

**Minutes of the  
North Carolina Charter School Advisory Board  
Education Building  
301 N. Wilmington Street  
Raleigh, NC 27601-2825  
January 15, 2015**

Attendance/NCCSAB	Alan Hawkes Joseph Maimone Phyllis Gibbs Helen Nance Sherry Reeves Mike McLaughlin	Alex Quigley Eric Sanchez Tammi Sutton Becky Taylor Cheryl Turner Steven Walker
Attendance/SBE/DPI	<i>Office of Charter Schools</i> Joel Medley, Director Lisa Swinson, Consultant Deanna Townsend-Smith, Consultant Robin Kendall, Consultant Shannon Sellers, Consultant Kebbler Williams, Consultant Brian Smith, Consultant Cande Honeycutt, Consultant Darrell Johnson, Consultant	<i>Attorney General's Office</i> Laura Crumpler  <i>SBE Attorney</i> Katie Cornetto

**CALL TO ORDER**

The North Carolina Charter School Advisory Board (CSAB) was called to order at 9:07 am by the Chair, Ms. Helen Nance. Ms. Becky Taylor led the Pledge of Allegiance. Ms. Nance read the Ethics Statement and the CSAB Mission Statement.

Mr. Walker made a motion to approve the December 8, 2014 CSAB meeting minutes. Ms. Sherry Reeves seconded the motion. Mr. Maimone stated that an amendment needed to be made on page 8 in which the person who seconded a motion was not named. The motion passed unanimously with the aforementioned amendments.

**CHARTER SCHOOL UPDATES AND PRESENTATIONS**

**Dynamic Community Charter**

- Mr. Bill Hussey, NCDPI EC Director, stated that what his staff observed at Dynamic was systemic issues. He explained that there had been a change in administration and they had the opportunity to make some changes in their EC department. The school still had a way to go and they were making a focused effort to implement IDEA.
- Ms. Carol Ann Hudgens, Assistant EC Director, explained that there was a site visit on December 19, 2014. They also engaged in professional development last January 8, 2015. She added that there were still some concerns with the space that the children were in. There was

evidence that the staff was considering the EC recommendations. Compensatory education would need to be validated because of the issues with Power School. The last remaining concerns were the resources they would have to be able to serve students. Ms. Hudgens explained a worst case scenario of the funds needed for compensatory education.

- Mr. Eric Sanchez asked for a timeline between Dynamic and the EC department. Ms. Hudgens explained that early on, Autism consultants provided a technical assistance. There were concerns raised which initiated a visit by a monitoring team prior to October. Formal activities were implemented after the October visit. Mr. Quigley asked if there was a time line for the compensatory services. Ms. Hudgens replied that it had to be completed by the end of the report, December 15, 2015.
- Mr. Maimone asked if it could be confirmed if the school received a \$76,341 grant. Ms. Tracey Riddle, NCDPI EC Consultant, confirmed that they received a letter informing them that the money would post to their account in January. Mr. Maimone asked if that money would fund staff already in place. Ms. Riddle explained that she had been in contact with the school since May but they did not submit funds request until October. They could have hired staff as soon as August.
- Ms. Shannon Sellers explained that she conducted a site visit on December 17, 2014. She met with the new administrator who expressed concern about what would happen with March's payroll. Ms. Sellers explained that students were not enrolled in appropriate classes in Power School. The school would need to write a letter to the Director of DPI Accountability informing her that student were inappropriately enrolled in classes. The school's projected enrollment was 80 but they currently have 64 students. They have called students on the waiting list to try to reach the minimum student enrollment of 65. There are still concerns with the large deficit that the school will have at the end of the year.
- Dr. Medley added that the concerns that were brought before the CSAB were discovered by the Office of Charter Schools reviewing the school's board minutes. The minutes showed that there were concerns with finances.
- The board chair explained that they lost a grant because of the negative press surrounding their school. There were some first year challenges related to home school students and EC student funds.
- Mr. Walker commented that he had been swayed by the parents and they seem like they have focused with laser intensity. He asked the board if they felt confident that they could make payroll. The board chair replied that they could make it with fundraising and a grant.
- The school's lead EC teacher explained that they went into Power School to fix coding and got students in the correct classes. All of the IEPs had been reviewed. Only 12 of the students were affected so the compensatory education fee would not be as much as it was previously estimated. They would be looking at approximately \$36,000 for compensatory education and that was assuming the parents agree to it. Ms. Hedgens commented that the EC department would be auditing the information.
- Mr. Maimone replied that the budget report had a projection of \$564,000 and inquired about the ADM funding. The board chair responded that the number looked high because of the state EC funds. Acadia puts the information in and she felt confident that it was accurate. Ms. Schauss confirmed that the budget was based on 68 for ADM. They were funded at 46 EC students.
- Mr. Sanchez asked the board if they had a back-up plan. The board chair replied that the board is open to getting a loan. The board could look into doing after care and they will ramp up Summer Camp for the community. Mr. Quigley explained that the Summer Camp money would not be in

by June. The Board chair replied that the Board would have to get a loan and they had not done any research regarding getting a loan.

- Ms. Taylor stated that the school had done a lot in a month's time. There were still some EC compliance issues. She explained that she had a hard time stating that everything was going to be alright.
- Ms. Nance stated there should have been someone who looked into how EC money worked prior to school opening. The Board chair explained that the lottery was not until April and it was not as easy as it was explained and it was very intuitive.
- Ms. Nance asked Dr. Medley for clarification on starting the revocation process. Dr. Medley explained that if the CSAB made a recommendation for revocation it would go before the SBE in February for discussion and action in March. At that point, there would be an opportunity for due process in which they would have ten days to request a hearing between the March meeting and April meeting.
- Ms. Gibbs made motion to allow the school six months to come back before the CSAB to make a report on what they have been able to do. The same amount of money is spent regardless of what school the students attend. She explained that she had confidence in the school. Mr. Walker asked if the motion could be modified to include a written report in May. Mr. McLaughlin asked who was going to pay the deficit. Mr. Maimone asked if there was a commitment from the staff to have a minimum 10% reduction in salaries for the remainder of the year with the deal that if the full EC funding comes in it can be made up next year. The EC lead teacher replied that the teachers shared the concerns and the board was upfront with them about the schools finances and they would be willing to do what it takes to keep the school's doors open.
- Mr. Maimone asked for an amendment to the motion and explained the need for the school to modify their current budget. Ms. Gibbs withdrew her motion. **Mr. Maimone made a motion that Dynamic Community Charter finish out the year, provide a monthly financial report to the CSAB and reduce their salaries and benefits minimally by 10% to help them meet their financial goals for the year. Ms. Gibbs seconded.** Mr. Hussey replied that the money that EC has would not fund the deficit that the school had. They could find themselves in the same situation at the beginning of the school year.
- Dr. Medley replied that they would need to submit monthly board minutes and signed letters from the staff agreeing to a salary reduction will also need to be provide by the February CSAB meeting.
- Mr. Sanchez commented that there was nothing shown in the school's presentation to show that they would be able to survive the year. Mr. Hawkes replied that public choice is a risk and the people seemed to be sincere. They were asking for an opportunity.
- Mr. Hussey replied that if the school closes in the interim, there was compensatory education that needed to be fulfilled. Ms. Gibbs called question.
- **The motion carried 8-3 with Ms. Sutton, Mr. Quigley and Mr. Sanchez dissenting.**

### **Entrepreneur**

- Ms. Shannon Sellers provided the school's mission and explained their projected enrollment was 180 but their actually first month's ADM was 78. Additionally, during a site visit conducted in January 2015, there were 49 students present. The last few months 3 board members resigned and there were previous governance warnings that caused the board to come before the CSAB last December.

- Ms. Alexis Schauss informed the CSAB that the first day of school was September 2 because of facility issues. On September 19, the headcount was 66. There was a readjustment and a freezing of the allotment because they had already pulled down 40% of the allotment that was based on 180. Their finances are in a severe state and their business plan is hard to sustain. They have \$0 cash balance and will not be receiving funds until the end of February. \$41,000 is remaining in their allotments for this year but there is an estimate of \$402,000 deficit for the end of the school year. She added if the school remained open, the State would still fund them.
- Mr. Robert Hillman introduced himself as the chair and the other members of the board. He showed a YouTube video with visual impressions of the school. He stated that the school had created objectives to develop a management system, a strong board, community/business partners and complete this school year and begin next school year. Ms. Elaine Worthy, principal, explained that the school had a goal to develop recruiting and recover students beginning in February.
- Ms. Nance stated that the Board was trying to address the problems that were previously mentioned. She stated that the board informed the CSAB of things that they were planning to do but she would like to know what had already been done.
- Mr. Quigley asked how the board was going to commit to a deficit of over \$400,000. The board chair responded that the board members had been contributing but not to the \$400,000. The corporations in the community should step up to fund it. The plan was to engage in the strategy that was laid out in the application. Previously, the Board did a poor job in making a connection and engaging the community.
- Ms. Nance asked if there were any commitments from the community. The Board chair responded that there were no commitments. There was a CMO who had some thoughts of how they would like to cover the deficit.
- **Mr. Walker made a motion to recommend to the SBE to consider them in the assumption process and if they do not qualify they initiate revocation of their charter. Mr. Maimone seconded.**
- Ms. Sellers explained that the vocational instruction was good but there were concerns with the core academics. The school had 4 juniors enrolled but the school serves students in grades 9-10. There have been phone calls from parents who had concerns about academics.
- The board chair explained that the school had been reset by the actions that had been taken. They had been transparent and open in the past. He did not have a problem putting it into different hands of another board.
- Dr. Medley explained that TCSU-007 allows a charter to be assumed if it meets three criteria. The CSAB needed to consider all of these before making a recommendation to the SBE.
- **The motion carried 10-1 with Mr. Sanchez dissenting.**
- Dr. Medley explained that this will go before the SBE in February for discussion and they would make a determination in March. Ms. Schauss explained that the state funds would continue to be dispersed through May, monthly. Mr. Maimone suggested to the board chair that if anyone wanted to see the school continue there needed to be a complete commitment that would need to be presented to the SBE in February.

### **Guildford Prep**

- Ms. Schauss explained that this was the first year of their renewal cycle and they had stipulations that were set with their renewal. Ms. Schauss read information from a document that was shared with CSAB that explained the schools current finances. The school has made incredible strides

towards improving their financial status. It was anticipated that they would be out their fund balance deficit and be on solid ground.

- Ms. Taylor asked representatives from the school to explain how they improved their finances in such a short time. Ms. Buckrham, Director of Development, explained that the school implemented greater marketing strategies and were reflective of the things that the CSAB suggested. Mr. Woods, board chair, explained that they created a consistent instructional plan, sustained level of resources, implemented diligent board oversight, staff restructuring and steady parent partnerships. The school is currently looking at the current food program to continue to decrease the deficit.
- **Mr. Quigley made a motion to recommend to the SBE that Guilford Preparatory continue with their plan even though they did not complete all of the stipulations. Seconded by Ms. Turner. The motion carried unanimously.**

### **PROCESS FOR REVIEWING APPLICATIONS**

- Dr. Townsend-Smith reminded the CSAB of the application review process by highlighting the process that was created by the CSAB. She added that all 33 applicants had been provided an opportunity to clarify information. The subcommittees would have an opportunity to ask questions to the applicants during the review.
- Mr. Walker asked if there was anyway CSAB could get a list of members and their roles. Mr. Hawkes asked if there was a synopsis by staff, as well as, the external evaluators. Dr. Townsend-Smith replied that it was provided in the Drop Box earlier over a week ago. Members of the board and 3<sup>rd</sup> party vendors could be present today.
- The full CSAB meeting adjourned and members met in subcommittees.

### **SUBCOMMITTEE REPORTS**

#### **Policy Subcommittee**

- Mr. Quigley made a motion not to forward Extraordinary for an interview. He explained that there were a variety of problems with the application. Mr. Walker seconded. The motion carried unanimously.
- Mr. Quigley made a motion to forward Frances Classical Academy for an interview. Mr. Walker seconded. The motion carried unanimously.
- Mr. Quigley made a motion to forward Young Women's Leadership Academy for an interview. Mr. Walker seconded. The motion carried unanimously.
- Mr. Quigley made a motion to forward Queen's Grant for an interview. Mr. Walker seconded. The motion carried unanimously.
- Me. Quigley made a motion to forward Union Day for an interview. Mr. Walker seconded. The motion carried unanimously.

#### **Performance Subcommittee**

- Ms. Nance made a motion to forward Central Wake Charter, Capital City Charter and Town Center. She explained that Central and Capital had the same board and they would be interviewed together. Ms. Sutton seconded. The motion carried unanimously.
- Ms. Nance made a motion to forward Northeast Academy of Aerospace. Ms. Sutton seconded. The motion carried unanimously.

- Ms. Nance made a motion not to forward Lake Academy for an interview. Ms. Reeves seconded. Ms. Nance explained that the application received three fails. The motion carried unanimously.
- Ms. Nance made a motion to forward Fortis Academy for an interview. Ms. Reeves seconded. The motion carried unanimously.
- Mr. Maimone made motion to adjourn. Ms. Gibbs seconded. The meeting adjourned at 3:24 pm.