising for the position.

Commissioner DeMordaunt asked if returning students signed letters with their intent to return and suggested that NCA bring this documentation to the June 11 hearing.

Chairman Goesling asked if additional action can, or should, be taken today versus waiting for the June 11 hearing.

Ms. Baysinger stated that, with regard to NCA's fiscal status, all action which can be taken is already completed. The PCSC is now waiting for the June 11 hearing.

Mr. LaMasters stressed that NCA is taking these issues seriously. Fiscal soundness is important and NCA is not hiding financial information until the June 11 hearing. The expectation is to have a new proposed budget, as approved by the NCA board, on June 3<sup>rd</sup> at the board's annual meeting.

Ms. Baysinger indicated that May 14<sup>th</sup> is the due date for materials to be submitted for the June 11 hearing. Statute does not clarify what that written

reply must contain, but it is assumed the school would try their best to address fiscal concerns.

Chairman Goesling suggested NCA consult with their new controller regarding fiscal soundness, addressing the \$168,000 in overspending on curriculum and including them in the written submission on May 14<sup>th</sup>.

Gary Perrin, member of BAP, LLC., testified. Mr. Perrin's corporation has invested \$150,000 to date as part of a \$400,000 loan at 15%, plus 5 points, to NCA. Monthly payments will begin in September 2011 with a two year amortization and no collateral.

## **6. Compass Public Charter School Corrective Action Plan**

Bridget Barrus, Chairman of the Board; Kelly Trudeau, Administrator; Gary Luke, Special Counsel; LeAnn Simmons, Treasurer; and Chris Yorgasan, Counsel; represented Compass.

Ms. Barrus summarized the school's fiscal status and lease negotiations with the landlord. Ms. Barrus also reported that the landlord has agreed to a reduction in lease payments to \$30,000 per month through the end of the fiscal year, a bond application was approved, and teacher salary cuts are being made.

Chairman Goesling asked how the reduction in lease payments affects the current budget.

Ms. Barrus cited a March 25<sup>th</sup> email from Mr. Peterson and said there has not been sufficient time to address the effects on the budget or review by the Board of Directors.

Mr. Tom Lloyd indicated that the reduction in lease payments is a designed loan program and will need to be repaid in the future.

Chairman Goesling is concerned by this proposal which is using a loan to improve the balance sheet of another loan.

Commissioner Corkill noted that the proposal states "my clients will not entertain a counter offer of any kind."

Ms. Barrus said Compass will finish the year with a positive fund balance if they can continue making the reduced loan payments of \$30,000.

Commissioner Van Wart asked for a brief accounting of where Compass currently is financially.

Ms. Barrus said there is a government pool with a little over \$250,000. Compass anticipates being able to make payroll for the months of May and June. At this time, based on a \$30,000 lease payment, Compass is looking fine.

Commissioner DeMordaunt asked if Compass would be meeting their contractual obligations.

Mr. Lloyd said there has not been a finalization to modify the lease agreement. The frustration is due to the fact that What's Next, LLC is being asked to shoulder the burden of Compass' financial struggle.

Ms. Barrus indicated that Compass is in the midst of disagreements between Mr. Peterson and What's Next, LLC.

Chairman Goesling asked at what point the PCSC takes action to the next level.

Ms. Baysinger said this is the first time the PCSC has seen this particular corrective action plan. The PCSC could, after allowing the school a reasonable period of time to cure the defect, proceed with the issuance of a notice of intent to revoke the charter.

The PCSC requested continued monthly status updates and requested that Compass appear again at the next regularly scheduled meeting on June 24, 2010.

Commissioner DeMordaunt asked for an updated correction action plan based on contractual lease agreements.

**M/S (Van Wart/O'Donahue): A motion to adjourn. *The motion passed unanimously.***

**Thursday, April 29, 2010 – 700 W. State Street, JRW West, 8:00 a.m.**

## **7. The Village Public Charter School New Charter Petition**

Rachael Smith, Vice-Chairman of the Board; Lealan Miller, CPA and Board Member; Rich Anderson, Financial Consultant; Ben Meedler, Real Estate Consultant; and Jani Knox, Board Chair, represented The Village. They thanked Michelle Clement Taylor, Tamara Baysinger, and the Boise School District for their help and advice regarding their petition.

The petitioners described The Village's focus, core values, educational program, facilities, community survey, and attendance areas. Mr. Anderson reviewed the proposed budget, and Mr. Meedler reviewed facility plans.

Commissioner O'Donahue commended The Village on their quality petition. She cautioned the petitioners to limit elective programs for financial reasons.

Commissioner Corkill asked whether Boise School District is supportive of this school and whether The Village believes the enrollment target of 275 is realistic.

The petitioners said they have a good relationship with the Boise School District. They believe that they are well on the way to enrollment targets.

Commissioner Van Wart asked whether the petitioners have a contingency plan for federal grant reductions.

Mr. Anderson said the federal grant dollars are shown at less than the full amount, mirror what other charter schools have historically received and budget cuts are already lined up if necessary.

Commissioner DeMordaunt noted that the measurable student standards are using the DMA & DWA as benchmarks, but these tests will no longer be state supported.

The PCSC discussed the Board of Directors elections and appointments as outlined in Appendix B, and suggested revisions for clarity.

**M/S (DeMordaunt/Van Wart): To approve the charter petition for The Village Charter School.**

Commissioner DeMordaunt would like to see a better balance of elected and appointed board members.

The Village said it is not an issue to change the board member ratio to 4 appointed and 3 elected for a total of 7 board members.

Eric Exline, representative from Meridian School District, testified regarding concerns about the school being in the Meridian School District.

It was clarified that the locations being considered are both in the Boise School District, not the Meridian School District.

*The motion passed unanimously.*

## **8. North Valley Academy (NVA) Update**

Debra Infanger, Board Chairman; Kathryn Thompson, Clerk; Michele Elliott, Former Clerk; Gayle DeSmet, Acting Principal; and Cathi Qualls, Principal in Training; represented NVA.

The NVA representatives updated the PCSC regarding the status of the school, including governance, budget, enrollment, and academics.

Commissioner Van Wart asked whether the school has a contingency reserve.

Ms. Elliott estimates that, at the very lowest, the contingency reserve will be \$104,000. The school's goal is to have three-six months worth of operating expenses in reserve.

There was discussion regarding a public records request complaint. The school charged \$1.00/per page for copies, which was the same fee charged by the County. The PCSC felt that a reasonable fee represents actual costs for labor, copier lease, paper, and toner. The school will review their public records request policy.

The PCSC discussed the student educational standards and whether the school failed to "substantially" meet the standards.

**M/S (O'Donahue/Van Wart): To direct staff to issue to North Valley Academy a notice of defect on the grounds of failure to substantially meet any of the student educational standards identified in the approved charter. *The motion was passed unanimously.***

NVA will review their public records request policy and provide a copy of the amended policy at a future PCSC meeting.

Heather Williams, Superintendent of the Gooding School District, testified that they did not lodge a complaint against NVA.

Ms. Baysinger reported that the complaint came from a third party.

## **9. Kaplan Academy of Idaho Annual Update**

David High, Board Chairman; Vickie McCullough, Principal; Dorian Bell, Financial Expert; and Shirley Williamson, Special Education and Coach, represented KAID. Jeremy Keith, attorney for the national Kaplan organization, was in the audience.

The KAID representatives provided an update on the status of the school, including governance, finances, and academics.

The PCSC advised KAID to market and budget wisely, and to confirm next year's enrollment as thoroughly as possible. KAID may need to reduce its full time teaching staff to cut expenses.

The PCSC requested an enrollment and standardized test result update at the next regular meeting.

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

Tamara Baysinger reported on recent legislative discussions. HB 699 passed and will add some expense and effort for all public schools to add financial information to websites by December 1, 2011.

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