

**APPROVED MEETING MINUTES
PUBLIC CHARTER SCHOOL COMMISSION MEETING
WEDNESDAY & THURSDAY, MAY 4-5, 2011
700 W. STATE STREET, BOISE, IDAHO
MAY 4, 2011, JRW EAST CONFERENCE ROOM
MAY 5, 2011, JRW WEST CONFERENCE ROOM**

A regular meeting of the Idaho Public Charter School Commission was held Wednesday, May 4, 2011, at 700 W. State Street, Boise, ID, JRW East Conference Room, and Thursday, May 5, 2011, at 700 W. State Street, Boise, ID, JRW West Conference Room. Chairman Bill Goesling presided.

The following members were in attendance:

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

Wednesday, May 4, 2011 – 700 W. State Street, JRW East

Chairman Goesling opened the Meeting at 12:02 p.m.

1. Commission Work

Agenda Approval

The agenda was approved as published.

Rolling Calendar

COMMISSION ACTION

The PCSC has approved June 28, 2011 and August 25, 2011 as the dates and Boise, Idaho as the location for its regularly scheduled meetings to follow the May 2011 meeting.

M/S (Van Wart/Hallett): To approve October 20, 2011, as the date and Boise, Idaho as the location for the following regularly scheduled PCSC meeting. *The motion passed unanimously.*

Minutes Approval

COMMISSION ACTION

M/S (Van Wart/Reed): To approve the meeting minutes from August 5, 2010; September 23, 2010; March 10, 2011; April 5, 2011; and April 15, 2011 as submitted. *The motion passed unanimously.*

2. Sage International School of Boise (Sage) Annual Update

Evelyn Johnson, Board Member; Kim Carter Cram, Board Member; Keith Donahue, Board Member; Lisa Lechner, Business Manager; Jackie Prudeholm, PYP Coordinator; Don Keller, Administrator; and Nancy Glenn, Board Member, represented Sage.

Mr. Keller gave a status update for Sage. He said 330 students applied for 100 seats, and Sage is pursuing additional facility for next year.

Commissioner Van Wart expressed appreciation for the school's achievements.

Commissioner DeMordaunt requested budgets that include the new facility.

Ms. Carter Cram said the school's success is due to a board with a wide variety of experience, dedicated teachers, and fiscal conservatism.

Chairman Goesling asked for clarification regarding the summer school program.

Mr. Keller said the summer programs includes two literacy programs for 1st, 2nd and 3rd grades, math, marimba, music, design technology, a ten-week Y program, and writing. All summer classes are staffed by Sage teachers. The fee is \$280 for a four week program. There will be scholarships available for students who cannot afford the fee.

Chairman Goesling requested a plan regarding how Sage will move from PE into team sports in high school.

Commissioner DeMordaunt noted that Sage's free and reduced lunch population, at 5%, is unusually low.

Mr. Keller said he hopes that locating downtown and opening additional grades, Sage will draw students from Boise Bench. Some students and parents feel the IB program is too rigorous. Sage does not provide busing or a lunch program, which is a barrier for some families.

3. Wings Charter Middle School (Wings) Annual Update

Chairman Goesling recused himself due to his recent appointment as a board member to the State Board of Education. Vice-chairman DeMordaunt served as chair.

Letha Blick, Administrator; Lori Prescott, Business Manager; and Claire Major, Board Chair, represented Wings.

Ms. Blick provided an update for Wings.

Commissioner Hallett encouraged Wings to provide data on growth in assessment scores.

Commissioner Corkill asked if Wings will be able to reach expected enrollment.

Ms. Blick said Wings is getting phone calls every day.

Commissioner Reed expressed appreciation for the school's work with its at-risk student population.

Ms. Major stated that the down side is not having two income households to assist in fundraising. Wings' lease payment is too high because the lease was signed prior to the real estate crash.

Commissioner Van Wart asked if the curriculum addresses core subjects, assisting students with choosing careers, job, and future skills for life.

Ms. Blick said Wings is treated as a workplace with a focus on respecting others, being on time, and having appropriate hygiene. Teachers give students real life examples. Students develop a community improvement plan, write business plans, and participate in life skills programs.

Commissioner Van Wart asked what percentage of students are special needs.

Ms. Blick said 35% of students are on IEPs and that students without special needs also do well at Wings.

Chairman DeMordaunt asked whether Wings has regular board meetings.

Ms. Major indicated that Wings' board of directors meets monthly.

Chairman DeMordaunt requested updates on student assessment growth reporting at the next regular PCSC meeting on June 28, 2011, and comparisons with the standards in the charter.

Ms. Prescott has been working on balancing the budget, but the high lease payments remain a concern. Many expenses were cut. Some items (maintenance, textbooks, supplies, etc.) have been pre-purchased for expected growth.

Ms. Baysinger reviewed Wings' current 2009/2010 budget and the upcoming budget. It is anticipated that Wings may end FY11 with a budget deficit of \$4,000.

Ms. Prescott said the preliminary budget for FY12 was based on employment of ten teachers, but this estimate has decreased to nine teachers. Textbooks and supplies were reduced in the expenditures column based on pre-purchases for two years into the future. She said the FY12 budget is based on an anticipated enrollment of 160, and 150 students are currently enrolled for next year.

Ms. Blick said the majority of students are added during the summer open house and 160 is a conservative number.

Chairman DeMordaunt requested historical enrollment numbers from June, July, August, and September of last year.

Commissioner Reed expressed concern that Wings will not be able to maintain a positive fund balance in the absence of the one-time Albertson's Grant.

Ms. Major said there were facility maintenance expenses which will not be ongoing.

Chairman DeMordaunt requested breakdowns of the one-time expenses for which the Albertson's Grant was used.

Commissioner Hallett said he is very uncomfortable with the contingency and fund balance.

Ms. Prescott said she is working with Jerome School District's business manager on further budget cuts.

Commissioner Van Wart said she feels the school needs someone familiar with budgets to get the situation under control.

Ms. Blick said she is strongly recruiting students, working with SILC on fundraisers and possible grants, cutting all unnecessary expenses, and obtaining volunteer services. However, the facility lease is under contract and unchangeable for the next three years.

Commissioner Hallett said he feels the segregation of duties problem identified in the school's independent fiscal audit increases fiscal instability. He encouraged the school to solve the problem with the current staffing by developing written policies and procedures.

Commissioner Reed expressed concern that the board of directors is not supporting the school. There appears to be expertise that is not being utilized.

Ms. Major said the board is taking a more involved role and has been made aware of the budget concerns.

Commissioner O'Donahue said the board's complete focus needs to be on the budget. The board needs to become involved in fundraising efforts. She encouraged the school to look at all positions, whether they need to be certified or not, and whether services can be combined.

M/S (Reed/Corkill): A motion to direct staff to issue to Wings Charter Middle School a notice of defect on the grounds of failure to demonstrate fiscal soundness as defined by I.C. §33-5209(2)(d). *The motion passed unanimously.*

Ms. Baysinger reviewed the process of the notice of defect for the school.

Chairman DeMordaunt asked the school to provide on June 28: academic growth data, a board approved budget for FY12; documents to demonstrate FY11 expenditures on one-time costs; data from last year regarding monthly enrollment changes between lottery in spring 2010 and the start of school in fall 2010; a description of summer 2011 recruiting efforts including enrollment; draft policies and procedures for segregation of duties; and a corrective action plan regarding the notice of defect. These items are due to PCSC staff no later than 30 days in advance of the meeting.

4. Staff Presentation: Oversight Restructuring Proposal

Michelle Clement Taylor said the SDE is considering encouraging charter schools to use some of their start up grant funds to pay for budget, leadership, and other start-up training. Sage may make available a training room equipped for online training.

Ms. Baysinger gave presented a Restructuring for More Effective Oversight proposal.

The PCSC approved the plan with the following changes:

Goal 1 – Research replication but do not propose relevant statutory change at this time; do not proceed with consideration of charter contracts at this time; implement reference checks for petitioners as proposed, and consider background checks in the future if warranted.

Goal 2 – No changes.

Goal 3 – Consider making movement of schools upward on the tier structure possible in Year 3 rather than Year 5; consider a due date other than August 1 for most annual reports to better accommodate schools' breaks schedules; address MSES requirements through PCSC policy rather than statutory change.

Goal 4 – Eliminate quarterly newsletter; post only basic dashboard data, excluding dashboard comments, on PCSC website.

Goal 5 – No changes.

Goal 6 – No changes.

Thursday, May 5, 2011 – 700 W. State Street, JRW West

Chairman Goesling opened the Meeting at 9:01 a.m.

Vice-chairman DeMordaunt presented to Chairman Goesling an appreciation plaque recognizing his service on the Public Charter Commission.

Chairman Goesling expressed his appreciation to the Commissioners, as well as the PCSC staff and SDE staff, for their quality support.

5. Rolling Hills Public Charter School (RHPCS) Fiscal Status Update

Commissioner O'Donahue indicated that she knows Niki Crow, RHPCS clerk, but at no time do they interact regarding RHPCS or PCSC business.

Ms. Crow reviewed the RHPCS budget and projections for next year. She said the ending balance this year will be approximately zero.

Commissioner Hallett asked the nature of the activity fees RHPCS intends to implement next year.

Mr. Montgomery said the school is considering using Rosetta Stone to meet the foreign language instruction requirement of the charter. Fees for this instruction, as well as a technology fee, may be used to generate revenue.

Commissioner Hallett said federal law does not allow fees for credited classes. Students are entitled to a free public education. Fees for extracurricular classes are allowable, but not for credited classes.

Mr. Montgomery said enrollment is currently at 280. Middle school students are being retained at a higher rate than previously. Waiting lists for next year are 20-30 per grade K-5, and projected enrollment for next year is 290. Budgets are based on 270.

Commissioner Van Wart would like to see an independent programmatic audit completed before the end of 2010/2011.

Commissioner Reed indicated it is important that the next programmatic audit is up to PCSC standards.

6. North Valley Academy (NVA) Annual Update

Debra Infanger, Board Chair; Gayle DeSmet, Administrator; Kathryn Thompson, Clerk; and Betty Fredrickson, Special Education Programming, presented for NVA.

The NVA representatives provided an update regarding the status of the school. Enrollment has increased to 256 from 232 at the beginning of the year, though ADA is low due to illness. The school's fund balance is increasing

Commissioner Hallett noted that it appears NVA's fund balance will decrease by \$100,000 from this year to next year.

Ms. Thompson said ADA funding was conservatively budgeted. She said negotiations with teachers are just beginning and the school will likely cut salaries. At the end of 2011, there is a positive fund balance of \$174,000, but there may be a negative fund balance at the end of 2012. NVA has 251 students for next year.

Commissioner Reed expressed concern regarding the school's apparent lack of definitive plans for the future.

Ms. DeSmet said NVA has changed its calendar to match the traditional public schools. NVA is partnering with Bliss on professional technical programs, and has changed staffing arrangements to better support the transition between 6th and 7th grades. NVA has made sure computers are at a ratio of 2:1 for students, and has implemented use of Moodle, which will be expanded next year.

The PCSC asked NVA to provide a three-year plan showing how NVA will remain in the black over the long-term.

7. Kaplan Academy of Idaho (KAID) Proposed Charter Amendment

Dave High, Board Chair; Vickie McCullough, Administrator; and Dorian Bell, Business Manager, represented KAID.

Ms. McCullough provided an introduction to Odysseyware, KAID's new curriculum vendor. She said KAID remains in negotiation with Kaplan over fees for past services.

Mr. High said Odysseyware will not provide marketing, finance, or business management services, all of which will be handled by KAID or otherwise contracted.

Commissioner DeMordaunt expressed appreciation for the school's involvement of its stakeholders in the curriculum vendor decision.

M/S (DeMordaunt/O'Donahue): To approve the proposed charter amendments as submitted by Kaplan Academy of Idaho. *The motion was unanimously approved.*

Chairman Goesling requested continued monthly financial updates through the transition period.

8. Taylor's Crossing Public Charter School (TCPCS) Proposed Charter Amendment

Drew Meyer, Administrator; and Angela Lords, Business Manager, represented TCPCS.

Mr. Meyer described extensive changes made at the school to ensure fiscal stability. He said the primary issue was a structural deficiency with regard to staffing, which will be reduced from 20 to 14. Reserves are being built to move back to long-term financial health. Due to transportation laws, there is a limit regarding how far students can be bused. The proposed charter amendment amends the attendance area to include neighboring districts from which TCPCS draws students.

Ms. Clement Taylor provided an overview of busing processes and how schools are coordinating through creative solutions.

Mr. Meyer said TCPCS is working with Monticello Montessori and investigating purchasing buses.

Commissioner DeMordaunt expressed concern that enlarging the primary attendance areas will not resolve the problem, because students will continue to be attracted from a large area.

Commissioner Reed said he felt the amendment is a manipulation to get increased funding.

Ms. Baysinger clarified that schools cannot receive reimbursement for transportation of students who reside outside the school's primary attendance area.

The PCSC noted that transportation statute leads to inefficiencies in the system as a whole.

M/S (Reed/Van Wart): To approve the proposed charter amendments as submitted by Taylor's Crossing Public Charter School. *The motion passed unanimously.*

9. Monticello Montessori School (Monticello) Proposed Charter Amendment

David Meyer, Superintendent, represented Monticello.

Mr. Meyer reviewed Monticello's staffing reductions, addition of a classroom in grades two through four, expansion of attendance boundary to maximize the 15 mile circumference, and future possibilities of adding a virtual option. He noted that, next year, the school will double kindergarten enrollment by implementing two half-day classes instead of one full-day class.

Commissioner DeMordaunt inquired whether two, part-time kindergarten students may be counted as one student, for purposes of the enrollment cap

Ms. Baysinger said this is not typical and indicated that she would check the charter regarding this possible compliance issue.

M/S (Van Wart/DeMordaunt): To approve the proposed charter amendments as submitted by Monticello Montessori School. *The motion passed unanimously.*

10. Compass Public Charter School (Compass) Annual Update

Kelly Trudeau, Administrator; Mike Adolf, Vice Chair; and LeAnn Simmons, Treasurer, represented Compass. It was noted that Bridget Barrus has resigned as Board Chair.

Ms. Trudeau provided an update regarding the status of the school. She said the facility bond was for \$5.2 million, with payments of \$28,000 monthly for two years and \$36,000 monthly thereafter for 30 years, with an interest rate of 6.25%.

Commissioner Hallett asked how Compass' free and reduced lunch population compares to that of the Meridian School District.

Ms. Trudeau said the demographics are similar.

Commissioner DeMordaunt inquired whether the building will accommodate the additional enrollment.

Ms. Trudeau said the new facility will accommodate additional classes without the addition of portable buildings.

Two Compass students presented a project regarding the crafting and promotion of a bill to even out funding between traditional schools and charter schools.

11. Xavier Charter School (XCS) Annual Update and Proposed Charter Amendment

Teresa Berry, Board Chair, Gerado (Tato) Munoz, Board Member; Thad Biggers, Administrator; and Mel Weisman, Co-Interim Superintendent, represented XCS.

Ms. Berry provided an update including Title 1, board evaluation, board training, enrollment, personnel and stakeholder problems, staffing turnover, and board turnover.

Chairman Goesling asked if the issue of the former administrator and founder is completely resolved.

Ms. Berry said it is completely resolved.

Commissioner Hallett asked what steps are being taken to regain stakeholder trust and support.

Ms. Berry said the board is being transparent in everything they do, working with administration and staff, and establishing a hiring committee for the principal position.

Mr. Munoz said XCS is seeking means by which to strengthen the board by adding members who can address weaknesses within the current board.

Chairman Goesling asked about board positions, elections and current membership.

Ms. Berry reported three of the five board members will turn over at an upcoming election. There is a nominating committee made up of board and PFA members reviewing board applications.

Commissioner Reed said the survey indicated 48% of stakeholders are unsatisfied with governance.

Ms. Berry said the dissatisfaction was surrounding the dismissal of the administrator.

Mr. Biggers said surveys were done before the final resolution of the situation was reached.

Commissioner Corkill requested the school's comment regarding correspondence from Brandon Fairbanks at Paragon in response to Joan Hurlock's concerns about financial mismanagement.

Mr. Munoz said this issue was mostly due to misunderstandings by the board regarding funding flow. The board is exercising their fiduciary responsibility, researching the processes to see if they are appropriate, and providing training for better understanding.

Commissioner Corkill asked for an explanation of the \$500,000 deposit that went into the charter school escrow account.

Mr. Munoz said a portion of the state funding went into the account for facilities funding.

Commissioner Hallett said throughout this whole issue, there seems to be bank account information that was not disclosed as public.

Mr. Munoz said XCS reviewed all the books and could not find any misallocations.

Commissioner Hallett said that as long as the public believes there is information being withheld which should be made public, there will be mistrust.

Mr. Munoz said public information will be made available promptly upon request.

Commissioner O'Donahue recused herself based on a relationship she has with an individual being discussed, though she has not communicated with the individual regarding this situation. She left the room for the remainder of this agenda item.

Ms. Berry said Ms. Hurlock will remain on the board and receive training, though she is not typically receptive to information and tutelage provided. XCS is looking at bringing in a third party trainer.

Milt Wiseman and Kelly Murphy, who have taken the position of interim administrators, were introduced.

Commissioner Corkill said he feels there are many different entities, including the board, Paragon, and several administrators, trying to make sense of the same situation.

Mr. Munoz said XCS has three years remaining on the contract with Paragon, but there has been discussion regarding the possibility of ending the contract early.

Commissioner Van Wart asked where finances currently stand.

Mr. Munoz said the current reserve is \$717,000 and XCS is projecting a \$342,000 reserve at the end of the year.

Mr. Biggers said enrollment started the year at 650 and has stabilized at 625. Almost 95% of the students indicate they will be returning.

Commissioner DeMordaunt indicated that the stakeholder survey results are disturbing. She would like to see an abbreviated survey performed in the fall to get a feel for the health of the school.

M/S (DeMordaunt/Reed): To approve the proposed charter amendments as submitted by Xavier Charter School. *The motion passed unanimously.*

Commissioner Reed said required reporting to PCSC staff going forward will be critical to determine the outcome for XCS.

Chairman Goesling requested written updates in June and August, followed by an “in person” update in the fall at the October PCSC meeting. The PCSC requested that XCS perform a stakeholder survey in early fall to report back to the PCSC at that time.

12. Commission Officer Elections

Ms. Baysinger stated the PCSC does not currently have a policy regarding the replacement of an officer in the middle of a term. However, the SBOE’s bylaws do contain such a process. This is the process Chairman Goesling has chosen to use today.

Commissioner Corkill nominated Alan Reed for Chairman.

The PCSC unanimously approved Commissioner Reed as Chairman of the Public Charter School Commission.

M/S (Van Wart/DeMordaunt): To adjourn the meeting at 2:22 p.m. *The motion passed unanimously.*