

Minutes of the North Carolina Charter School Review Board

State Board Room 755, Department of Public Instruction

December 11, 2023

9 AM

Attendance – CSRБ Members	
Alex Granados- (nonvoting) Absent Dr. Rita Haire Dr. John Eldridge Alex Quigley Hilda Parlér (Virtual) Dr. Shelly Shope (Virtual)	Eric Sanchez Bruce Friend Dave Machado Todd Godbey Dr. Bartley Danielsen – Left at 1:00 pm Stephen Gay
Attendance – Other	
<i>Office of Charter Schools</i> Ashley Baquero, Director Joseph Letterio, Consultant Melanie Rackley, Consultant Jenna Cook, Consultant Dr. Natasha Norins, Consultant Dr. Brandi Gill, Consultant- Absent Nicky Niewinski, Consultant Megan Carter, Consultant Davida Robinson, NC ACCESS- Absent Dr. Barbara O’Neal, NC ACCESS- Absent	<i>Attorney General</i> Zach Padget- Absent <i>SBE Attorney</i> Allison Schafer- Absent <i>Teacher/Principal of Year</i> William Storrs- TOY Maria Mills- POY TJ Worrell- POY Ryan Henderson- TOY

Recording of December CSRБ Meeting: [NC Department of Public Instruction Public Meetings - YouTube](#)

Call To Order

Pledge of Allegiance: Mr. Bruce Friend

Mission and Ethics Statement:

- Mission and Ethics Statement, Mr. Bruce Friend, Board Chair
 - Alex Quigley recused from Carolina Achieve

Approval of the Agenda and Minutes

Motion: Dr. Haire motioned to approve agenda for December Meeting

Second: Hilda Parlér

Vote: Unanimous

Passed

Failed

Motion: Alex Quigley motioned to approve November 2023 minutes.

Second: Todd Godbey

Vote: Unanimous

Passed

Failed

December Charter School Review Board Meeting

Amendment: Ms. Nicky Niewinski, OCS Consultant

- GO BIG – Relocation and Enrollment Reduction
 - Nicky Niewinski introduced the amendment and relevant information for relocation and need to reduce enrollment due to facility restrictions.
 - Discussion from the Board:
 - Mr. Friend: What was the initial plan for enrollment? Answer: Initially it was 100 per grade level.
 - Mr. Machado asked if this was a boarding school.
 - Dr. Haire stated it was initially going to be a boarding school. Dr. Haire then explained why she is against this amendment and touched on how the budget / application is very different than when they initially applied.
 - Mr. Friend and other board members discussed the possible changes and old application.
 - Mr. Machado asked if OCS had visited the site. Ashley Baquero said they normally don't for non-accelerated applications.
 - Mr. Sanchez asked a budgetary question that Ms. Niewinski couldn't answer. GO BIG board members were not present to answer question. Mr. Sanchez asked if that was normal for board members to not be there, and several CSRБ members agreed that some should be there.
 - Dr. Eldridge asked if the proposed church location demonstrated being up to code. Ms. Niewinski was unable to verify this information.
 - Ashley Baquero suggested GO BIG amendment be rescheduled for January with their board present to answer questions. Several CSRБ members agreed.
 - Dr. Haire asked about the transportation plan. Ms. Niewinski stated there is a public bus stop near the church and GO BIG board did not see transportation as a barrier for new location.
 - Board agreed to ask them to appear in January to answer their questions.

Introduction to 2023 Charter Application Second Interviews: Ms. Melanie Rackley, OCS Consultant

- Ms. Rackley gave a 2023 Recap of recommendations as well as the statutes dictating CSRБ’s decision-making process. She additionally went over the remaining applications before the board and what the board specifically asked about the school.

Carolina Achieve - Standard, 2025

Introduction

- Ms. Melanie Rackley introduced the Board of Directors to the School; as well as their mission, number of students, and other details pertaining to their application. She also introduced the choices the CSRБ had regarding this application as well as key questions brought up in their previous interview.

Opening Statement from the School Board

- Board Chair gave his opening statements. Thanked the board and charter school community for their willingness to help them through this process.
 - Introduced other individuals of the board that were not able to make it to the last meeting.
 - Board members introduced themselves and gave their credentials.

Questions/Deliberations from CSRБ

- Mr. Friend introduced two questions from CSRБ: Budget (Facility-Focused) and Affinity Groups.
- Mr. Friend asked if there were any updates regarding the facility?
 - Board chair stated there were opportunities and cited ways they are using technology to determine size of facility they need and how much it will cost.
- Mr. Friend asked about original enrollment numbers in initial application and asked if that would change.
 - The Board Chair stated he plans to have 100 per grade-level and they have facilities lined up that are willing to enter negotiations after the charter is approved. Added they don’t plan to lower their numbers.
- Dr. Haire stated she reviewed the application since she wasn’t there in September for their first interview. Said she was satisfied with their responses and asked when they went from accelerated to standard.
 - Ashley Baquero responded this changed before applications were reviewed so that’s why they were allowed to do that.
- Mr. Machado challenged the board to do the affinity groups well.
- Dr. Danielsen stated he thinks the board is incredibly talented and able to implement the affinity groups into their curriculum.
- Mr. Friend asked if the change in venue is going to impact where they pull students from.
 - Board member stated with the transportation plan in place they are still going to pull from the same counties and possibly expand it to new demographics if successful.

Closing Remarks from the School Board

- The Board chair gave his closing remarks citing the need for the school in the counties it wants to serve. He claimed that the low literacy rate in those areas can be bolstered by their model and is excited to get the school going.

Motion: Dr. John Eldridge motioned to approve Carolina Achieve’s charter application and move them to the RTO Process.

Second: Eric Sanchez

Discussion:

- Eric Sanchez said he thinks the board is doing this the right way.

Vote: Unanimous- Alex Quigley recused

- Passed Failed

Director’s Updates: Ms. Ashley Baquero, OCS Executive Director

- Ms. Baquero introduced next month’s agenda including the number of applications, renewals and other presentations that board members would receive. Introduced OCS’ new staff member and updated on Jenna’s transitional role with OCS.
 - Updated work related to the School Improvement team including completion of site visits of CLP campuses; monitoring/site visit framework revised; low-performing schools are going to present before the Review board beginning in February.
 - OCS Annual Report process has begun.
 - Charter School Application revisions for next application cycle. Will include remote academies per new legislation.
 - 2025 renewal process- 40 schools in cohort. Visits begin in January.
 - ‘TOY’ / ‘POY’ updates.
 - SECU scholarship process, 10 awards for charter schools this year.
 - RTO sessions continue. 1018 items submitted and reviewed by RTO team.
 - Performance Framework team has reviewed about 1500 submitted documents.
 - NC ACCESS extension. In person monitoring to occur in March.
- Mr. Friend gave updates on his work to keep lines of communication open to DPI and the SBE.
 - Reviewed SBE’s decision to uphold CSRБ’s votes to deny Heritage Collegiate and close SABA.
 - Working to secure an attorney for CSRБ as CSRБ doesn’t have one.
- Mr. Quigley clarified his remarks from a previous meeting that were mentioned in an email sent to CSRБ members from Dr. Bazemore.
 - Advocated for a low-interest loan that schools can take to get startup capital to compete against an EMO/CMO; or, work on their own. Stated the legislature needs to make some moves to assist schools in delay. Perhaps change structure of application and authorization process. OCS cited 6/10 schools were in delay.
 - Advocate for better policies to help new charter schools open successfully.
 - Several board members agreed with Mr. Quigley’s remarks.
- Dr. Danielsen added that the state may not need to be the only source of ‘revenue’ that schools need to consider. Said that the state should consider allowing county commissioners to use their funds.
 - Ms. Parlér asked if a subcommittee needed to be created to investigate things, Mr. Friend said he’d take that under consideration and moved back to the agenda.

Myrtis Simpson Walker Academy for Boys- Standard, 2025

- Ms. Melanie Rackley introduced the Board of Directors to the School; as well as their mission, number of students, and other details pertaining to their application. She also introduced the choices the CSRБ had regarding this application and introduced some of the questions they were asked/answered from CSRБ previously.

Opening Statements from the School Board

- Ms. Johnson (Board Chair) introduced the board and cited why this school was needed, important, and why it was going to be successful.
 - She cited a large increase in interest survey responses, strengthening of their board, and focus on entrepreneurship and music to drive character education.

Questions/Deliberation from the CSRБ

- Dr. Haire asked what happened a few years ago with the original application?
 - No one seemed to recall the old application but noted the most recent vote was to send them to a 2nd interview. That vote was 7-1.
- Mr. Friend expressed concern over enrollment. Expressed concern and optimism that by 2025 they would have those numbers, but also said he wants to be more confident.
- Dr. Elridge asked if they had a grade breakdown of those 306 families that responded.
 - Ms. Johnson stated the grades were varied, but that a lot of them were in Kindergarten due to their extensive targeting of daycares across Charlotte.
- Mr. Friend asked about the partnership with the marketing group mentioned in their first interview.
 - Ms. Johnson stated they have begun working with the marketing group. Taken their recommendations and begun more grassroots / social media campaigns to spread awareness of their school.
- Ms. Parlér asked if there were any other events since October?
 - Ms. Johnson stated there have been no events, but they expanded their reach in daycares since October.
 - Ms. Parlér stated there must be consistency. Ms. Johnson responded that it was consistent citing the timeline her team used based on recommendations from marketing group.
- Dr. Haire asked for more specifics related to the 306 students.
 - Ms. Johnson explained the difference between their initial survey, the interest list, and a more detailed survey parents were asked to complete. Stated this was a different survey result than the 149 previously shared. The 306 was a fresh survey.
- Dr. Haire asked if they included the number from 2 years ago in their interest list / projections.
 - Ms. Johnson stated it was used in their projections but did acknowledge that some could have moved on due to a large time gap. She then went into more detail about the specific targeted marketing they did.
- Mr. Sanchez asked if it was focused extensively on kindergarten.
 - Ms. Johnson said that yes it was and – after further examination – there were about 150-200 responses that mentioned they had a kindergarten student.
- Mr. Sanchez asked if the board sees a drop in interest as kids get older?
 - Ms. Johnson stated the demographics they are targeting are hungry for this type of school and they are anticipating getting those numbers due to their location in Mecklenburg County and other factors. Cited her past experiences as evidence that she is a well-qualified, hard-working leader.
- Ms. Parlér asked if they had any events in November?

- Ms. Johnson stated they did not have any per the advice of their marketing group that was assisting them. Stated the marketing group advocated strongly for working in the daycares.
- Mr. Friend asked if there were any other all-boy schools in the Charlotte area?
 - Ms. Johnson said no.
- Mr. Friend asked about the board experience with a single gender school.
 - Ms. Johnson mentioned that her Co-Chair has looked at a school in Virginia and she has worked with a school in Miami.
- Mr. Friend asked if there was a plan/commitment to expose other board members to single gender schools.
 - Ms. Johnson said that everyone was committed and said they have answered similar concerns – along with others – from parents in the community. Reiterated her desire to open this school in Charlotte and the strong need / desire in the community.
- Mr. Machado asked what type of schools were visited (Public, Charter, etc.).
 - Ms. Johnson stated the school in Miami was a public school in Miami-Dade and the one in Virginia was a Charter School.
- Mr. Machado asked why the zip code?
 - Ms. Johnson said that was due to saturation and their realtor said it would be a good location for a good price.
- Dr. Haire asked if Ms. Johnson had visited an elementary all-boy school.
 - Ms. Johnson said no she has not.
- Dr. Haire asked about the startup costs/funds?
 - Ms. Johnson explained that a private company would assist and provide those startup funds. Shared information regarding a program in Charlotte that would give funds to groups with a focus on entrepreneurship.
- Mr. Friend asked about the counselor ratio with the demographics they planned to serve.
 - Ms. Johnson stated they are partnering with a mental health agency and if their budget allows it they will hire a second counselor.
- Dr. Haire asked about her concerns in the budget, especially those in the EC department.
 - Mr. Conway addressed the plans for their budget. Dr. Haire reiterated her question specifically referencing the ‘curriculum and text’ budget. Mr. Conway emphasized their intent to focus on entrepreneurship and music.
 - Stated the \$7,500 includes additional books required when a new grade-level is added. Asked if she thought that was enough and Dr. Haire mentioned her concerns again.
 - Those concerns included the ‘curriculum and texts’ section and the staffing section.
 - Ms. Johnson and Mr. Conway mentioned community partnerships they are working with to provide limited cost resources to the school.

Closing Remarks from the School Board

- Ms. Johnson thanked the board again for their time. Reiterated her mission and the reason(s) why she decided to work with young men.

Deliberation from the CSRБ

- Dr. Haire says she sees the need based off what Ms. Johnson said. Stated she appreciates the efforts that are going on.

- Additionally expressed concern over the enrollment numbers and wished they could have submitted that to OCS as a part of this second interview.
- Dr. Eldridge added he is concerned about them not knowing the breakdown by grade; and expressed concern about the number of teachers / staff.
- Mr. Machado expressed some concerns about the enrollment in CMS due to saturation in the county. Ms. Parlér said she didn't feel they were actively marketing in the community.
- Mr. Godbey stated he sees and understands the argument regarding the need, and the struggles of marketing to a single-gender school.
 - Stated he has worked with the marketing agency they are working with; but that was also the same one that worked with SABA. Expressed concern over the marketing agency and the Title 9 requirements the school needs to follow to open the school. Doesn't think they have given their 'why' adequately.
- Mr. Sanchez asked Mr. Godbey about enrollment.
 - Mr. Godbey gave his background running an all-girls school in Wilmington and mentioned the successes and mistakes he made on his school's journey.
 - Mr. Henderson asked about the socioeconomic demographics in Mr. Godbey's school. Mr. Godbey mentioned that they are about 80% FRL.
- Mr. Friend said that SABA was on his mind but does recognize this school application is very different and is not going to factor in his decision. He additionally expressed that he is not any more confident in the school being able to meet enrollment.
- Mr. Sanchez expressed that he feels the school gave 'halfway there' responses and there needs to be more focus on the nuances in a single-gender school.
- Dr. Danielsen expressed his concern that arts schools tend to attract females. Doesn't think focusing on a certain thing – regardless of what it is – is going to help boost enrollment/interest in the school.

Motion: Ms. Hilda Parlér motioned to deny Myrtis Simpson Walker Academy for Boys's charter application

Second: Dr. Rita Haire

Discussion:

- Mr. Godbey mentioned that he supports single-gender education and wants to see it grow in the state. Stressed that to be successful there needs to be extensive amounts of data, planning and more.
- Dr. Haire agreed and said that she wants to see Ms. Johnson build a strong program, but in the end the numbers and the data matter.

Vote: Unanimous

- Passed Failed

Liberty Charter Academy- Standard, 2025

- Ms. Melanie Rackley introduced the Board of Directors to the School; as well as their mission, number of students, and other details pertaining to their application. She also introduced the choices the CSRБ had regarding this application and an overview of the questions they asked them to complete prior to their second interview.

Opening Remarks from the School Board

- Mr. O'Day introduced the board members and yielded to Mr. Maccoll to present on why they chose to work with an EMO.
 - Discussed the number of schools with EMOs / CMOs and the number of schools that have had to close with/without an EMO. Compared American Traditional Academies (ATA) with other EMOs in the state.
 - Stated they needed to partner with ATA to provide strong support for their school, and listed the things ATA would help the board accomplish so the board can continue to serve as an oversight board.

Questions and Deliberation from the CSRБ

- Mr. O'Day (Board Chair) stated they have provided the supplemental documentation asked for in September.
- Mr. Friend asked if it was true none of the board members had K-12 experience and asked them to assuage his fears of that.
 - Mr. Maccoll said that each member comes from a different background which helps them with the overall process. States the curriculum is an approved model and the board's goal is to be good stewards of the money the state gives them.
 - Mr. O'Day mentioned that one of his board members has College-aged educational experience.
 - Mr. Schneider mentioned his experience at the college level and why it would be applicable/appropriate experience for running a K-12 school.
- Dr. Haire asked if the school is considered a classical school?
 - Several Board members said yes.
- Dr. Haire asked about enrollment citing past enrollment projections of 305-ish kids.
 - Mr. Maccoll stated the addition of high school – based off research done in the community – will help retain older children and keep parents coming back to the school.
- Mr. Friend asked about the 'Substantial need', and for them to prove it.
 - Mr. Maccoll said that much of the data is based on waitlists around the area. Stated they are looking at the data to prove demand in the area. Confirmed with the EMO representative that they haven't used any additional marketing tools.
 - Mr. O'Day cited Dr. Eldridge's past remarks that their proposed location is an area of high need.
 - Mr. Friend added this board should be careful to tie demand at other schools to demand/need at their school. Mr. O'Day agreed and said those schools with high-demand in the area are actually helping them and working with ATA.
- Dr. Haire asked when the most recent survey was done.
 - Stated the 300+ students they identified were from a survey in April/May of 2023.
- Mr. Sanchez asked about the facility and how they are going to procure working with a private agency/company
 - Mr. O'Day stated at this time they don't have a facility, and Mr. Maccoll said they are actively working with someone who has real estate experience to find potential good matches for land.
- Mr. Sanchez asked how the model and the number of staff they are using works for their school. Mr. Sanchez clarified by asking how their plan to teach/work all the way through HS factors into their staffing model.

- Mr. O’Day stated the staffing model was built off of the models that other schools are using. Says that it came from ATA.
- Mr. Sanchez asked how oversight will occur based on the org chart. Concerned the governing board is giving ATA autonomy to run almost everything.
 - Mr. O’Day said that ATA – since the board holds the charter – is going to be working for the board.
- Mr. Sanchez reiterated his point and Mr. Maccoll stated that if he could redraw the org chart, he would make it a 3-legged stool and explained how they would execute this model.
 - Mr. Sanchez summarized and he/Mr. Maccoll/Mr. O’Day discussed the organizational structure regarding policy creation.
 - Result: ATA creates a policy, School Board votes to approve it and Administration implements it.
 - Several Board members said that they would be able to make that work despite their lack of K-12 experience.
- Dr. Danielsen asked if ATA had experience with schools, and the board mentioned a school that just opened up in Rockingham County supported by ATA.
 - Dr. Danielsen asked if that school had any issues that might make CSRБ question things.
 - OCS and the School’s board both said no as it just opened this year.
- Dr. Danielsen reiterated concerns over the lack of experience regarding K-12 education on the board. Asked if the board will talk with anyone other than ATA to learn more about what’s going on outside of what ATA may/may not raise?
 - A Board member stated they plan to address this by hiring a strong principal. He cited his experience mentoring kids – and Mr. O’Day’s remarks about surveying parents during the year – as reasons why they are going to be able to address all parents whether or not ATA raises the issue or not.
 - Mr. Jones – another board member – mentioned the board is going to be able to receive public input.
 - Mr. Schneider expressed his plan to look at performance data to identify concerns / issues.

Closing Remarks

- Mr. Williams gave closing remarks. He cited their expertise and mentioned it is not just going to be used to guide the school. Instead, they are going to reach out to the educational community to learn, grow, and prosper.
 - He additionally gave reasons as to why they should approve.

Deliberation from the CSRБ

- Dr. Haire stated she still has some concerns over the enrollment numbers and some of the staffing gaps in their budget/application.
 - Added that she thinks the board could benefit from a female perspective to the board.
- Mr. Quigley said he shares the concerns of previous board members. Stated that overall, his biggest concern is the personnel and number of students in the higher grades. Expressed concerns he had with the budget.
 - Overall, he doesn’t have issues with educators not being on the board and thinks the board is strong.
- Mr. Friend and others agree that diversifying the board would be important. Agreed with Dr. Danielsen and cited his own board when saying that board members need to be able to answer well. Reiterated his concern over ‘Substantial Need’.

- Dr. Eldridge reiterated his position on the ‘Substantial Need’ for the area. Said that overall, the area needed a strong school that focused on their type of education due to historically having lower scores.
- Mr. Sanchez said that he agrees with what Mr. Friend said. States he sees almost everything being deferred to the EMO and there needs to be a re-evaluation between all parties involved.
 - Feels the organizational chart doesn’t truly show the role of the EMO in their school.
- Mr. Machado disagrees with Mr. Sanchez and states over the several times they’ve come before the board, he feels they’ve gotten stronger and more qualified. Expressed doubt over whether the EMO can cover any deficits but believed the item in the budget regarding this was sufficient enough. Overall believes this EMO is successful and the application is strong.
- Dr. Danielsen commented that the board is competent due to the fact they’ve partnered with someone who was successful in the past.
 - Ms. Parlér expressed her support.
- Mr. Friend asked if the contract with ATA was for 5 years. Asked if they could clarify the financial wherewithal of ATA.
 - Member of the EMO stated they have partnerships with people who have deeper pockets and can support the school/ATA if any funding needs arise.
- Ms. Parlér asked for names and the EMO mentioned someone from a Charter Development agency.
- Mr. Friend asked a hypothetical regarding the board being able to fundraise the shortfall.
 - Member of the EMO mentioned they would be supportive of that if the school’s board can fundraise the shortfall.
- Mr. Sanchez asked about potential conflicts of interest.
 - Member of the EMO stated she looks at things that have worked in the past; and mentioned how other EMO-run schools may have facility issues if they decide to separate with the EMO.
 - In the end, she wants the school to be successful as then the EMO is successful.
 - Mr. Sanchez asked if there was a policy for conflict of interest in place.
 - Member of the EMO said there was one in place for board members but not one overall.
- Dr. Eldridge reiterated his hope that if this is approved, they do the work needed in that area.

Motion: Dr. John Eldridge motioned to approve Liberty Charter Academy’s charter application

Second: Dr. Bartley Danielsen

Discussion:

- Dr. Haire supported Mr. Machado’s comments, reiterated her questions about enrollment, and expressed her overall support for the application.
- Mr. Sanchez believes that the board is strong and is trying to make a difference in the community. Thought the EMO representative answered the questions well. Said that he doesn’t want his support or lack thereof to reflect poorly on anything. Stated he just has too many questions.
- Mr. Friend and Mr. Quigley reiterated their concerns about the difficulty to create a charter without an EMO and the difficulty associated with starting a new EMO when there are already well-established EMOs across NC.

Vote: 9-2 (Mr. Quigley and Mr. Sanchez against)

- Passed Failed

Renewals 2024 Introduction and Data Review: Ms. Jenna Cook, OCS Consultant

- Ms. Cook introduced the renewal process.
 - She touched on what OCS does in this process and outlined the steps done per month / per year. Stated year 1 is heavy on requirements from the school and year 2 is heavy on requirements from OCS/CSRБ. Stated if a school does not receive a 10-year renewal based on statute, they present before the board.
 - Reviewed schools and guidelines the Review board has to follow (per statute).
 - Introduced 10-year renewals:
 - Neuse Charter School, Sugar Creek Charter, Community School of Davidson.
 - Introduced 7-year renewals and guidelines used to place these schools in this renewal group.

Renewal Presentation and Interviews:

1. Marjorie Williams Academy 06B

Introduction/Presentation from the Marjorie Williams Academy Board

- Ms. Williams – Board Chair – introduced the members of the board who were present and the principal – Dr. Austin.
- Dr. Austin gave an overview of the school starting from 1999, and touched on some of the compliance questions that were raised and actions taken to resolve compliance issues.
 - Explained they are a Title 1 school and had a 99% teacher retention rate.
- Dr. Austin asked for a 10-year renewal.
 - She introduced ways the school was working to get to the 10-year renewal category.
 - She also mentioned challenges that her school faced, and how the foster care system makes it difficult to know how many students attend, and how long they stay in the school. Gave several examples of this and compared the ADM to the number of students they served.
 - She touched on the declining ADM related to the pandemic and changes in federal law.
 - Believed the number of cases DSS received would increase, but in fact it hadn't. That – she said – is why the ADM was so low after the pandemic.
 - She concluded her presentation by expressing challenges they are facing and how they addressed the ADM concern. Shared goals of the school.

Questions from the CSRБ

- Mr. Friend asked if the one year they didn't meet comparability is what is keeping them in the 7-year renewal category?
 - OCS staff said yes.
- Mr. Machado asked if they could take more from the community if they had more capacity?
 - Dr. Austin said yes. However, cited the unpredictability of the foster care system as to why they refrain from enrolling too many students from the community. They strive to always have room for foster students in classrooms.
- Mr. Friend asked if they feed from surrounding counties?
 - Dr. Austin explained surrounding area from which students are enrolled.
- Dr. Haire asked her to elaborate on the non-academic growth.

- Dr. Austin explained the goal of their board again and lauded their current staff for working with kids to find the best system to work for them. Stated they are Sanctuary Certified and Trauma-informed as well and they build relationships with students to help them feel supported.
- Mr. Machado and Mr. Friend reiterated how they are doing well for the population they are serving.

2. Carolina International School 13A

Introduction / Presentation from the Carolina International School Board

- Dr. Bryant introduced himself and gave his credentials. He began his presentation by introducing board members present, and compared the charter schools in Cabarrus County to his school.
 - With this comparison – and other data – he advocated for a 10-year renewal.
 - He argued that many of the students who live in Cabarrus County are different than those served by CIS. Stated learning gaps have been reduced to a level far greater than that in Cabarrus and Mecklenburg Counties.
 - Mentioned a conversation he had with Dr. Corn and listening to last week’s SBE meeting as reasons to address concerns about comparability.
 - Asked the CSRБ to look at data outside of what is currently given to them.
 - Concluded his presentation by outlining the teaching program his teachers have utilized – Teach Like A Champion. States his teachers are trained in this program and is helping maximize academic growth. Additionally added why they are needed in their community.
- The Board Chair introduced herself and gave the history of Dr. Bryant’s tenure at CIS.
 - She additionally gave the board’s responsibilities.

Questions / Deliberation from the CSRБ

- Dr. Haire asked about current enrollment, and Dr. Bryant said adjusted ADM was 759.
- Mr. Friend asked about the percentage from Cabarrus County. Dr. Bryant gave the percentage.
- Ms. Mills cited her school as another example of Dr. Bryant’s point that comparability data needs to be re-evaluated.
- Dr. Bryant concluded by asking one more time for a 10-year renewal.

3. Community Public Charter 36G

- a. Ms. Cook noted that there was an ESSER Monitoring Review and corrections need to be submitted before January of 2024.

Introduction / Presentation from the Community Public Charter Board

- Ms. Dellinger introduced herself, the board members, and a student who is attending the school.
 - She also touched on how their school finally has a facility, has compared well to the surrounding areas, and has retained staff and students.
 - Highlighted social media marketing and how the public is supportive of their mission.
 - She went more into their comparability data and cited they are within 7% of Gaston County.

- Shares they have seen a double-digit drop in absenteeism and gave a few reasons why she thinks this went down so significantly.
- Ms. Dellinger explained their contingency plans have caused things to shift and they are now over-enrolled and a little lower in their financial health. Overall, they plan to be in the black.
- Dr. Shope congratulated them on their growth and for having all board members present.
- Mr. Machado added that having 750 from the Town of Stanley is exceptional; Dr. Eldridge and Dr. Haire seconded that and said to make sure the number is reflected on their website.
- Mr. Godbey asked if the data could be broken down by subgroup and Dr. Elridge and Mr. Friend agreed.
 - Mr. Friend did argue that some of the schools they heard from today may deserve a higher rating.

Motion to Adjourn: Dr. John Eldridge

Second: Dr. Rita Haire

2:15 pm

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State Board Room 755, Department of Public Instruction

December 12, 2023

9 AM

Attendance – CSAB Members	
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CSRБ December Meeting Recording: [NC Department of Public Instruction Public Meetings - YouTube](#)

Call To Order

Pledge of Allegiance: Mr. Bruce Friend, Board Chair

Mission and Ethics Statement:

- Mission and Ethics Statement, Mr. Bruce Friend, Board Chair
 - Dave Machado recused from Steele Creek Preparatory Academy

Charter Application Second Interviews Introduction: Ms. Melanie Rackley, OCS Consultant

Triad International Studies Academy- Standard 2025

- Ms. Rackley introduced the Board of Directors to the School; as well as their mission, number of students, and other details pertaining to their application. She also introduced the questions that were asked to them by the CSRБ and went over the procedure for the day.

Opening Statement

- Board Chair introduced himself, his board members, and apologized for the members who were not able to attend.
 - Additionally, he began to explain what has been done since September:
 - They have found a facility and received support from the landlord and community for the facility to be used by TISA. Cited that in surrounding area there are schools with 88% minority students and lower socioeconomic status.
 - They have gotten increased interest with over 250 survey responses / potential students.
 - They have updated their transportation plan.
 - They have updated their budget to ensure that renovations, professional development, and more are able to be funded.
 - They have set up an advisory board to recruit a volunteer team and have been able to increase the amount of equipment they have for the school.

Questions / Deliberations from the CSRБ

- Ms. Parlér asked how students will “act like a global citizen”.
 - A board member mentioned they are striving to help students be more friendly with an increasingly diverse society; and, become more culturally aware / smart. They have some ideas within their board, and some ideas that they’ve talked about with people who have designed curriculums/courses they will implement in the school.
- Mr. Friend asked how far away the new facility is from where they wanted to put it initially.
 - A board member stated it is very close to original location. They were able to find something near High Point. She also went into why they wanted to serve the High Point area and why the community was good for them.
- Mr. Friend asked more about the facility (including how old).
 - The board chair and another board member responded they believe it’s about 10-12 years old. Others say that renovation took place around 2009.
- Mr. Machado asked if it could get approved for educational occupancy.
 - A board member responded yes and they already budgeted for a sprinkler system and an elevator. Another board member stated most recent renovation included a new HVAC system and a new kitchen (after getting a question from Ms. Parlér).
- Ms. Parlér asked about the square footage – and Mr. Friend asked for clarification on the exact number. Mr. Friend and others asked if that will be the space at capacity as well.

- The Board chair said he believes it was 21-23,000 and clarified this facility will be used only for the first 2 years.
- Mr. Machado asked for further clarification on the transportation plan.
 - A board member stated they will implement a school bus route and contract with a company they used in Charlotte to bring a transportation service to several stops in High Point. Additionally said that some parents would want to do a carpool service so they will provide that as well.
- Mr. Friend asked what work has been done since September to gauge greater interest in the school.
 - The board chair mentioned the survey as well as the opportunity to expand their advertising to elementary schools.
- Mr. Friend asked if the projected demographics were like the responses in the survey.
 - The Board chair said they did not include that question as some students expressed discomfort in answering that. He additionally mentioned that the schools within 3 miles of their proposed location have close to 70-80% minority enrollment.
 - Mr. Friend said that it was going to be super important to reach out to community leaders and cited the data he had in front of him.
 - The Board chair mentioned community resources nearby their proposed location and ability for board members to reach out to those groups/facilities and get interest.
- Dr. Haire first thanked them for the many statistics and for all the data they submitted. She asked about the possible move to the Greensboro area, as well as the facility budget, the marketing strategy, and the custodial budget.
 - Another board member explained plan to save money on the facility budget and redirect it to modular classrooms. Stated this would help them get through the first 4 years. Said they are working with a realtor to find land to build a new facility. They want to begin this in year 2 with completion by year 6.
 - She also explained the custodian budget and she and Dr. Haire discussed that there may be a discrepancy in that budget.
- Dr. Haire re-asked her question about marketing and their strategy.
 - The board member stated in year 1 the money will be primarily used to fund a billboard. As years progress, she said, they will be using money to look at other ways to market.
 - The Board chair stated as more students come, they will be able to allocate more towards marketing. He added that the facility was last renovated in 2014.

Closing Remarks

- Ms. Monroe – Board Secretary – gave closing remarks. She touched on the other board members skills/credentials and how other language immersion schools normally outperform local schools. Also mentioned that some of the densest areas in NC are without options for learning a language.
 - She reiterated the need for the school in their community – citing data previously mentioned by the board chair – and the surveys.
 - Concluded they believe they would not let the board down and would do the work needed to succeed.

Deliberation from the CSRFB

- Mr. Godbey and Dr. Eldridge asked where they were in relation to High Point.

- OCS, and several CSRБ members and TISA members clarified the locations of all new schools that may be coming to that area (Liberty Charter, and Movement Greensboro included).
- Dr. Eldridge applauded them for the level of detail they went into with their answers.
- Dr. Haire asked if the board chair was on the immersion school in Charlotte.
 - Board chair explained his past connection to that school and why he wants to work on TISA now.
- Dr. Haire asked if they were looking long term to stay in High Point
 - A board member said they will plan to keep the doors open for a long time in the High Point Community.
 - Mr. Friend asked for clarification and the board member said they did plan to stay in High Point.
- Mr. Machado – and Mr. Godbey adding on – stated they were concerned about the transportation plan and hoped if it got into RTO, they would work to fix that.

Motion: Dr. Rita Haire motioned to approve Triad International Studies Academy’s charter application

Second: Dr. John Eldridge

Vote: Unanimous

- Passed Failed

Renewals 2024 Introduction and Data Review: Ms. Jenna Cook, OCS Consultant

Renewal Presentation and Interviews:

1. Hobgood Charter School 42B
 - a. Ms. Jenna Cook introduced the school and the leaders of the school. Presented data and enrollment statistics over the last three years and why they were placed in the 7-year category.

Presentation from the School

- The Board chair began her presentation by celebrating a few key things their school has done in the last few years. They touched on their growth overall, the schools their seniors are attending and new information on their updated facility.
 - Shared comparability data with that of Halifax County, and the State of North Carolina in both reading and math. Cited that overall, they are performing better than or equal to both groups.
 - Touched on the renewal guidelines that their school has met and asked for a 10-year renewal.

Comments and Questions from the CSRБ

- Mr. Machado asked if the only reason they don’t fall in the 10 year is the 2 years of data.
 - OCS said yes; Mr. Friend noted that happened with other schools as well.
- Dr. Eldridge noted the overall performance of the school and how exciting it must be to build and put students in a new building.

- The Board chair explained the work they are doing and how the kids are being told to shoot for the stars and dream big.
 - Mr. Machado touched on how proud he is of the school and the process the school went through just to get approved.
 - Dr. Eldridge noted that he would like to go to a ribbon cutting as well.
 - Mr. Friend thanked the board and said that he really respects the fact all board members were present.
2. Movement School Eastland 62K
- a. Ms. Jenna Cook introduced the school and the leaders of the school. Presented data and enrollment statistics over the last three years for the school and any compliance issues that were noted in their audits. She also touched on why they were in the 5-year category and their application history.

Presentation from the School

- Ms. Sumter and the other board members/staff introduced themselves and who Movement is.
 - Ms. Sumter went into the demographics of their students and teachers and cited they have a 100% retention rate for their staff.
- Ms. Hobbing went into a presentation on the EOY data and year over year growth between grades.
 - Shared comparability data per demographic for their first year of EOY testing.
- Ms. Sumter shared parent surveys sent out 4 times a year. Noted that 88% of families would rate the school an A or B school; and they believe everyone is enthusiastic and passionate about taking care of their children.
 - Also mentioned ways they are improving their relationship with the community and why students were coming back.
- Ms. Hobbing went into detail on an organizational health survey that yielded an 88% overall employee happiness.
 - Introduced the Maveric Moves program they implemented to bolster cultural awareness among students and bridging gaps between demographics.

Questions/Comments from the CSRБ

- Mr. Quigley asked what curriculum model they were using.
 - Ms. Hobbing noted the model they were using and added that it is working incredibly well.
- Mr. Quigley asked what 3rd grade EOG was.
 - Ms. Hobbing noted that in the beginning of the year it was at 9% but at the end of the year it was at 45%.
 - Mr. Quigley noted his feelings on EOGs going into third grade and congratulated them on the growth.
- Mr. Quigley asked about overall employee retention rates and Ms. Sumter said that it's around 80%.

- Mr. Quigley asked what their approach to talent recruitment is.
 - Ms. Sumter noted they have a uniform process across the network, and that high-performing teachers are also recruiters since they know what to look for in a teacher.
- Mr. Quigley asked where they will get candidates from when they scale.
 - Mr. Hurley stated he's grateful they are in Charlotte – since it's growing – and they have a large pipeline of teachers in residence that are becoming fully licensed. Also mention there are bonuses for recruitment and advertising on social media.
- Dr. Eldridge asked about the screening method they use.
 - Mr. Hurley said it was called 'Lever', and explained how it was like salesforce but just for teachers.
- Mr. Sanchez asked about partnerships after 5th grade and if there's an update on that.
 - Mr. Hurley noted there is no update since they last met with CSRБ, but noted plans to network with other schools in the region and around the country.

3. Steele Creek Preparatory Academy 61Y

- a. Ms. Jenna Cook introduced the school and the leaders of the school. Presented data and enrollment statistics over the last three years for the school and any compliance issues that were noted in their audits. She also noted the renewal guidelines and why they were in the 3-year category.

Presentation from the School

- Ms. Porter – Director – introduced her board and the people online.
- The Board chair introduced himself, and why they should look at Steele Creek differently than what the data shows.
 - Noted that he has kids there, and some of the challenges that his school was facing.
 - He cited the Pandemic, Communication between parents and the school and other things that have been challenging and mentioned how they've addressed these challenges.
 - Addressed the leadership turnover and noted the community partnerships they have begun in order to improve the quality of education for the children. Says that as a parent, he feels like the school has improved drastically.
- The Principal of the School went over the academic data for their school and the comparability data for their school in Charlotte and in NC.
 - Touched on subgroup growth and fact they have a higher percentage of Title I than their feeders and other schools that surround them.
 - She noted they met growth for 12/16 categories on EVASS and how they have addressed those for students who need more help.
 - She mentioned her goals for their school regarding academics, social/emotional, and overall student proficiency. She followed this up with opportunities they need to address further and tied some of the previous goals she mentioned into these opportunities.

- Noted activities were brought back for middle schoolers to address all social needs that students may have. Also added they are focusing on arts, but also how to stop a problem at its source.
- Concluded her presentation by outlining ways they are going to move forward.
 - Noted they would implement ‘AVID’ in the ‘24-’25 school year and new art/college partnerships with schools and businesses in the community.

Questions/Comments from the CSRБ

- Mr. Quigley asked about science proficiency broken down by grade; and why students are testing on multiple platforms.
 - The school principal explained why they used the programs and how their teachers used information from those student results.
 - Mr. Quigley noted that it seems like a lot of testing; Principal stated that some tests they take don’t align with some of the other tests.
- Mr. Quigley asked if they could elaborate on the curriculum issue. Principal mentioned the individual curriculums they use.
- Mr. Quigley asked about particular curriculum models and the principal went into detail on how the school supports students through ‘Tiger Time’.
 - Mr. Henderson asked how they break the data down and the principal stated the data is analyzed weekly.
- Dr. Danielsen asked how they met growth in every subgroup but not in the aggregate.
 - The principal mentioned that it was the 80/20 model and that not enough of the students performed at the 3 level or above to move the school.
 - Dr. Danielsen asked for the more succinct data and he and the principal – and other board members – discussed the growth statistics overall and by demographic.
- Mr. Friend thanked the board for the very thorough presentation.
- Ms. Porter addressed the leadership turnover and how it has been addressed.
 - Noted that their first leader was bad, so they let them go; the second leader was exceptional but had to leave for personal reasons; and their current leader was found through a national search and is actively in the school several times a month. Noted there is growth in overall enrollment retention and other categories.

Federal Programs Monitoring Report: Children’s Village Academy: Federal Programs Representative

- 21st Century Community Learning Grant Compliance Issues for Children’s Village Academy
- Federal Programs Monitoring Report
 - Ms. Brigman introduced the team at Federal Programs as well as the eligibility requirements to apply for current CCLC grantees.
 - Several areas of non-compliance were noted including insufficient information on required information sheets from the school; dates changed without going through the amendment process; concerns from interviews with school’s program director and other staff; inability to close findings due to lack of materials submitted from school; no sign-in/out sheets available as required by grant; insufficient evidence related to criminal background checks; summarized the correspondence between DPI/CVA, and the findings they found this year.

Questions from the CSRБ

- Mr. Friend asked about the changing of the dates. Asked who they typically meet with during the site visits and if it's board members or other people they meet with.
 - Expressed need to change the date to match the programs changed dates. Says she caught it in mid-July and tried to reach out to the school to clarify the date.
 - Of the 5 people she met with, only 1 was in compliance with the background check. When other background checks finally received, she didn't find anything of concern with the other 4.
 - Mr. Friend asked if the people they met with were staffers who dealt with children. Answer: Said she thinks they were.
 - Dr. Eldridge asked if this process overall was laid out to them.
 - She state that it was all detailed to them in a step by step process.
- Dr. Eldridge asked if there was leadership training done to different people during the duration of the grant program.
 - She did not believe there was a leadership change. Said that as far as she's aware, the leadership was the same throughout.
- Mr. Friend asked if the school owes back money for the grant because of these non-compliance issues.
 - Response: Further details will be shared by another DPI representative.

Federal Programs Presentation Continued

- Ms. Pask introduced herself and gave a timeline of the fiscal review for the school after being assigned the school's 'Summer Mini Grant' program.
 - She noted that the initial review was of July 2023 expenditures only. She sent two follow-up letters (10/16 and 11/14, 2023) and a 'findings with questioned costs letter' on (12/1). That letter had costs in question of \$287,000+. She noted they have until 12/14 to get repayment sent in or additional documentation to clear things up.
 - Noted that there were 7 findings (including the Questioned costs) and broke them down individually.
 - Insufficient and inconsistent time and effort documentation.
 - Excessive salaries with timesheets that don't compute to the total hours reported for the day. No duties were listed and the in/out times were repeated from employee to employee (which undermines the veracity of the timesheets).
 - Cited that one custodian received over \$17k in Gross wages from Jul-Sept; and one Custodian/Driver received over \$15k in Gross wages from July-Aug.
 - Contracted Services and Conflict of Interest Concerns
 - 7 unapproved contracts (required to be uploaded into CCIP for approval)
 - 3 related party transactions with red flag indicators
 - Potential other conflict of interest concerns
 - Dr. Eldridge asked for clarification on the conflict. Response: there seems to be a connection between the person purchasing and the person who was being chosen.

- Supplanting Cohort 15 and CVA Charter operations with SMG funds
 - Noted that program dates for SMG was June 26th – July 28th of 2023.
 - Also mentioned the allocation of salaries and wages charged to the SMG were in question as well and potentially not allowable.
 - Noted nearly \$75,000 in spending that was in question.
- Unallowable costs. Expenditures not adequately documented.
 - Listed items that were not allowed to be charged to the SMG including construction, sanitation supplies, and other more personal items. Noted that some of the items did not have adequate documentation at the time of reporting, but CVA has now submitted some documentation.
- Findings 5-7: Failure to establish and maintain effective internal control over the Federal Award
 - Absence of strong policies and procedures in place, with limited oversight by the CVA BOD
 - No evidence of documentation for a purchase approval process.
 - Overall, lack of control over the financing from within CVA.

Questions from CSRFB continued

- Mr. Friend asked if the individuals mentioned in Finding 1 were two different employees or one individual.
 - Responded that it was two different individuals. Stated that the money budgeted should have been enough but added that sometimes in the summer they need to do a full facility clean. She added however, that that cleaning cannot be attributed to the SMG.
 - Mr. Friend asked if they had the names of the individuals who received those funds. Answer: Yes they do as they receive W2s and they require timesheets from staff/employees.
- Mr. Friend asked if Finding 3 was coding things to the grant that weren't allowable and Finding 4 was a misuse of grant money?
- Mr. Friend and Dr. Eldridge asked if there's a business officer or if they contract with a third-party.
 - Response: Noted the fiscal officer is 'part time' and there was a third-party vendor cutting the checks. She summarized by saying the fiscal officer sends the checks to the third party and the third party cuts the checks.
 - Dr. Eldridge noted the third-party officer should know the coding. Response- She believes the fiscal officer oversees where things go (i.e., what bucket the money comes out of).
 - Ms. McFadden stepped in and stated that in her presentation she'll note the financial findings. Stated she doesn't think the fiscal officer is part time and the third-party group is on the coast. She expressed her concern for using third party groups for accounting purposes and briefly explained the full process that the school does to get money out.
 - She added that in the school districts, the school is/needs to be accountable for the decisions they make.

- Mr. Friend asked what the reaction was from the school when all this information was presented to the school.
 - Response: First two letters sent yielded many new documents, and that no one has heard a comment yet. Ms. McFadden noted that conversations with their attorney yielded a few remarks. She said that the attorney questioned DPI asking, ‘are you really questioning that amount of money’?
 - The Assistant Principal of CVA mentioned that her and the board were not aware of some of the findings and that they are working with DPI staff and other individuals at the school to create a response.

Presentation continued

- Historical perspective of CVA receiving the Subgrant was shared, noting they have been receiving the funding since 2017 and noted some findings and other items not in compliance.
 - Dr. Danielsen asked for further clarification on an individual item. Response: Explained the item (giving example of them charging late fees for Canon Printers/Copiers) and noted that she was only monitoring them since last year.
 - Dr. Eldridge and others asked if they had spent money they haven’t even received yet?
 - Response: They haven’t been approved for Cohort 15 funds this year and noted the process that they should be following. She said that it appears they have overspent money that they have not yet received and that in the process of applying for a continuation, they have not yet been approved for those funds. She said that some of the concerns were over contracts.
 - Stated CVA cannot submit for reimbursement until they get things cleared up with the office.
 - Mr. Friend asked about the \$299,000 in FY 24. Answer: money was their SMG award, and there is currently no allotment for Cohort 15 funds (of around \$400,000) given to them yet.
 - Mr. Machado asked if there was any relationship between the custodial staff that received that money and/or a board member/employee of the school. Stated they have not found a connection between leadership and those staff.
 - Dr. Haire asked if all the misallocated expenses / items mentioned came from the same checking account. She also asked if ,to their knowledge, there was any additional evidence of other accounts.
 - DPI Staff stated they were only aware of one account the school used and noted that checks were stamp-signed.
 - Mr. Friend and other board members/DPI Staff discussed and confirmed the stamp-signing being the second signature on financial documents. DPI staff noted that it was always the same person that signed the documents and checks each time.
- Concluded presentation by saying that all findings and questions were communicated to CVA via letter on 12/1 and clarified the repayment date and that no new funds can be requested until questioned costs are resolved.
 - Dr. Eldridge asked if those funds are able to be frozen, Ms. Monica added that yes, they (CVA) is currently drawing from those funds even though they don’t have an approval. They noted that those funds drawn are just expenditures they are coding as the 21st Century grants.

- Another DPI staff-member stated they had already spent more than the \$299,000 they were allotted. Dr. Eldridge asked how the money was released if they must verify the expenditure and DPI staff responded they are not able to receive those funds, but they are able to charge/code for that fund.
- It was noted that CVA has until 12/14 to address the findings, and said there is discussion to terminate the 21st Century Grants.
 - Shared next steps DPI offices could take, as well as why they were considering – and the justification for – termination of the grant. Also said that – on top of the other concerns – they had under-enrollment.
 - A CSRБ member asked what the enrollment numbers were supposed to be. Response: 100. DPI Staff went back into their notes on the visit and added they had trouble verifying those students as they had no attendance sheets. She reiterated that DPI does extensive on-boarding and stressed that these mistakes shouldn't happen as this is a recurring grantee.
- Dr. Eldridge asked if CVA had findings in the past. Response: yes. Dr. Eldridge asked if they fixed those findings. Response - they either paid the money back or fixed the findings.

Questions from the CSRБ to CVA Administrator

- Mr. Friend asked if the janitors that received the funds were related to anyone at the school, and for an explanation as to why that amount of money was paid. Response: there was no relation and no reason why they got that much money.
- Mr. Friend asked how many students were served over the entire summer between the two programs. Answer: around 200.
- Mr. Friend asked about internal controls for writing checks. Response: Program Director and the Finance Director handle all checks. She also added that for 21st Century Grants she does not receive those reimbursements/invoices. She explained the duties/leadership roles that the Finance Officer holds. Also added that the salaries were determined by the two people mentioned previously.
- Mr. Friend asked about the lack of background checks. Response: Stated all the people listed had background checks as they were teachers or worked in some capacity in the school. Stated they had already received clear background checks prior to working at the school and thought they were in the clear since they had the three-year clean report.
- Dr. Eldridge asked if she knew of the Finance officer / program director were related to anyone on the board. Response: No she was not aware of any relationship to the board.
- Mr. Friend asked if the person – assume finance officer – was full or part time. Response: Part-time. She added that finance officer was full-time previously but that was a few years ago.
- Mr. Friend commented that school administrator didn't know if there was any relationship to the board? Response: No, the finance officer and the program director were not related. Clarified who the people were again. The CSRБ thanked her for being attending today.

Shirley McFadden presentation from School Business

- Ms. McFadden answered the question regarding relationships.
 - Stated that no one from 21st century was 'family' with the board/school/program director but they were both in the Maryland/DC area.
- Ms. McFadden began her presentation by noting that report was released yesterday and more information was in the report than what was being presented.

- March of 2023, allegations were received from State Auditor related to 54A that a CVA Board member misused 21st CCLC Grant funds for personal use. She listed the Findings Below:
 - A COI existed for the Board member who was reimbursed for furnishings to be used by the 21st CCLC Grant programming in a property partially owned by the board member and leased to CVA.
 - CVA Board member purchased and was reimbursed for furnishings used by the 21st CCLC program, in her house she leases to the school for 2 months each summer. Ms. McFadden went into detail on some of the individual items.
 - The purchase and request for reimbursement for the furnishing to be used in a property that the Board Member owns and rents back to CVA, creates a conflict of interest. Ms. McFadden also listed a non-financial / personal COI that could have existed as well with these purchases.
 - Recommendations were suggested as well:
 - Ms. McFadden noted that The CVA Board has a COI procedure in place to prevent a board member, or others with a conflict of interest from taking part in a procurement transaction that results in a financial interest.
 - Add an additional policy that addresses decisions that could present financial/nonfinancial interest.
 - Mr. Friend asked if they know if the house was used for those 2 months. Ms. McFadden said that when they did the site visit, they saw children doing art there. Mr. Friend asked if they used it throughout the year. Ms. McFadden said that it was able to be used throughout the year but that they don't pay for it since they can't afford it.
 - Mr. Machado asked who owned the house and Ms. McFadden said it was the Vice Chair of the Board.
 - CVA 21st CCLC program funds were used for unallowable costs in the amount of \$5,003.12.
 - Ms. McFadden went into detail on the items that were purchased and detailed where those items were located both inside the building, outside the 21st CCLC building and those that were purchased outside the state.
 - Dr. Eldridge asked if any of this was allowable.
 - Ms. McFadden said that there's a list of items not allowable and that since those items aren't on that list, the funds would need to be reimbursed back to US Dept. of Ed.
 - Dr. Elridge asked how funds were sent back to Vice Chair.
 - Ms. McFadden went over the process used to reimburse.
 - Recommendations include:
 - Repay unallowable costs.
 - Create an inventory of all furnishings owned by CVA in the properties rented for the 21st CCLC program indicating the source of funds.
 - Establish an effective financial control environment.

- Dr. Danielsen asked about the signature stamp and asked if the Vice chair and the person on the signature stamp were in NC. Maria Mills asked for more information as well.
 - Ms. McFadden noted the process for signatures again, and mentioned they use the signature stamp for the Vice Chair's signature. Dr. Danielsen asked if that negates the two-signature process and Mr. Friend noted that on the website, it has the Vice Chair and the Treasurer as the same person. Ms. McFadden noted that there are instances where they have 2 live signatures but they would have to circle back as it was a few years ago.
- CVA did not obtain prior approval or update their inventory listing as required for the 21st CCLC program purchases.
- She noted the third allegation (see above) – and the details surrounding them – can be found in the OSA report on the website.
 - 21st CCLC program approval and inventory requirements not followed. Ms. McFadden noted the items purchased were not pre-approved nor listed on any of the inventory listings submitted by CVA as required by NCDPI.
 - Dr. Eldridge asked if those need to be marked with asset tags and Ms. McFadden said she did not believe that was needed, but it is a best practice when multiple sources of funding are used.
 - Ms. McFadden also listed recommendations for the board:
 - The CVA Board should ensure an effective financial control environment established and supported by strong written policies and procedures including pre-approvals and inventory requirements of the 21st CCLC Program
- Ms. McFadden moved into 54A allegations reported directly to NCDPI
 - Allegations include:
 - CVA Board member misused school grant funds for personal gain by redirecting funds into properties owned by the board member, and diversion of 21st CCLC Funding.
 - Allegation contends that the school's financially instable due to payroll issues for a few months. Noted one issue with payroll in the last few months.
 - Ms. McFadden listed the steps to rectify.
 - Key Finding 1:
 - Financial Statements prepared since 2008 have been understated. The Board Member loaned CVA \$188k in 2008 and the total amount of the loan has never been reported as a liability or as a note in the financial statements.
 - Ms. McFadden noted the Board Member that made the loan verbally stated:
 - The loan would have made the fund balance negative.
 - The Board relied on the auditor and the auditor suggested they could decide what the school could pay for any given year. DPI couldn't confirm with the Auditor whether they suggested this approach.
 - Recommendation:
 - Ms. McFadden stated the CVA Board must restate its current financial statements to include the loan(s).

- The CVA Board should ensure that it has someone on the Board with sufficient knowledge of accounting rules and procedures.
- In response to question from Dr. Danielson- Ms. McFadden noted there is still an additional \$70,000 that was given this year – from conversations with the accountant – but they are waiting for written documentation on this.
- Key Finding 2: Inadequate documentation for a loan from a Board Member
 - The Vice Chair made a loan of \$188,000 to CVA in 2008. Original promissory note was made – and Ms. McFadden listed the details on her presentation – but that it wasn't updated over the years. Additionally, she said, there were no amendments to the contract.
 - Ms. McFadden also said the finance officer said she never saw the promissory note and that she does not know how much is left to pay. After getting an attorney involved, they found the note in a minutes box but that the meeting minutes were inadequate. Said additionally that the finance officer was at the board meetings from 2016-2021.
 - Dr. Danielsen asked if the Finance Officer made any representations as to what they thought those payments were for?
 - Ms. McFadden stated they were for a loan to a board member but was unaware of how much was still due or what has already been paid.
 - Dr. Eldridge asked if it was accounted for in the budget each year.
 - Ms. McFadden said that what she was told was that the board met to discuss this once a year and that they would agree on a payment once each year.
 - She also noted that there's no written documentation for these meetings.
 - Dr. Danielsen asked if there was proof of the original loan and Ms. McFadden said yes and that there were general ledger notes found.
 - Mr. Granados asked if the finance officer is part time and Ms. McFadden said yes.
 - Ms. McFadden, Mr. Friend, and Dr. Eldridge asked about the loan interest rate/amount of interest. Mr. Friend asked for the amount to which Ms. McFadden said it would be roughly \$155,000. Mr. Friend asked if they were in a deficit and Ms. McFadden said yes, DPI was asking them to get out of General Fund deficit and the Board Member found the funds to cover it. Dr. Danielsen and Ms. McFadden discussed if they were still in deficit, and Ms. McFadden noted again that nothing has been recorded.
- Recommendation 2: Prepare an updated loan document, or adequate amendment, to address the loan itself.
 - Ms. McFadden noted that the board knew they needed to pay the loan but didn't know how long they would need to pay it back.
 - Mr. Friend asked if they had minutes and Ms. McFadden said they were summarized but not 'over quorum' – which she'd discuss later.
- Key Finding 3: Inadequate documentation to substantiate start-up cost treatment.
 - Ms. McFadden read the contract they made for start-up cost and Mr. Quigley asked if this was from the beginning of the loan. Ms. McFadden said yes and that began in 1998. She also noted the property management company was partially owned by the same board member. Mr. Granados and Ms. McFadden talked

- about the initial loans (totaling in the \$80,000s) taken out for the Small Business Association and that when asked for documentation they were not able to provide them and one person who was involved when the loan was taken out had passed on.
- Additionally, CVA board said they thought this was for loan/lease payments, but Ms. McFadden said that this would need to be clearly identified in the contract. She added there are auditors that identified this as a short-term loan and if the board member came back and said she was still owed money, the board wouldn't have enough documentation to protect itself.
 - Dr. Danielsen asked if this was for 'Rent' and other Board Members asked if the Vice Chair owned the building that the Middle Schoolers used, and Ms. McFadden said yes that the Vice Chair is the owner of that building. She also outlined what other buildings the vice chair owned vs. what the school owned.
- Recommendation 3:
 - Ms. McFadden stated that the board should work with their attorney to clarify the intent and make sure no legal liability exists. Other recommendations are within the report.
 - Key Finding 4: Invalid Voting Procedures followed related to conflict of interest (COI)
 - Ms. McFadden noted that the board did not properly vote on the contracts with a potential COI and that there was no documentation that this General Statute was followed since 2010. Noted that they sought legal consultation to ensure that interpretation was correct.
 - She gave recommendations from the report as well.
 - Key Finding 5: Unallowable costs charged to State and Federal Funds in the amount of \$8,877.29.
 - Ms. McFadden listed the general categories as well as the more detailed list that was in the report after Mr. Friend asked for more details. Things included Holiday gifts to employees and \$500 gift cards to 4 employees.
 - Mr. Friend asked who owned the daycare center / other businesses that were listed in the findings and Ms. McFadden said that someone related to a board member.
 - Recommendation 5: Pay Back NCDPI and CVA should seek repayment for a personal tire purchased with school funds.
 - Mr. Quigley asked how that was possible, and Ms. McFadden answered saying that after talking with the Finance Director that it was a personal tire purchase.
 - Dr. Danielsen asked if the tire was purchased in Maryland or in NC and Ms. McFadden said she did not know.
 - Ms. Baquero asked if the financial director was in Maryland as well to which Ms. McFadden clarified who was in Maryland and who was in NC.
 - Key Finding 6:
 - Utility Bills paid for property outside contract rental dates were used for property owned by the Vice Chair. Total unallowable costs amounted to \$3,238.94. Noted relations between independent contracts and the operations manager for CVA. Ms. McFadden gave the recommendations for that allegation.
 - Key Findings 7: Unallowable costs – Red Flag Indicators of Fraud, Waste, or Abuse.
 - 4 invoices in FY 23 show a similar type of purchase and signs consistent with fraud, waste, or abuse.

- Ms. McFadden went into detail on each invoice, and noted the amount of each invoice, whether they were paid, and where the purchases were made.
- She also noted that there seems to be a connection between the member handling the 21st Century reimbursements – that was listed on the invoice – and the members of the Program (the Program Director) as they had the same address.
- Mr. Granados asked what happened with the backpacks and Ms. McFadden said that the principal said they received enough for the students but that there were no controls to see receipt of product.
- Recommendations:
 - Pay back the unallowable costs to NCDPI and put financial controls in place. Additionally recommended someone be present at the school to sign off on the receipt of goods that is separate from the person who originally authorized the purchase.
- Key Findings 8: Ineffective Internal Control Structure
 - Ms. McFadden stated there were informal pre-approval of purchases and the principal only documents her review of reimbursement requests.
 - She also noted they were not following their own procedure to have 2 signatures, and that was discussed earlier.
 - She also went over the recommendations that her office had as listed on her presentation.
- Ms. McFadden said that by January 5th they needed to respond and provide an action plan; and, by January 19th they need to submit information and evidence of the corrective actions taken. Reiterated the amounts that were owed back in both reports (totaling over \$20,000).
- Dr. Eldridge asked if this requires a forensic audit and Ms. McFadden said that yes, she recommends that. Stated they were tipped off to look for ‘furnishings. She also noted that this was only for FY23 as well.
 - Dr. Eldridge added there were other concerns as well that might need to be looked at and asked how / who initiates that action. Stated there may be items that potentially need to be reviewed going back to 1998.
 - Ms. McFadden gave other ways that an investigation could be done, and that DPI / her staff would need to meet with legal counsel to discuss what they are going to investigate further.
 - Dr. Eldridge asked if there was a timeline for when those things will roll out, and Ms. McFadden said no as the report was just released.
- Mr. Friend asked about 2 specific board connections and Ms. McFadden, Ms. Jones, and others confirmed familial connections. Ms. Jones confirmed that the K-5 Principal and the Vice Chair were sisters.
 - Mr. Friend asked if the K-5 Academic Principal with similar last name to a bus driver were related, and Ms. Jones said that the bus driver was her (the principal’s) husband.
 - Dr. Eldridge asked if they could confirm the checks were sent to Mr. Battle from the summer program, and Ms. Jones confirmed that Mr. Battle did drive for them in the summer.
- Mr. Machado asked if their audit was submitted this year, and Ms. McFadden said that it was and listed some things they found.

- Mr. Machado asked who the auditor was, and Ms. McFadden said that it was the same auditor since 2008, but this year used a new one as the old one is no longer in business.
- Mr. Friend asked if anyone from the board was in the audience/online and Ms. Baquero said yes some of the members were online. Dr. Eldridge said that he asked about timeline since it was a very important part of their decision on renewal. Mr. Friend and OCS discussed CVA's renewal recommendations and the reasoning for that decision.
- DPI staff also noted they were waiting on a response from the board on these findings, and for any additional documentation as stated previously.
 - Ms. McFadden noted the report was complete and they reached out to the staff for any additional comment/documentation prior to presenting in front of CSRБ.
- Mr. Friend and Mr. Machado lauded everyone for helping get the board ready and prepared for the meeting. Mr. Machado also noted some potential areas for OCS to review as the models they've used are the same as when they began the OCS. Mr. Friend again noted the strength of the CSRБ citing their experience across many areas of schools.

Motion to Adjourn: Dr. John Eldridge

Second: Mr. David Machado

2:15 pm

