

**APPROVED MEETING MINUTES
PUBLIC CHARTER SCHOOL COMMISSION MEETING
TUESDAY, DECEMBER 4, 2012
700 W. STATE STREET, BOISE, IDAHO
JRW WEST CONFERENCE ROOM**

A regular meeting of the Idaho Public Charter School Commission (PCSC) was held Tuesday, December 4, 2012, at 700 W. State Street, Boise, ID, JRW West Conference Room. Vice-Chairman Brad Corkill presided.

The following members were in attendance:

Nick Hallett	Gayle O'Donahue
Wanda Quinn	Brian Scigliano

Absent: Esther Van Wart
Alan Reed

Vice-Chairman Corkill called the meeting to order at 9:00 a.m.

1. Commission Work

M/S (Hallett/O'Donahue): To approve the agenda as published. *The motion passed unanimously.*

M/S: (Quinn/O'Donahue): To approve the meeting minutes from September 20, 2012, and October 19, 2012, as submitted. *The motion passed unanimously.*

2. Vision Charter School Annual Update

Wendy Oldenkamp, Administrator; and Lee Hannah, Board Chairman, represented Vision.

Ms. Oldenkamp provided a presentation regarding the status of the school.

Commissioners Quinn, O'Donahue, and Hallett complimented the school on their successes based in hard work and an effective relationship between the board and administration.

3. Legacy Charter School Annual Update

Danny Bower, Board Member; Emily Criddle, Board Secretary/Treasurer; Niki Crow, Board Clerk; and Seth Stallcop, Administrator, represented Legacy.

Commissioner O'Donahue recused herself from the discussion due to her employment at Legacy Charter School.

Mr. Stallcop said recent audits have been positive. Legacy received a Star Rating of three and has been working with the State Department of Education on improving that rating. The line of credit has been paid down to \$32,000 and Legacy will end the year with a carryover.

Vice-Chairman Corkill noted that Legacy has set very high academic standards for itself.

Commissioner Quinn commended the school for their first year of operation and expressed confidence that the school will improve its Star Rating next year.

4. The Academy at Roosevelt Center (The Academy) Annual Update

Ellen Jensen, Board Chairman; Amna Rahim, Board Member; Mark Stenberg, Board Secretary; Joel Lovstedt, Principal/Superintendent; and Bina Rahim, Parent, represented The Academy.

Mr. Lovstedt provided an update regarding the status of the school. He noted that the board is considering amending the charter in 2013 to include strong, measurable student educational standards (MSES).

5. Taylor's Crossing Public Charter School (TCPCS) Annual Update

Jared Emfield, Administrator; Teresa Adelizzi, Board Clerk; and Jamie Toop, Director of Financial Services, represented TCPCS.

Mr. Emfield provided a presentation regarding the status of the school. He noted that TCPCS fell only one point short of a five Star Rating.

Commissioner Quinn expressed appreciation for the school's positive attitude and inquired regarding whether TCPCS is moving toward better aligning its program with the original Harbor Method program.

Mr. Emfield said TCPCS is striving for alignment with the Harbor Method, but although Ms. Stallcop has assisted with that alignment in the past, time commitments prohibit her assistance going forward.

6. White Pine Charter School (WPCS) Annual Update

Gina Stevenson, Board Chairman; Jeremy Clarke, Administrator; and Jeffrey Baiocco, Board Vice-Chairman, represented WPCS.

Mr. Clarke provided an update regarding the status of the school.

Commissioner Scigliano appreciated the school's emphasis on ensuring that special needs students are well served. He asked how the school is addressing faculty attrition.

Ms. Stevenson said the attrition has not been high, but when teachers left, all but one accepted administration positions at other schools.

Commissioner O'Donahue also commended the school for its care regarding special education services.

Commissioner Quinn asked PCSC staff about their concerns with the MSES.

Ms. Baysinger said WPCS met most of the MSES, but missed MSES 5 and 6. She noted that this is another case in which the school may want to consider amending its MSES to align with the new Star Rating System.

Ms. Stevenson said the school is in the process of updating the MSES.

M/S (Quinn/Hallett): To direct PCSC staff to issue White Pine Charter School a notice of defect on the grounds of failure to substantially meet MSES 5 and 6 in the approved charter.

Commissioner O'Donahue said the PCSC recognizes the success of the school, feels reluctance to issue this NOD, and is confident the school with correct the defect swiftly.

The motion passed unanimously.

7. Odyssey Charter School New Charter Petition

Karl Peterson, Board Chairman; Chris Peterson, Board Member; Lisa Nolan, Board Member; Kimberley Ross, Board Member; and Bill Sewell, Founder, represented Odyssey.

Ms. Petersen said changes to the petition were made based on a PCSC staff review and three concerns cited by the PCSC at the last hearing. She said she felt the most recent staff review cited issues not mentioned in previous reviews.

Vice-Chairman Corkill asked PCSC staff to comment on the petition review.

Ms. Baysinger said the most recent review was made by a new PCSC staff member, and did identify some recommendations that had not been made previously. She said she had discussed this with Mr. Peterson prior to the meeting and emphasized that, in her opinion, none of the new items should be considered "deal breakers" with regard to petition approval.

Mr. Peterson said he had verified with the Albertson Foundation that the startup grant will be available to Odyssey. He said he was concerned that the petition review's observation regarding grammatical errors gave a bad impression of Odyssey's board.

Commissioner Scigliano inquired regarding the sufficiency of the professional development plan to effectively implement the school's goals.

Mr. Peterson said the Buck Institute indicated that a one time, three-day seminar is insufficient. They recommended regular feedback and annual reviews. The school has found free online resources to supplement staff development, and project-based learning is integrated into the curriculum.

Commissioner Hallett clarified with Ms. Peterson that some recommendations regarding the petition were not addressed because there was not time to complete another revision prior to this meeting. Three concerns specifically cited by the PCSC during the last hearing have been addressed, in Odyssey's opinion. He asked where the Albertson's Grant is listed in the most likely budget.

Ms. Nolan said the Albertson grant is included in the pre-opening budget within the balance forward as part of the carryover.

Commissioner Hallett asked if, without the grant, the school would be in the red in their first year.

Mr. Peterson said that is correct.

Commissioner Hallett said the school appears to be dependent on grant revenue as part of their regular operation program.

Ms. Nolan indicated that as enrollment increases, in years two and three, reliance on grant monies will not be necessary.

Commissioner Hallett recommended revising Tab 7 to protect Odyssey from being held accountable to providing all benefits "allowed" by law. He noted that the petition did not address a plan for teacher evaluations.

Mr. Peterson indicated this was an inadvertent omission when making other revisions.

Vice-Chairman Corkill suggested Odyssey clarify the transfer rights section to indicate to whom the statement applies.

Mr. Peterson said the statement applies to teachers transferring into and out of Odyssey from other schools, since Odyssey would be its own LEA.

Commissioner O'Donahue asked if the pre-opening budget contains funds for professional development.

Ms. Nolan said the pre-opening budget expenses go through July 1st, so that expense is included in the Year One operating budget.

Commissioner O'Donahue asked about the probability that Odyssey can reach an agreement with the Broken Bow landlord.

Ms. Peterson said the landlord for Broken Bow Plaza is desperate to get the facility occupied and is willing to make concessions on the terms of the lease in order to do so, including lowering the lease rate. The confidence level is high.

Vice-Chairman Corkill said the "most likely case" budget indicates the school will have nine classes and six teachers, with a total of 180 students enrolled. He inquired about student-teacher ratio.

Mr. Peterson said the average class size will be 30. The Year One numbers were adjusted in anticipation of early attrition and possible low enrollment.

Ms. Nolan noted the budget provides for three Special Education teachers as well.

Mr. Peterson said the school budgeted on the heavy side in Special Education teachers based on experiences of other charter schools.

Commissioners Scigliano and Corkill asked for more information about the Special Education program.

Mr. Peterson said the Special Education teacher will be used to oversee the programs and the therapies or interventions will be conducted by the teachers. The project-based program lends itself well to meeting special needs and can easily be adjusted because it is an individualized program according to the abilities of each student.

Commissioner Hallett said he believes Odyssey is on the right track, but he doesn't feel this petition is ready for approval. He suggested a mutual agreement to a delay a decision on the petition.

Vice-Chairman Corkill said the original petition was submitted on October 11, 2011 and feels the petitioners have had more than adequate time to make revisions.

Commissioner O'Donahue suggested that the new comments, since they are not deal breakers, be set aside for this decision.

Commissioner Hallett disagreed, saying the PCSC is dedicated to successful charter schools regardless of who the suggestions came from and when. Many of the

comments were valid and need to be addressed. He believes the PCSC has to be committed to the best petition possible to ensure the success of the school.

Mr. and Ms. Peterson said they felt Odyssey had dealt with all but the most recent recommendations.

Commissioner Hallett asked staff about a possible timeline for revisions and reconsideration.

Ms. Baysinger said it would be reasonable for PCSC staff to review the petition within a week, and the PCSC itself typically requires another week. This timeframe, given the end-of-year deadline, would permit only one more revision before PCSC consideration at a special meeting.

Commissioner Hallett suggested that a special meeting be held in six weeks to consider the petition.

After a recess to permit Odyssey's board time to discuss the situation, the PCSC and Odyssey agreed on a mutual delay of consideration of the petition until a special meeting to be held in January 2013.

Ms. Baysinger suggested that, since the petitioners will already be missing the January 1 deadline, it might be more practical for the PCSC to consider the petition at the next regular meeting on February 14, 2013, if the petitioners agreed.

The PCSC and Odyssey board indicated agreement with this suggestion.

M/S (Hallett/Scigliano): To delay the decision on the petition for Odyssey Charter School until the next scheduled Public Charter School Commission meeting, by mutual agreement with the petitioners. *The motion passed unanimously.*

8. Idaho STEM Academy DBA Bingham Academy New Charter Petition

Greg Sigerson, Board Chairman; Amber Mecham, Board Member; Diane Dodds, Board Member; and Pat Kolbet, Board Member, represented Bingham Academy.

Mr. Sigerson noted that the petitioners were awarded a national Charter Start Program grant, said the petitioners anticipate an opening enrollment of 100 students, and addressed progress in obtaining school facilities.

Ms. Kolbet reported on the proposed educational program, including STEM coursework and the colleges which may award concurrent credit.

Commissioner Hallett asked how Bingham's program would serve students who enter below grade level.

Ms. Kolbet said onsite professional development is available regarding how to modify modules based on student needs. STEM Academy 101 would work with the school's staff to make any necessary modifications to ensure no students are excluded.

Commissioner Hallett asked if Bingham has investigated whether this system has worked for low achieving students at other schools.

Ms. Kolbet said they have not, and agreed this research needs to be done.

Commissioner Scigliano asked if Bingham has spoken to other schools using the STEM Academy 101 program to determine whether the ongoing support and professional development are adequate.

Ms. Kolbet said they have spoken to North Valley Academy, which is using the middle school version of the program, and NVA reports being very happy with their results.

Commissioner Hallett requested clarification regarding Bingham's process for electing or appointing board members.

Mr. Sigerson reviewed the process as it is addressed in the bylaws.

Commissioner Hallett asked how "qualified electors" is defined.

Ms. Baysinger indicated that qualified electors are defined in section 4.3 of the bylaws.

Vice-Chairman Corkill asked for clarification regarding the school's planned expansion.

Mr. Sigerson said Bingham would increase the grade offerings as the students advance, so students who wish to remain at the school would be able to do so.

Vice-Chairman Corkill asked why Bingham missed the November 5 deadline for the mutually-agreed delay of consideration letter.

Mr. Sigerson indicated that this was result of a turnover of Bingham's board chair seat, which had not been communicated to PCSC staff.

Commissioner Hallett noted that PCSC staff had indicated further work is needed to align the MSES with the Five-Star Rating System.

Mr. Sigerson said it his understanding that a portion of the system is based on graduation rates, and since there will not be a graduating class until the fifth year of operations, this does not apply to Bingham.

Ms. Baysinger indicated that PCSC staff has provided guidance for schools and petitioners to assist them in developing applicable standards that align with the Five-Star Rating System. PCSC staff appreciates the fact that the school will not have a graduating class initially, but it appears the school does not have a complete understanding of the Five-Star Rating System. The MSES need further development, and sources of assistance have been communicated to Bingham on multiple occasions.

Ms. Kolbet said Bingham did attempt to follow PCSC staff directions. They used a Star Rating of three, since 75% of Idaho schools fall within that rating.

Commissioner Quinn asked about the items identified in the PCSC staff review regarding the description of the educational program and the focus of the school.

Ms. Kolbet said Bingham Academy will focus on STEM for all students at all achievement levels and STEM for career readiness, which are slightly separate paths of the same STEM focus.

Commissioner O'Donahue commended the school for its interest in providing dual enrollment opportunities. She asked if dual enrollment classes would be a graduation requirement for Bingham students, and whether the students could graduate without those dual credit courses, in cases where the family was unable to afford the associated tuition.

Ms. Kolbet said dual credit courses are not a graduation requirement and Bingham is looking at grants to fill the gap for students who cannot afford the dual credit tuition.

Commissioner Hallett asked if the classes are the same, but in order to receive college credits, students need to pay a dual credit enrollment fee.

Ms. Kolbet said that is correct. Some classes also have an articulation agreement requiring a minimum grade in order to receive credit.

Commissioner Quinn asked if the first year budget is actually a pre-opening budget.

Ms. Mecham said there was a labeling error. Appendix U is the Year One operations budget. Appendix X, the Charter Start Program Grant budget, is the pre-opening budget.

Commissioner Scigliano verified with Ms. Mecham and Ms. Kolbet that the STEM cost of \$45,000 is included in the budget for the wrong year.

Commissioner Hallett said a critical issue is the level of enrollment on which the budgets are based. He asked how solid the prospective student commitments are believed to be.

Mr. Sigerson said all the budgets are based on signatures representing 104 possible enrollees. Additional marketing efforts are being planned.

Commissioner Hallett noted that the budgets rely on enrollment of 140 to 200 students. He indicated discomfort with the amount of community interest document by comparison to the budgets.

Commissioner Scigliano asked where staff development is included in the budget.

Ms. Kolbet indicated that the ISTEM expenditure could be viewed in Appendix X, the Albertson grant budget.

Vice-Chairman Corkill asked what the impact on Bingham's finances would be if a significant number of the presently interested students did not choose to enroll.

Mr. Fred Ball said most of the commitments represent families attending existing public charter schools. Additional marketing has not yet taken place, and he believes that the results of future marketing efforts will generate more than enough additional interest.

A public comment from Mr. Don Keller, Administrator at Sage International School of Boise, indicated Sage's experience was that attrition can be high, at 20%-30%, as new students explore whether the school is right for them. Charter schools require substantial waiting lists. Sage has realized that many commitments do not result in actual enrollment; Sage went through its entire, long waiting list in the first year of operations.

Commissioner Hallett said he understands the frustration of marketing before a petition is approved, but indicated that the PCSC needs additional assurance that there will be sufficient interest to keep the school fiscally sound. He suggested delaying further consideration of the petition to the next regularly scheduled PCSC meeting.

Commissioner O'Donahue said she is empathetic to the effort it takes to get a petition approved. However, she feels this petition still looks like a petition that is in the beginning stages of the process. She commended the petitioners for including worst-case scenarios and stressed that the school should obtain three times as many enrollment commitments as are necessary for financial soundness, especially in the higher grades, to ensure adequate enrollment upon opening.

Vice-Chairman Corkill asked for additional information regarding the federal grant.

Mr. Sigerson said that if Bingham Academy is not approved by December 31, 2012, they will lose the \$600,000 federal Charter Start Program grant.

Vice-Chairman Corkill emphasized the need for additional enrollment interest.

Ms. Kolbet asked if there could be an opportunity to correct the outstanding concerns regarding the petition and demonstrate increased enrollment interest for the PCSC's consideration.

Vice-Chairman Corkill said the information would need to be submitted by the end of next week in order to accommodate a special meeting that could be scheduled on December 31, 2012.

Commissioner Hallett noted that the Odyssey petitioners had been before the Commissioner more times than Bingham has, and inquired whether a special meeting on December 31 would be a telephone conference.

Ms. Baysinger said the special meeting would need to be a telephone conference. She emphasized that the petitioners should make their very best effort in the final petition revision, as the PCSC would have the option of approving or denying the petition at the special meeting.

The PCSC asked the petitioners to focus on enrollment interest and strong MSES as top priorities.

Commissioner O'Donahue said she was disappointed that having a \$600,000 grant at stake did not encourage the petitioners to bring the petition to a higher level of quality than what was submitted.

Commissioner Hallett again stressed the need for high quality petitions because the school will be held accountable according to the petition approved.

M/S (Hallett/Scigliano): To delay the decision on the petition for Bingham Academy until a special meeting of the Public Charter School Commission on December 31, 2012, by mutual agreement with the petitioners.

Vice-Chairman Corkill reviewed the timeline for consideration of this petition.

Commissioner Scigliano said having a line item in the wrong year, at this point in the petitioning process, raises concern regarding the accuracy of the budget. Additionally, proposed staff development expenditures in years following the pre-opening budget may be inadequate.

The motion passed with a vote of 3-1, with Commissioner Quinn dissenting.

The PCSC emphasized that additional evidence of enrollment interest is critical.

9. Xavier Charter School (XCS) Fiscal Status Update

Debbi Burr, Board Chairman; Joan Hurlock, Board Member; Mark Lambert, Board Vice-Chairman; Thad Biggers, Head of School; Melissa Crane, Board Secretary; James Wallace, Board Treasurer; Mike Phelan, Child Nutrition Director & Part-Time Business Manager; and Mel Wiseman, Business Manager Assistant, represented XCS. Jed Stevenson of Twin Falls Development Company, XCS's landlord, was also present.

Commissioner O'Donahue recused herself from the discussion due to her employment at Legacy Charter School, which is using the same bonding firm as XCS.

Ms. Burr said they have resolved the federal funds documentation issue with the SDE. XCS will not be required to repay any of the federal funds. She said that XCS's payroll tax issue has not yet been resolved, but XCS is confident that additional taxes will not need to be paid.

Commissioner Scigliano asked about the timeline of communications with the IRS.

Ms. Burr said the IRS first contacted XCS in May, and the school responded in June. XCS's attorney was contacted and a CPA firm hired specializing in these types of issues. The CPA firm contacted the IRS at the beginning of October, again in late October, and again in November. Copies of the letters have been forwarded to PCSC staff.

Commissioner Hallett asked if there are penalties, fines, and interest involved.

Ms. Burr said these fees were included in the first letter from the IRS, but the tax attorney feels this issue will be resolved without any penalties, fines, and interest.

The PCSC confirmed with Ms. Burr that XCS does not anticipate any negative fiscal impact to result from the payroll tax concern.

Ms. Burr said XCS has entered an MOU with the landlord in order to lower the lease rate enough to keep XCS fiscally sound through FY13.

Commissioner Hallett asked if the cap on the lease rate is effective through the end of the lease.

Ms. Burr said the cap is only effective through the end of the fiscal year. If XCS is unable to purchase the building, the landlord is willing to continue lease negotiations.

Commissioner Hallett asked if the five-year budget shows the reduced lease rate or the current lease rate.

Ms. Burr said that budget does reflect the new reduction in lease costs for FY13. It also assumes this revised lease rate for all five years of the projections, though in reality negotiations are ongoing and the lease cap expires at year end. She said the board is looking at private sources of funding and there is an individual willing to offer a \$200,000 loan.

XCS said they have not had any significant fundraising success due to the “tentative” fiscal position of the school. The school is going to begin fundraising efforts if they can develop a sound, long-term plan.

Commissioner Scigliano said that, in his professional experience, obtaining a bond in these circumstances would be very problematic and, if granted, would be expensive and require extended negotiations. He advised XCS to be cautious on the purchase and suggested the school give themselves a deadline to determine viability of a purchase or lease negotiation before July 2013.

Ms. Burr said XCS is relying on Mr. Blandford’s expertise. Lifting of the NOD is critical to getting any bonds issued.

Commissioner Quinn asked what XCS’s Star Rating is.

XCS reported they are a four Star school and enrollment is only six students short of where it was at the beginning of this school year. A stakeholder’s meeting was held last week to give a status update and parents were overwhelmingly supportive.

Commissioner Hallett commended the school for maintaining enrollment, working toward overcoming fiscal challenges, and achieving academic success despite negative publicity.

Commissioner Quinn complimented XCS’s board for handling the difficult situation and maintaining academic performance. She asked what XCS is asking of the commission at this time.

Ms. Burr said XCS would like the NOD lifted and more time to work on fiscal issues.

Vice-Chairman Corkill asked PCSC’s counsel what statute indicates regarding lifting a NOD.

Ms. Jennifer Swartz, PCSC counsel, said Idaho statute does not speak to lifting or withdrawing a NOD. In her opinion, the PCSC should make a decision regarding lifting the NOD solely based on whether or not the PCSC believes the defect has been cured.

Vice-Chairman Corkill suggested that XCS provide an update at the February meeting so the PCSC may further consider their request based on progress and additional information.

Mr. Mel Wiseman expressed appreciation for all the parties' careful consideration and action regarding XCS's situation.

Commissioners Quinn and Hallett clarified that XCS should focus on preparing cash flow projections and an accrual budget, dealing with the facility lease, and resolving the IRS situation prior to the February meeting.

10. Idaho Virtual Academy (IDVA) Fiscal Explanation and Proposed Charter Amendments

Dave Malnes, Board Chairman; Desiree Laughlin, Head of School; Allen Wenger, Business Manager; and Russell Roselle, Vice President of Finance at K12, represented IDVA.

The IDVA representatives reviewed the school's financials. The amount paid to K12 in 2011-2012, according to a Bailey & Company audit, was \$6,636,850. The expenses were broken out by instructional and non-instructional. A management fee of \$740,000.00 was considered non-instructional and includes nine staff positions, K12 accounting, and financial statement resources available to IDVA. Instructional costs include online services for teachers and students, student supplies, technology services, computers, and two software programs, all of which comprise 88.84% of the total expenses. Altogether, 76.95% of all expenses were instructional in nature.

Commissioner Hallett asked the amount of IDVA's total expenditures for the same year.

IDVA's total expenses for the year were approximately \$12,500,000. The difference includes rent, administrative staff, and teacher salaries.

Commissioner Hallett asked for a breakdown of the remaining expenses, including percentages.

Vice-Chairman Corkill inquired regarding the invoicing process between IDVA and K12.

IDVA's representatives explained that invoices received by IDVA are coded and approved by the board, then sent to K12 for processing through the accounting database.

Vice-Chairman Corkill asked whether IDVA writes checks to K12 for K12's services.

IDVA said they use ACH transfers for the invoices.

Vice-Chairman Corkill asked how K12 gets the money to make payments for IDVA.

IDVA said K12 uses a Wells Fargo bank account under the direction of the school's board.

11. The Village Charter School (TVCS) Proposed Charter Amendments

Rachel Smith, Board Member; Susan Hanson, Board Member; and Teresa England, Administrator/Principal, represented TVCS.

Ms. Smith presented proposed charter amendments and explained how the school will make the necessary transition.

Dr. England reported that TVCS has taken steps to become a Lighthouse School where other teachers can be trained and TVCS can be used as a model school for the Leadership Program.

Commissioner Hallett commended the school for having a dress code and asked if staff members have a dress code.

Dr. England said there is a professional dress standard at TVCS. Most teachers abide by the same dress code as the students.

Commissioner Hallett suggested minor corrections to the dress code section of the handbook.

M/S (O'Donahue/Hallett): To approve the proposed charter amendments as submitted by The Village Charter School.

The motion passed unanimously.

12. Heritage Community Charter School (HCCS) Annual Update

Javier Castaneda, Principal/Administrator; and Richard Hammond, Board Chairman, represented HCCS. Other HCCS board members were present as well.

Mr. Hammond reported regarding the school's financial and academic status. He said HCCS recently submitted a signed, amended lease agreement to PCSC staff.

Ms. Baysinger said she did receive the signed lease agreement, which appears to alleviate the school's financial concerns for the next year or two, but cannot give details because she has not had an opportunity to evaluate it thoroughly.

Mr. Hammond said the revised lease includes a \$55,000 concession with no extra costs or extensions to the contract for the coming year, as well as a \$33,600 concession for the following year. HCCS now has an expected carryover of \$88,636

over the next two years.

Mr. Hammond said enrollment is at 444, which was a decrease from last year due to the decision to discontinue the high school. HCCS expects 507 next year, growing toward the cap of 540. A highly qualified administrator has been hired and a full-time math coach has been put in place this year. HCCS is willing to amend its MSES to reflect the new Star Rating System.

Commissioner O'Donahue asked Mr. Castaneda how long he anticipates it will take for the school to improve from their present two Star Rating to where they would like to be.

Mr. Castaneda described strategies including professional development, updating curriculum, and communicating with students' families. He said the school's stakeholders share in the sense of urgency regarding the need for academic improvement.

13. Blackfoot Charter Community Learning Center (BCCLC) Annual Update

Lisa Patrick, Board Treasurer; Debbie Steele, First Grade Teacher; Mark Cornelison, Board Member; and Fred Ball, Administrator, represented BCCLC.

The BCCLC representatives provided an update regarding the status of the school, focusing on academic results and the school's facility and financial situation. BCCLC received a four Star Rating, though some MSES in the charter were not met. Stakeholder survey results are largely positive, and BCCLC was able to put \$35,000 in a reserve account last year for future facility use.

Commissioner Hallett said the school's fund balance is a concern. The projected and current fund balances are relatively low at \$40,000 and \$11,000, respectively. The independent fiscal audit stated, that *"Management has not presented the management's discussion and analysis information that governmental accounting principles generally accepted in the United States of America require..."*. This document is important to predict trends and the overall fiscal well being of the school, but BCCLC did not prepare the document this year or last.

Mr. Ball said the auditor indicated to him that the document is not required.

Commissioner Hallett further read from the audit that *"Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context"*. He feels it would be prudent for the school to complete this documentation.

Mr. Ball said the auditor informed him that none of the school districts he audits prepare the document.

Commissioner Hallett encouraged the school to prepare the MDA document because it is useful and worthwhile. In addition, Tab 13, page 60, states “*we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses...that we consider to be a significant deficiency in internal control over financial reporting*”. He asked for clarification of these statements and feels they indicate the PCSC cannot have confidence in BCCLC’s reporting.

Mr. Ball offered to address both of the issues with the auditor again. BCCLC lacks sufficient personnel to provide an ideal system of checks and balances. BCCLC did ask the auditor how to correct this issue. There are now two separate business managers for the two schools in Blackfoot, and a process is being set up as a cross-check between these business managers.

Commissioner Hallett feels this is a separate issue from checks and balances.

Vice-Chairman Corkill asked BCCLC if the auditor is willing to write a letter saying that the statements in the audit are not actually cause for concern.

Commissioner Hallett asked for clarification regarding the audit’s statement regarding BCCLC’s questionable ability to continue as a going concern.

Mr. Ball said the auditor recommended enrollment growth to ease the financial pressure, but BCCLC’s facility cannot accommodate the growth.

Commissioner Quinn asked if an updated CAP is in order with regard to the MSES.

Mr. Ball said BCCLC could present at the April PCSC meeting with proposed charter amendments and an updated CAP.

Commissioner Hallett requested BCCLC bring to the April meeting:

- Developed MDA (Management’s Discussion and Analysis) document
- Response to auditor’s comment regarding BCCLC as “a going concern”
- Response to auditor’s comment regarding lack of adequate internal controls over financial reporting

14. Idaho Science and Technology Charter School (ISTCS) Annual Update

Kelly Moulton, New Board Member; Tami Dortch, Assistant Principal; Gary Larsen, Principal; and Fred Ball, Financial Consultant, represented ISTCS.

Ms. Dortch and Mr. Larsen provided an update regarding the status of the school, focusing on academic trends. They requested that the PCSC allow the school six

months in which to develop revised MSES reflecting the new Star Rating System and prepare other proposed charter amendments.

Mr. Ball said enrollment, currently at 188, has grown more slowly than anticipated. Students coming from five different LEAs appear to have difficulty transitioning into ISTCS's sixth grade, and the school's limited sports offerings discourage some potential students. The school has introduced a "pals" program to assist with transitions. ISTCS is working with the landlord on lease concessions and anticipates finishing FY13 in the black, though the budget will be tight. Marketing efforts are underway to improve enrollment.

Ms. Dortch said ISTCS was rated as a three Star school. She noted that results may have been better if ISTCS hadn't missed the appeal window. The school's lowest achieving students are in a high growth percentile, and ISTCS was on the high end of the three Star Rating for student growth.

Commissioner O'Donahue thanked the school for explaining the barriers the school is facing in enrolling students in middle school grades.

Commissioner Quinn commended the school for their data driven and shared decision making processes, which are critical to academic success.

15. Another Choice Virtual School (ACVS) Annual Update

Kelsey Williams, Administrator; Donna Myers, Business Manager; Laura Sandidge, Special Education Director; and Ross Jones, Board Chairman, represented ACVS.

ACVS provided a status update including demographics, finances, academic performance, and action plans for school improvement.

Vice-Chairman Corkill asked how many teachers ACVS has.

Ms. Williams said there 16.825 FTE teachers and of those, 15 are full-time.

Commissioner Quinn asked what a priority school means.

Ms. Williams said that priority one schools must follow a required plan of action outlined by the state and ACVS met with Nick Smith at the State Department of Education.

Commissioner Hallett asked if ACVS has applied for capacity builder funds.

Ms. Michelle Clement Taylor, SDE School Choice Specialist, said there is a large need, this program has limited funding, and schools are being looked at on a case-by-case basis.

Commissioner Quinn asked the school to address the issue of Ms. Sandidge's certification.

ACVS said the Idaho System for Education Excellence (ISEE) listed Ms. Williams as Superintendent. Ms. Sandidge did complete all her coursework to obtain administrator certification, but did not complete certification paperwork. Ms. Sandidge directs Special Education and Ms. Williams acts as Principal. The school has approached administration as a leadership team.

Commissioner Quinn asked for clarification from PCSC staff.

Ms. Baysinger said it is apparent from ACVS's site visit and reporting that Ms. Sandidge is performing administrative duties. Pursuant to IDAPA 08.02.02.026, until the certification is finalized, no administrative duties should be undertaken by Ms. Sandidge. PCSC staff has verified with the SDE that a violation has occurred, though it can be readily corrected through completion of the certification process.

Vice-Chairman Corkill asked if ACVS has a curriculum provider.

Ms. Williams said ACVS has multiple curriculum providers.

M/S (Quinn/Hallett): To direct PCSC staff to issue Another Choice Virtual School a notice of defect on the grounds of material violation of any condition, standard or procedure set forth in the approved charter and a violation of a provision of law, specifically, IDAPA 08.02.02.026 regarding administrative certification.

Commissioner O'Donahue said the PCSC understands the school did not intentionally try to commit or conceal a violation, but simply got ahead of itself procedurally.

Vice-Chairman Corkill encouraged the school to resolve the matter as soon as possible.

The motion passed unanimously.

M/S (O'Donahue/Quinn): To adjourn the meeting. *The motion passed unanimously.*

The meeting was adjourned at 3:23 p.m.