

**Minutes of the  
North Carolina Charter School Advisory Board  
Education Building  
301 N. Wilmington Street  
Raleigh, NC 27601-2825  
April 11, 2016**

Attendance/NCCSAB	Alan Hawkes Joseph Maimone Phyllis Gibbs Sherry Reeves Mike McLaughlin Cheryl Turner Hilda Parlér	Alex Quigley Eric Sanchez (absent) Tammi Sutton (absent) Becky Taylor (absent) Tony Helton Steven Walker
Attendance/SBE/DPI	<i>Office of Charter Schools</i>  Adam Levinson, Interim Director Deanna Townsend-Smith, Lead Consultant Cande Honeycutt, Consultant	<i>Attorney General's Office</i> Laura Crumpler  <i>SBE</i> Katie Cornetto

**CALL TO ORDER**

The North Carolina Charter School Advisory Board (CSAB) meeting was called to order at 1:00 pm by the Chair, Mr. Alex Quigley, who then read the Ethics Statement and CSAB Mission Statement. Mr. Steven Walker led the Pledge of Allegiance.

Ms. Sherry Reeves made a motion to approve the March meeting minutes with the suggested amendments. Mr. Steven Walker seconded. **The motion carried unanimously.**

## **CHARTER SCHOOL COMPLIANCE INTERVIEWS**

- Charlotte Choice did not appear before the CSAB because they submitted the evidence of 501c3 status requested by the CSAB.
- Ms. Alexis Schauss provided a financial summary of ZECA School for the Arts and Technology. She explained the school had been struggling financially with a negative fund balance of \$7,774. The audit noted a going concern and as of January 2016, the expenditures exceeded revenues by \$50,000. Currently, ZECA is on a financial disciplinary status because of the going concern from the auditor and the negative fund balance.
- Ms. Stacey Howard, Executive Director of ZECA, explained that during the school's first year the school did not accurately code information in ISIS and their books were not correct. During the second year, the school had unpaid payroll taxes that currently were not paid. This school year, the board did not budget to pay the unpaid taxes and there were facility concerns. The facility dictates the number of students the school can take because the classrooms are small. The maximum number of students that can be held in both facilities is 160. During the summer 160 students showed interest in the school but 30 middle school students or military families did not reenroll in the school. Financially, the board was not prepared for only having 129 students. After a recent analysis of the budget, the board discovered that there was an over-expenditure of \$5,000 per month because of payroll. With this in mind, the board has decided to reduce salaries and vendor fees by twenty percent. The person who was handling the school's finances resigned effective March 31, 2016; Charter Success has stepped in to assist the school.
- Mr. Helton inquired about the number of administrators at the school and their responsibilities. Ms. Howard explained there are two administrators at both locations. The Headmaster handles all of the finances and exceptional children's paperwork. The Executive Director makes sure the programs are operating including school nutrition. The two data managers are also the receptionists and assists with tracking the finances.
- Ms. Turner asked if the goal is to get the children at one location. The vice-chair explained that the board is currently negotiating to have the school at one location and it looks promising. The school's current main site holds 49, and they have have a second site that holds about 70 students.
- Mr. Quigley asked the board chair, Dr. Thomasine Irving, if she was aware of the severity of the situation. She replied she felt optimistic and realized there were some obstacles related to the facilities. The school has not done any fundraisers in the past and currently had one planned.
- Mr. Maimone asked if the IRS payment was included in the budget. Dr. Irving replied that it was not in the current budget. She explained that if the expenses were not cut dramatically the school would continue to have a negative fund balance. Ms. Howard replied the twenty percent cut in payroll decreased the deficit.

- Ms. Turner suggested that the board reach out to a CPA for assistance. Mr. Walker suggested that the school not only focus on finances, but also academics. He further stated that he would like to give the school two to three months so that the school could go into the community to raise funds and be in a positive financial situation.
- Mr. Quigley suggested that the school create a strategic plan.
- Ms. Turner stated that the school needed to exceed growth or their charter would not be renewed when they come up for renewal in 2 years. Ms. Howard replied she was aware of that and the school had put things in place to increase student academic scores. Ms. Howard stated that the majority of the students were low-performing students and had social-emotional issues.
- Ms. Turner stated that once the school year closes, a strategic plan needed to be written and they needed to return to present it to the CSAB.
- Mr. Hawkes stated that the school was over its head and the CSAB was not doing them or the state a service by letting them to continue. Mr. Maimone replied that they were working and were knowledgeable of their issues and they needed a chance to fix them.
- **Mr. Walker made a motion for ZECA to return in August with a strategic plan. Mr. Maimone seconded. The motion carried unanimously.**

### **POLICY COMMITTEE**

- Mr. Levinson provided highlights from the Report to JLEOC on Dropout Prevention and Recovery Charter School Pilot.
- Ms. Turner stated that the double funding that Commonwealth is receiving is a serious deal. Mr. Walker replied that he did not know the solution to the funding issues and encouraged the CSAB to share some ideas. Mr. Maimone replied that returning students should not be double counted and the funding doesn't make sense. It seems that there should be a way to average the daily membership rather than count them on the fifth month.
- A representative from Accelerated Learning Solutions, Laura DaVivo stated that Commonwealth did not properly use Power School and all the student absences were not recorded. However, ALS (Accelerated Learning Solutions) used their own system and has accurate information to remedy the mistakes in Power School and all of the data from the school was currently being audited. Throughout the school year, the students trickle in and out because the students attending the school don't have anywhere to go. The academic window is four hours per day because the students need to leave to take care of life issues. The goal is to graduate students from high school who don't have another chance.
- Mr. Walker encouraged the CSAB to email suggestions to Mr. Levinson related to the report within the week. Mr. Maimone stated that he would like to see what percentage of students stayed for two sessions.

## **PERFORMANCE COMMITTEE**

- Mr. Quigley stated that beginning with next year's applicant interviews, specific times would not be assigned to applicants and they would be given a date only.
- Mr. Maimone stated that the committee met to discuss amendments to the charter application process. Dr. Deanna Townsend-Smith stated that the amendment recommendations were as follows:
  - The pass fail measures would continue to be used by external evaluators. There would be a review of applications in subcommittees and overall ratings would be made in mission, goals and purposes, finance, governance, and operations by the CSAB members.
  - There would be two committees and the applications would be split equally. The committees would make a decision as to whether the application will go to the full CSAB for interview.
  - Clarification would only focus on missing or formatting issues. Any direct questions would be clarified in front of the subcommittee.
  - The CSAB would provide training to the external evaluators and Office of Charter Schools would provide resumes of the external evaluators to CSAB.

Mr. Maimone stated it was important for the CSAB to spend more time on the application and sharing the responsibility of thoroughly going through the application. This would avoid the situation of boards coming to the full CSAB who were not ready. Mr. Hawkes stated his concerns regarding the subcommittees making the decision for whether an applicant would receive a full CSAB interview. Mr. Quigley explained that the plan was to have a planning session in July to norm the application review process.

**Mr. Walker made motion to approve the revised application process. Ms. Reeves seconded. The motion carried unanimously.**

Ms. Cande Honeycutt shared information about the charter school closure process. She stated that quality should be the focus of all charter schools, and ensuring quality schools should be the focus of the CSAB.

- Since 2012, 10 schools closed and 1,114 students and 142 employees were displaced as a result of school closure. The Office of Charter Schools continues to receive a number of calls related to students and employees of these schools who are attempting to access their records.
- Since 2012, schools closing in the first year of operation expended almost \$3.5 million. Department of Public Instruction staff invests significant time attending closure hearings, preparing documents, and answering phone calls and email request from stakeholders. When PACE Academy closed, they left 11 years of student records on the floor of a storage room. The

board of the school had dissolved and was not working with their former landlord to deal with the abandoned records, so OCS staff had to rent a van to move those records from the school's former space to NCDPI.

- Ms. Turner asked if there was any recourse to the PACE boards' actions. Ms. Honeycutt replied that there are no legal consequences for non-profit boards that fail to follow the closure procedures. Ms. Laura Crumpler stated once the charter is gone the SBE loses its relationship with the charter school board. Additionally, Ms. Crumpler proposed to the CSAB the possibility of giving the SBE the authority to impose fines on the charter school board members as individuals. The State has an interest in making sure a final audit is done and student records are transferred. The CSAB members communicated concerns regarding the proposal made by Ms. Crumpler in response to which Ms. Crumpler outlined built-in safeguards through which a board member would be given notice given prior to fines being issued.
- Mr. Helton asked why Power School does not solve the student record issue. Ms. Turner replied that charter schools do not have to use Power School for grades. Mr. Maimone stated there isn't an easy answer but PowerSchool may be a solution to house student records.
- Ms. Honeycutt stated that DPI does not have the legal authority to issue grades or transcripts. Mr. Helton stressed the importance of schools using Power School.
- Ms. Honeycutt stated OCS has a clear process for closure but there is no legal responsibility for the boards to follow the process. No school has ever completely followed the school closure process. Ms. Phyllis Gibbs stressed that there should be some legal responsibility for boards.
- **The CSAB made no formal recommendations or motions related to this discussion.**

#### **INFORMATION AGENDA**

- Mr. Levinson stated that the SBE approved changes to its teacher evaluation policy that would go into effect beginning with the 2016-17 school year. Charter schools would no longer be expected to use NCEES based solely on their participation in federal programs or in order to support initially licensed teachers in converting to continuing licenses ("SP1 to SP2").
- Dr. Ellen Essick, Section Chief of NC Healthy Schools, presented a policy regarding the interscholastic athletic policy discussed at the April SBE meeting. She explained the CSAB now had the opportunity to provide comments and recommendations to the SBE.
  - The interscholastic athletic policy was written before charter schools were created. The proposed changes are to even the playing field so the policy is consistent across charters and traditional schools. The policy content did not change except that charter schools were explicitly included. The effect would be that for charters, as has been the case for traditional public schools, athletic participation would now start at 7<sup>th</sup> grade, thereby prohibiting participation of 6<sup>th</sup> graders.

- Ms. Turner asked why 6<sup>th</sup> graders were not included. Dr. Essick replied 6<sup>th</sup> graders are transitioning into middle school and they are much smaller than 8<sup>th</sup> graders and having them on the same team would not be developmentally appropriate.
- Dr. Essick explained the policy includes all public school students, though charter schools have not been mentioned explicitly in the policy (hence the change being proposed to add charter schools to the policy). The interscholastic athletic rules have been in place since 1995.
- Ms. Turner stated that if 6<sup>th</sup> graders were not allowed to play, it would have a significant limiting effect on many charter school sports programs. Mr. Maimone pointed out that the policy only allows students who are enrolled to participate.
- Mr. Levinson asked the CSAB to provide written feedback to present to SBE.

Mr. Quigley adjourned the meeting at 4:30 pm.

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**CALL TO ORDER**

The North Carolina Charter School Advisory Board (CSAB) meeting was called to order at 8:30 am by the Chair, Mr. Alex Quigley, who then read the Ethics Statement and CSAB Mission Statement. Mr. Walker led the Pledge of Allegiance.

At 8:40 am, Mr. Quigley made a motion to go into closed session to consult with the attorneys on attorney-client privilege matters. Mr. Steven Walker seconded. The motion carried unanimously.

At 8:55 am, Ms. Reeves made a motion to adjourn from closed session and return to open session. Mr. Maimone seconded. The motion carried unanimously. The CSAB resumed in open session.

## PERFORMANCE COMMITTEE

- Dr. Kebbler Williams stated she would be presenting information about the Planning Year and Ready to Open Process. She reviewed the data of three charter schools' (Concrete Roses STEM Academy, Dynamic Community Charter School, and Entrepreneur High School) Ready to Open rubric that demonstrated that the schools were not ready to open. Each of those schools had been allowed to open, but then closed in their first year of operation.
- She explained that General Statute 115C.218.5 allows and TCS-U-13 requires that a charter school's opening be contingent upon the successful completion of a planning year. The current planning year process requires five professional development sessions, a leader's institute, enrollment reports, and RTO progress report evidences.
- Dr. Williams suggested that the CSAB's current focus on enrollment and facility may not be enough to decide whether a school is ready to open. She proposed that the focus be augmented to require the following elements to be in place in order for the CSAB to recommend opening:
  - 75% of projected enrollment by June 1
  - Substantial progress toward obtaining a certificate of occupancy 30 days before opening date
  - Valid budget reflecting break-even number (if they are not at or above 75% of projected enrollment by June 1)
  - No "insufficient" rating in any evidence checklist category in May
- Mr. Maimone asked if there was any data to show how many schools had a certificate of occupancy 30 days before opening. Dr. Williams responded that she was not aware of any data that had been collected.
- Mr. Helton asked if any of the schools that have delayed made their decision based on RTO. Dr. Williams responded that all of the schools have made the decision on their own because of facility issues.
- Mr. Walker stated he liked having dates by which boards have to meet standards. Ms. Turner stated that the standards would be a trigger for which schools would need to come before CSAB.
- Mr. Helton stated they need to come before CSAB in June so that decisions could be made.
- **Ms. Turner made a motion to approve the RTO recommendations and make them a part of the instructions that schools receive at the beginning of the application process. Ms. Parlér seconded. Mr. Helton stated that it be added if there are any insufficient ratings in any area, the school needs to come before the CSAB in June. Ms. Turner added that anyone who hasn't met their enrollment needs to amend their budget. The motion carried unanimously.**



- Dr. Williams presented an enrollment update for schools that were currently in the planning year.
  - Central Wake informed her that they had a late start with enrollment and they projected that they will make substantial improvement.
  - Mallard Creek informed her that they had only been actively recruiting for three weeks and their enrollment numbers would increase.
- Dr. Williams explained that the school boards have been able to recruit since last summer. After being asked what schools may need to be seen in June, Dr. Williams replied that Unity and Mallard Creek may need to be seen. Mr. Maimone stated that despite their unique model, he would like for Central Wake to come before the CSAB if they have not met enrollment numbers.

### **APPLICATION UPDATE**

- Dr. Deanna Townsend-Smith provided an application update. She stated that there had been ten applications that were recommended, ten that were not recommended, one that was undecided and three which withdrew.

### **APPLICATION INTERVIEWS**

#### **Twin High School**

Ms. Becky Taylor stated that Twin City School needed to exist and she outlined that NC was in the process of learning about the model. Mr. Maimone added that the CSAB needed to reconsider the growth of the ALS schools until it is known how effective they are. Mr. Hawkes stated that they shouldn't be penalized because of the unknowns. Mr. Walker offered that Twin City High School be approved so that a broader range of locations could be studied. **Mr. Walker made a motion to recommend Twin Center High School to the SBE to begin the Ready to Open process. Ms. Parlér seconded.** Mr. Quigley stated that there needed to be a funding solution and the true performance of students needed to be captured. **The motion carried 8-2 with Ms. Reeves and Ms. Sutton dissenting.**

#### **Town Center Charter High School**

Town Center Charter High School sent a correspondence to the Office of Charter Schools requesting that their application be withdrawn from the process.

#### **Young Inspiration Charter School**

Young Inspiration Charter School sent a correspondence to the Office of Charter Schools requesting that their application be withdrawn from the process.

### Kaleidoscope Charter High School

Mr. Maimone explained that there were typographical errors in the application and the external evaluators did not give the application high marks. He further added that the board seemed strong and that the CSAB should give them a chance. Mr. Walker stated that the recruitment of high school students may be difficult for the school. Mr. Quigley added that he was not clear on how the plan would be operationalize because the applicants did not clearly articulate their plan during the interview. Ms. Gibbs stated that teachers and students would want to attend the school because there would be smaller numbers. Ms. Turner commented that it was hard to visualize how the school would work based on the presentation of the board. **Mr. Hawkes made a motion to recommend Kaleidoscope to SBE to begin the Ready to Open process. Mr. Helton seconded. The motion carried 7-3 with Mr. Quigley, Ms. Sutton, and Ms. Turner dissenting.**

### Union Academy

Members of the Union Academy board were not present for the interview. **Mr. Maimone made a motion that the SBE not move Union Academy to the Ready to Open process. Ms. Parlér seconded. The motion carried unanimously.**

### Uproar Leadership Academy

Ms. Parlér stated that she was impressed with the innovation of the board. Mr. Maimone outlined that the budget would be difficult. Ms. Sutton outlined that the enrollment would be difficult to meet because of the existing magnet school in the area. Mr. Quigley stated that he would support the school but there may be budgetary hurdles. **Mr. Helton made a motion to recommend that the SBE move Uproar Leadership Academy to the Ready to Open process. Ms. Reeves seconded. The motion carried unanimously.**

### Young Inspiration Charter School

Young Inspiration Charter School sent a correspondence to the Office of Charter Schools requesting that their application be withdrawn from the process

Mr. Quigley stated that as he prepares to present the charter application recommendations he may reach out to various board members for their insight. He further explained that he and Mr. Walker would jointly present the recommendations.

The meeting adjourned at 2:35 pm.