

**Minutes of the  
North Carolina Charter School Advisory Board  
Education Building  
301 N. Wilmington Street  
Raleigh, NC 27601-2825  
February 9, 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 Brian Smith, 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 9:02 am by the Chair, Ms. Helen Nance. Mr. Eric Sanchez led the Pledge of Allegiance. Ms. Nance read the Ethics Statement and the CSAB Mission Statement.

**Mr. Steven Walker made a motion to approve the January 9, 2015 CSAB meeting minutes. Ms. Phyllis Gibbs seconded the motion.** She stated that she emailed an amendment to add “if needed” to Mr. Maimone’s motion on page 3. Ms. Lisa Swinson informed the CSAB that after listening to the audio, it was determined that “if needed” was not stated. **The motion carried unanimously.**

**Mr. Sanchez made a motion to go in to closed session for attorney client privilege. Ms. Becky Taylor seconded the motion. The motion carried unanimously.**

**Mr. Walker made a motion to come out of closed session. Mr. Maimone seconded the motion. The motion carried unanimously.**

**UPDATES**

**SEGS Academy (Stem for the Education for a Global Society Academy)**

- Ms. Alexis Schauss shared that SEGS (Stem Education for a Global Society) is in their second year of operation and has an average daily membership of 99. Financial Business placed them on probationary status in July 2014 because they were delinquent in State Health Plan payments. They were requested to provide a response and the response was incomplete. They were also asked to pay the balance of the delinquent payments. The budget was based on 175 students

when they actually had 99 students. They were placed on monthly allotments and a probationary caution status until they became up-to-date with the payments. She added that the audit discovered a \$200,000 loan or donation that was made to the school.

- Ms. Schauss explained that her office's main concern was the school's ability to manage money correctly. The school's instructional salaries were less than 40% which is a concern with the high number of students in poverty. They are on monthly allotments and it is helped the school's finances.
- Ms. Swinson, OCS consultant for SEGS, shared the school's mission, an overview of the 2013-14 testing data and that she had conducted monthly site visits at the school since the beginning of the school year. She stated that the school had had some issues with finances and governance. A letter was sent to the school questioning the family relationships, dual roles on the board and staff and additional benefits for the executive director. The board acknowledged that they had not followed their by-laws.
- Ms. Anne Marie Johnson (principal) and Mr. Randolph Keaton (board chair) introduced themselves. Mr. Keaton explained that the school had some issues getting started with the septic tank and that is the reason why there was a \$200,000 loan from Ms. Devoria Berry. The board had some issues with some of the policies. He explained that the school serves young people who come to school with deficits in a small, poor, rural area. He noted that he became a board member in December 2013 and the board was having some real challenges with the budget and they had taken a back seat to resources that were readily available. The relationships with the family were done by a sense of necessity and they have been readily available to work with DPI.
- Mr. Maimone asked if there were any current board members that were on the original board. Mr. Keaton replied that there were two original board members that were still on the board. He further asked how the board did not follow through with their policies. Mr. Keaton replied that there was certain expertise that was not on the board. The board learned and found out, the hard way, that if the rules were not followed they would not be a successful school.
- Ms. Nance stated that all of the teaching staff and current administrators have taken a \$200 cut from their salaries and the staff would be doing the janitorial services. She then asked Mr. Keaton to explain who the rent was paid to. Mr. Keaton replied that the board paid Ms. Berry and she then pays the rental company because the board did not have a credit history, the landlord would not allow them to sign the lease agreement. The landlords are not related to anyone affiliated with the school.
- Dr. Medley added that there were several meeting minutes that were missing and the loan that was spoken of earlier could not be verified in the board minutes.
- Ms. Leigh Ann Kerr, assistant director of Finance and Business, verified that the current lease agreement was between SEGS and CSA. CSA is the name of the company that the former board chair and executive director owns. Finance and Business was not able to get a copy of the rent agreement. The rent is \$4,700 a month.
- Ms. Turner asked Mr. Keaton what the board planned to do about being located in a building that was one-third the size of the projected enrollment. Mr. Keaton replied that that would be something that the board would have to look at. One of the things that were discussed is the possibility of not going to 12<sup>th</sup> grade but remaining K-7. The board was planning to have long range planning for the school when the proper board members are on the board.
- Mr. Sanchez stated that the sense of urgency was coming from DPI and he had been waiting to hear a solution from the board. He asked how the monthly allotments had helped the school. Mr. Keaton replied that the school is needed because many of the students came to the school

with academic deficits. The board is planning to increase enrollment and not make any changes to the budget that will affect the academics. The board struggled with the budget in the past.

- Ms. Taylor stated that she was having a hard time seeing the school going forward. Mr. Maimone asked if the school would be open to a bid process and open to turning the charter into the state. Mr. Keaton replied that he would like to discuss this with the rest of the board. He would like to know what is in the best interest of the school. Ms. Turner asked about the \$200,000 loan. Mr. Keaton replied that there was a septic issue and Ms. Berry provided the money to the school at a zero interest loan. The school has a zero balance to who they owe. The board has negotiated with Ms. Berry. Ms. Turner added that there is no documentation that there was a loan. Mr. Keaton replied that part of the minutes was missing. The board chair, at the time, Maxine Lennon had a stroke and passed away.
- **Mr. Hawkes made a motion to recommend that the charter be revoked or assumed by a management group. Ms. Taylor seconded the motion.** Ms. Nance added that Ms. Johnson is running the education part well. **The motion carried unanimously.**

### **The Children's Village**

- Roll call was conducted because there were two board members who participated via phone conference: Ms. Peggy Carr and Mr. James Harper. Ms. Gloria Carr-Battle (headmistress) and Ms. Jessica Jones (principal) were present at the meeting.
- Ms. Schauss explained that The Children's Village had poor financial health since 2008. It was an increasing negative fund balance which caused SBE to contemplate revocation. At the end of the last school year, they got the fund balance to \$22,000 on a positive side. The fund balance expectation from SBE was \$50,000.
- The Children's Village (TCV) and Finance and Business held a conference call meeting in January. TCV shared there were certain things in the audit that would have made the stipulations the SBE gave them not so bad. Ms. Schauss noted the stipulations were created with the school and they felt it was reasonable and doable.
- Ms. Schauss explained there have been budget inconsistencies with monthly salaries. For example, back in January 2013 the monthly salary was \$78,000, January 2014 \$91,000 and August 2015 \$121,000 and January 2015 \$61,000. They have made several budget reductions in payroll and have received a 21<sup>st</sup> Century grant. She noted the concerns are that the school was not aware of the financial condition of the school because they had outsourced the bookkeeping to an outside source. They were not aware of the amount of money being paid to noncertified staff. At the end of the school year they should have a fund balance of \$100,000. There is lack of management for the daily management of the school's money. There is concern of the yo-yo effect. Where payroll is changing throughout the school year with personnel cuts and budget. There is a turnover of students and they have not made the required adjustments to the budget. They are estimating a surplus for the year. However, there are some concerns with the documentation that was provided such as donations and zero dollars in postage.
- Mr. Harper, TCV board chair, stated the information that was provided through the audit was unbeknownst to the board. The board had monthly discussions and they were blindsided. They did not know about the payments to the D.O.T and a donation was given but was not included.
- Dr. Peggy Carr stated the financial firm would no longer be providing services to The Children's Village. They refused to pay 21<sup>st</sup> century grant employees through the grant. The firm the

school is currently using has now switched the money to state funds. The situation is not as dire as it seems.

- Ms. Carr explained there are 5 ½ administrative staff for 2 campuses. Those 5 ½ people are needed. Acadia was coding people for maintenance that were not.
- Mr. Walker asked how long the school had been operating with a negative fund balance. Ms. Carr replied that since 2008 it had an increasing negative fund balance. Mr. Walker asked how the board was running the school with a negative fund balance. Ms. Carr replied that last year there was not a negative fund balance. If Acadia would have followed the request of the board there would be a positive fund balance. Mr. Walker asked when the grant was awarded. Ms. Carr replied they would not allow them to use the money until September and they would be able to code them back to 21<sup>st</sup> century if it were approved. They were not able to do it because Acadia would not have anything to do with the grant. Mr. Walker asked if the school has a positive fund balance. Ms. Carr replied that there is enough in the bank to pay through June and a positive balance of \$50,000 at the end of June.
- Mr. Quigley asked a clarifying question about pulling down federal funds. Ms. Carr stated there were 2 EC teachers who were paid from state funds instead of federal monies. Acadia would not do it.
- Ms. Turner replied that she uses Acadia and they send a monthly report. She asked if anyone was following up with them. Ms. Carr replied that the school needed to follow-up and strengthen the internal controls.
- Ms. Nance asked if Ms. Carr and Ms. Carr-Battle were related. Ms. Carr replied they were related and there was a conflict of interest form that was signed.
- Ms. Schauss reiterated that the school was brought to the CSAB because they had stipulations the SBE created. The concern is they did worse than they did in the prior year. Looking at the financial management for the beginning of the school year is alarming. They have brought in a different financial manager.
- Ms. Taylor stated that the school did not meet the stipulations that were set by the SBE. The board chair explained that they were following the instructions given by the former accounting firm thinking that they put the schools best interest at heart. The board dropped the ball by not following through.
- **Mr. Maimone made a motion that if finances were not in perfect order, positive fund balance and revenue over expenditure of revenue June 30, 2015 they would voluntarily give up their charter. Ms. Gibbs seconded the motion.** Mr. Quigley asked if the school ended with \$50,000 fund balance if they would be in compliance with the SBE stipulations. Ms. Schauss read the stipulations. Ms. Reeves asked how the motion could be in conflict with the stipulations from SBE. Mr. Walker replied that CSAB could offer modifications to the stipulations. Ms. Schauss replied that Finance and Business would not have the proper documentation until October 2015. Ms. Taylor noted that the SBE was considering revocation and gave them two full years to get themselves together. **The motion failed 5-6 with Ms. Sutton, Mr. Quigley, Mr. Sanchez, Ms. Taylor, Ms. Turner and Ms. Nance dissenting.**
- Ms. Carr-Battle stated the school had been opened since 1997. For 8-9 years there were no problems. It was in 2008 that the debt problems began. The school made AYP and they worked very hard to keep the school going. The CSAB needs to take into consideration that students want to be in the school. The school had a deficit of \$179,000 and the school made it.
- Ms. Taylor asked what went wrong. Ms. Carr-Battle replied the school had a lot of support because they were able to pay for additional support and materials through several grants. All of

the grants were lost in 2008 and that is when there was change. The board chair replied that the school is a beacon of light in the community. The school is located in one of the highest murder rates in the area.

- Mr. Walker suggested that the CSAB not make any recommendations to SBE and it was premature to shut down the school. Ms. Turner explained that the SBE had already made some expectations and they should make the decision. Mr. Sanchez explained that looking at the data and they were not outperforming the local LEA. Ms. Nance suggested that the board take no action on The Children's Village.

### **Dynamic**

- Ms. Shannon Sellers stated that Dynamic Community Charter School's board appeared before the CSAB in December for financial and EC concerns. At the January meeting, the CSAB asked for an update in February. The CSAB directed the board chair to look at ways to cut the budget including a 10% cut in salaries and benefits. Dynamic sent documentation that shows that the board did not cut teacher salaries by 10% because their teachers could not take another 10% cut. The board identified places to cut the budget by \$14,450 such as textbooks, EC services and custodial services/supplies. The January 30, 2015 budget shows the school would still be facing a deficit of \$265,624.07. Additionally, Dynamic is facing compensatory education that has not been accounted for in their budget.
- Ms. Carol Ann Hudgens read information from the LEA Program Assessment Follow-up created on February 4, 2015. She explained the purpose of the visit was to review student IEPs, student schedules and licensure of EC staff. The DPI EC staff also conducted professional development. Finally, an unannounced classroom observation was conducted. The report shows that student hours and services are not being followed in the IEPs, there is no guidance counselor at the school to assist with high school graduation, and teachers are teaching outside of their licensure areas. The next step to assist Dynamic is to provide them with a detailed Action Plan.
- Ms. Reeves stated there were positive changes in the environment but the teaching was still problematic. She asked if that would pile on the compensatory education. Ms. Hudgens replied yes.
- Mr. Maimone asked if the school was going to be able to pay salaries. Ms. Sellers stated the school explained they could make payroll until April.
- Dr. Medley explained that teacher salaries had already been cut in November and December. They were not able to reduce salaries an additional 10%. They are trying to rely on philanthropy to cover short falls. That does not cover the compensatory education costs they could incur. If students go back to the schools with compensatory education, the school must provide services with no additional monies.
- Ms. Hudgens commented that it was stated that some funds were not used in the EC line item. Mr. Quigley noted that the school is going to end up with a financial deficit. Ms. Turner stated that even if they voted today it wasn't going to change anything. They still would get to June with a deficit. Mr. Sanchez added that the school was not serving the students, they have financial difficulties and it doesn't seem like things are getting better. Mr. Quigley added that if you run a school with EC students you must know the program well.
- Mr. Bill Hussey added that the special reserves money is divided among all schools and they may or may not get some of the money that they have listed. If they are not able to meet payroll

in April that is when compensatory education becomes an issue. They become the problem of another charter or LEA.

- **Mr. Quigley made a motion that the charter be revoked at the next SBE meeting.** Mr. Walker asked if that would rescind the vote from January. Mr. Quigley stated that he worried about waiting to June because the hole gets bigger. **Mr. Sanchez seconded the motion.** Ms. Gibbs asked if this would be a school that could be assumed. Mr. Hawkes stated that it was an option.
- Dr. Medley red the six criteria for assumption. The difficulty that we are facing is the entity that would assume it would have to be specialized. **The motion carried 10-1 with Mr. Walker dissenting.**

The meeting adjourned to subcommittees 12:13 pm.

### **SUBCOMMITTEE REPORTS**

#### **Policy Subcommittee**

- **Mr. Quigley made a motion to forward Charlotte Classical School for an interview. Mr. Walker seconded the motion.** Mr. Sanchez asked what the sole reason was for forwarding them for an interview since they had areas that failed. Mr. Quigley responded that the external reviewers were not aligned with the sentiments of the subcommittee. **The motion carried unanimously.**
- **Mr. Quigley made a motion to forward Unity Classical Charter School for an interview. Mr. Walker seconded the motion. The motion carried unanimously.**
- **Mr. Quigley made a motion not to forward Kaleidoscope Art and Technology for an interview. Mr. Walker seconded the motion. The motion carried unanimously.**
- **Mr. Quigley made a motion to forward FernLeaf Community Charter for an interview. Mr. Walker seconded the motion. The motion carried unanimously.**
- **Mr. Quigley made a motion to forward Piedmont Preparatory Preparatory and Forsyth Preparatory for an interview. He noted that they would be interviewed back-to-back because they have the same board. Mr. Walker seconded the motion.** Mr. Hawkes made a comment that the EMO is new to North Carolina and it has a new model. He urged the CSAB to look closely at the applications. **The motion carried unanimously.**
- **Mr. Quigley made a motion to forward Pine Springs Preparatory for an interview. Mr. Walker seconded the motion. The motion carried unanimously.**

#### **Performance Subcommittee**

- **Ms. Nance made a motion not to forward Legacy Academy of Charlotte for an interview. Mr. Maimone seconded the motion. The motion carried unanimously.**
- **Ms. Nance made a motion to forward Gateway Charter Academy. Ms. Sutton seconded the motion. The motion carried unanimously.**
- **Ms. Nance made a motion to forward Matthews-Mint Hill Charter Academy. Mr. Maimone seconded the motion. The motion carried unanimously.**
- **Ms. Nance made a motion to forward Peak Charter Academy for an interview. Ms. Reeves seconded the motion. The motion carried unanimously.**
- **Ms. Nance made a motion to forward Mallard Creek for an interview. Ms. Reeves seconded the motion. The motion carried unanimously.**

- **Ms. Nance made a motion not to forward A. Michael Dixon for an interview. Ms. Taylor seconded the motion. The motion carried unanimously.**
- **Ms. Nance made a motion to forward Ridgeview Charter School.** Ms. Taylor asked what were the biggest concerns. Mr. Sanchez explained the board had a lot of enthusiasm but the writing left a lot to be desired. Mr. Hawkes asked if it were a single gender school. Ms. Sutton replied the middle school level would be single gendered but the elementary school would not be single gendered. Ms. Turner commented that in the past when there has been a fail during this point the schools ended up coming back before the CSAB. **Ms. Sutton seconded the motion. The motion carried 6-5 with Mr. Sanchez, Mr. Quigley, Ms. Taylor, Ms. Turner and Ms. Gibbs dissenting.**

Mr. Walker made a motion to adjourn the meeting.

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Attendance/SBE/DPI	<i>Office of Charter Schools</i>  Joel Medley, Director Lisa Swinson, Consultant Deanna Townsend-Smith, Consultant Brian Smith, Consultant	<i>Attorney General's Office</i> Laura Crumpler  <i>SBE Attorney</i> Katie Cornetto

The North Carolina Charter School Advisory Board (CSAB) was called to order at 9:02 am by the Chair, Ms. Helen Nance. Mr. Steven Walker led the Pledge of Allegiance. Ms. Nance read the Ethics Statement and the CSAB Mission Statement.

**CHARTER APPLICANT INTERVIEWS**

Dr. Deanna Townsend-Smith reviewed the process of how the interview process would proceed. She explained Ms. Nance and Mr. Alex Quigley would chair. There would be 30 minutes for interview and 15 minutes for deliberation. The board of directors would introduce themselves and then information will be shared about the schools LEA, grade span and initial enrollment.

**Francis Classical School**

- Mr. Quigley explained the board of Francis Classical School is affiliated with Kennedy Charter School. He noted there were questions about their ability to manage both schools at the same time. The members of the board introduced themselves.
- Mr. Quigley asked what free services the college would provide to the school. The board chair responded the college would provide support for the classical curriculum. It is funded through philanthropy.
- Mr. Quigley asked about the relationships to Elon Homes. The board chair responded that Elon Homes, Kennedy Charter School and Francis Charter School are all under one umbrella but they all have separate 501(3)(c)s.



- Mr. Quigley asked the board about their connection to Kennedy Charter School and what were the hopes of opening a new school. The board replied that Kennedy was started by Elon Homes and it was a residential high school that moved its location. At first it was only foster kids and then it became alternative. Then it expanded to what is now a K-12 school. The board is trying to determine ways to improve Kennedy and they came across the classical school model and used some of it at Kennedy and it seemed to be going well and wanted to expand the mission. All of the members that are on this board are also on Kennedy's board. To be on the board of Francis or Kennedy you must be on the Elon Homes board.
- Ms. Taylor asked where Hillsdale College was located. A representative from Hillsdale College replied it was located in Michigan. Mr. Walker asked about the Barney Charter School Initiative. The representative explained it was an outreach from the college to help promote classical education. The Barney initiative is a department at the college that works with 8 schools around the country that are operating.
- Ms. Taylor asked why the board wouldn't offer the Barney program to Kennedy school since it was not doing well. The board chair replied that the board decision was to start fresh. In 4 to 5 years Kennedy may be turned into a classical school. The Barney mission is school start up and reform of school. Some components of the model have been implemented at Kennedy.
- Mr. Maimone asked if there are any residential students at Kennedy. There are none. There are 10 percent in foster care.
- Ms. Taylor asked if anyone on the board had an education background. The board replied none of them had an education background.
- Mr. Quigley asked for clarification on the enrollment and asked why that would be realistic. The board replied there were eight thousand children on waiting lists at the charter schools. The board wanted to open a K-8 and they could be comfortable with 300 students. They are anticipating very strong response from the community with 1200 applicants in the pool. The other Barney schools are oversupplied in other areas.
- Mr. Quigley stated it would be hard to fill every grade level K-8 with the recent data in Charlotte. Mr. Maimone urged the board not to underestimate the demand for classical education. Charter schools are not supposed to be a carbon copy of what the LEA does. It is a very strong curriculum that is in demand.
- Mr. Sanchez asked how the college would be able to provide ongoing support since they are so spread out across the US. The representative replied the support would be provided in different phases and forms. Once the school is operating they take several professors to perform several days of teacher training. Once of the school is up weekly calls and semester visits are had with the school leaders.
- Ms. Nance asked if Kennedy is on Johnson C. Smith's campus. The board replied the high school was on the college campus. Francis Classical is looking at locations central to Charlotte.
- Mr. Quigley asked if the superintendent reported to the board. The board chair explained the superintendent, Fred Grosse, would be in charge of both Kennedy and Francis and would answer to the board.
- Mr. Quigley noted that Kennedy had struggled and had benefitted from the classical model and wondered why the classical curriculum was not implemented there first. The board replied that was a matter of staffing and the board was not running the school.
- Ms. Turner noted that Kennedy had been struggling for years and if the board had all of the responsibilities of the new startup they may treat the Kennedy students like throw aways. The

board stated Kennedy exceeded its growth numbers last year. Three members are not present today.

- Ms. Nance asked why the principal's salary would be \$100,000. The board replied that was the range for CMS and they did want to be competitive and be able to get a qualified administrator.
- Ms. Sutton inquired about the urgency for starting the school since the results for Kennedy weren't consistent. The board responded they did not see a reason to wait. None of the board thinks this is something that will not happen and they are excited about getting started. They are trying to crack the code to discover strategies that will be effective for the students at Kennedy. Mr. Sanchez stated the board wanted to crack the code but there was no urgency to put it inside Kennedy. The board chair responded that Kennedy staff had been sent to Hillsdale for training.
- Ms. Taylor asked what would be the board's greatest challenge. The board responded that telling the story effectively to the market. Finances would not be an issue. It would be making sure they got the numbers.
- **Mr. Maimone commented that the outside evaluators thought that it was a strong model and would like to make a motion to forward them to the Ready to Open Process. Ms. Gibbs seconded the motion.** Ms. Nance pointed out that the final decision was split between the external evaluators. Mr. Sanchez added the board should be focused on Kennedy before splitting their time and governance for another school. Mr. Walker noted that Kennedy exceeded growth and when the classical curriculum was introduced they continue to have growth. These people are professionals and they can make the time to run both schools. Mr. Hawkes added that he has heard nothing bad about Hillsdale. Problems we have heard from schools are finances and this school knows what they are doing. Mr. Maimone added classical education works for at-risk students. Mr. Quigley commented that the school is in a major transition of moving an existing school and he does not feel this is a right fit. Ms. Gibbs added that these people are serious about what they are doing with Hillsdale College. The children would be losing a year in which they could be learning. Mr. Sanchez noted there has been a lot growth at Kennedy and the high school scores are still struggling. **The motion failed 4-7 with Ms. Sutton, Mr. Quigley, Ms. Turner, Ms. Reeves, Ms. Taylor, Ms. Nance, and Mr. Sanchez dissenting.**

### **Leadership Academy for Young Women**

- After introducing themselves, the board explained there were three new board members and one member not present. Mr. Quigley asked how the idea of the school came about. The board chair explained the school would be focused on first generation college students.
- Mr. Quigley stated he had some concerns about the startup number being 75. The board chair explained the reason they were comfortable with that number was because all the other affiliates with the group started with that number. It would be a one-on-one program and they would be serving the whole child. Managing more than 75 would not be a good idea. The board established a foundation and had been aggressive with fundraising. The foundation would supplement the school. The target goal was to get \$1 million dollars before the school opened and that goal was achieved.
- Mr. Quigley asked how much money was currently in the bank. The board chair explained there was \$660,000 in the bank and a private donor would supply the rest to reach one million dollars. There would always be a need for outside funding for the school with the number of programs that would be provided for the girls.
- Mr. Sanchez asked about the ongoing support from the network. The board replied it took a lot of time to become an affiliate. The agreement goes for 40 months and then the school would be

a full-fledged affiliate. The network has 50 years of intense research for programs for young women. The intent was to have cumulative academic growth.

- Ms. Nance inquired about the relationship with UNC-W. The board explained there is a relationship with the School of Education at UNC-W and they have a memorandum of understanding. The board has access to their Summer programs and the business office is housed on the campus. Ms. Nance asked where the school would be located. The board chair replied that it would be located in the center of Wilmington.
- Mr. Quigley asked if the school would be able to function without the additional \$400,000 projected to be raised. The board replied they had done a great job reaching out to leaders in Wilmington and taking advantage of grant opportunities. The foundation funds could be pulled back and the program could be adjusted. Mr. Quigley asked if the school would have to move in the middle of the school year since it would be leasing a building for two and half years. The board chair responded she was sure that she would be able to negotiate the contract.
- Ms. Turner stated she was amazed that the school had already raised one million dollars and they would be partnering with the LEA. Ms. Taylor added that it is what charter schools should be about. Mr. Sanchez added this was a good example of a core plan.
- **Mr. Sanchez made motion to forward Young Women's Leadership Academy to the Ready to Open Process. Ms. Reeves seconded the motion. The motion passed unanimously.**

### Queens Grant

- Ms. Nance explained that Queens Grant would be waiting to interview next month because they had some issues that they were working on. They requested to be able to interview during next month's meeting. Dr. Medley added that the application came before the CSAB last year and they would have more information to share and to address the concerns at next month's meeting.

### Union Day

- The members of the board introduced themselves and explained that one of the members was not present. Mr. Quigley asked about contingency plans for the budget. The board explained the budget was designed with conservativeness in mind. The breakeven was 298 although the budget was based on 325.
- Mr. Quigley inquired about the targeted transportation plan. The board replied that they budgeted for one school bus accommodating 50 students. There would be one spare school bus that would reach a total of 40 miles per day round trip.
- Mr. Quigley asked about the transportation plan at Union Academy. The board chair explained they have buses available for school trips and a shuttle. Each year parents pay a fee to have the student's shuttle between the campuses. Union Day would be approximately 10 miles from rural and low socioeconomic areas. This would be the targeted area with a focus on the Latino community. The plan is to market to the community.
- Ms. Nance asked for an overview of the education program. The board explained that K-5 would look different from middle school. It would be structured with an uninterrupted block for reading and extracurricular.
- Mr. Sanchez asked for clarification on the school goals and how they were created. The board responded they took a median average of the lowest and highest performing schools in the area. The board plans to exceed these numbers.
- Mr. McLaughlin asked for clarification on the location of the school and would it be convenient for the targeted population. The board chair explained that someone donated land and it would

have easy access to six towns. Ms. Nance asked about the facility. A local church, which is relocating, would allow the school to lease it for a year. The plan is to build modulars.

- Mr. Maimone asked about the teacher student ratio because the budget did not reflect what was in the narrative. The board replied there would be one full time teacher and one full time teacher assistant in each kindergarten classroom.
- Mr. Walker stated he was concerned by Appendix O because it came from Roger Bacon Academy. He asked what safeguards would be put in place to prevent this from happening in the future. A member of the board explained it was uploaded by mistake and in the future they would be much more vigilant about it. The board chair added there was a volunteer who shared the information and it was thought that it was tailored to the board.
- Ms. Sutton noted the external evaluators had some issues with the EC component. The board replied that a full time EC and part-time EC person would be hired. Each child's IEP and 504 will be completely met. Mr. Maimone noted he felt satisfied with the way they answered questions. Ms. Nance noted that the board is diverse.
- **Mr. Walker made motion to forward Union Day School for the Ready to Open Process. Ms. Taylor seconded the motion. The motion carried unanimously.**

#### **Central Wake Charter High School and Capital City Charter High School**

- Ms. Nance explained that the schools have the same board and they were willing to be interviewed at the same time for their schools. The board members introduced themselves. All members were present. The school leader of a school presently opened introduced himself but was told that because he was not on the board he could not speak. The board distributed materials.
- Ms. Nance asked what a day would look like for a student at the school. The board chair explained that students choose a session they would like to attend and are greeted by the principal. Students would have a dashboard on their computers with their learning plan. Each student would be evaluated and a success learning plan would be created. They would know how much time it would take for them to graduate and they would be working towards their own levels of mastery.
- Mr. Maimone asked what an individual plan would look like. **Mr. Walker made a motion to allow the school leader to speak. Mr. Maimone seconded the motion. The motion carried unanimously.** The school leader explained how students work towards mastery.
- Ms. Nance asked about the student teacher ratio. The school leader explained the ratio would be 25:1 and there would be specialist for each subject area.
- Ms. Taylor asked how actively involved the board was and if they would be monitoring the goals. The board replied the management company would get 97% of all funds. The board sits down with the ALS team and goes over the goals and programs. They are actively involved with the staff. The current arrangement that has been agreed on does provide for a 97% fee to ALS. This releases the board from the financial risk in the case enrollment doesn't reach the goal. They have provided \$147,000 to Commonwealth, the existing school, to keep the school afloat. There is no upfront capital investment.
- Mr. Sanchez asked what the graduation rates were and how they compare to ALS and what the board expects. The board replied they look at the data that ALS provides.
- Ms. Reeves stated she had a concern that the board would be opening two schools in essentially the same area and it was very ambitious. The board chair replied that the performance of these schools would be based on DPI guidelines. The capacity and resources are there.

- Ms. Sutton asked about the common profile of the students who currently attend Commonwealth. The profile of the student is 17.6 of age and they have shown up with 7.3 towards high school graduation and 24 % of the student population are self-reported drop outs. 92% of the students are off track for graduation and are two years behind.
- Ms. Turner asked how many of the board members serve on other boards. Currently there are two members that would be on multiple boards. Ms. Turner noted that last year they were approved to open two schools and only one opened. The board chair replied that it was not that they were not able to open the school. The reason they asked for a delay was because the facility was inadequate and could not be occupied. There were a few more steps to get Stuart Creek opening. There were no concerns about opening up Stuart Creek.
- Mr. Sanchez commented that he wanted to look at the existing data of ALS and noted there was a pursuit of 50% graduation. He further noted the common make-up of the schools was not similar to the make-up of Commonwealth. The school leader explained the graduation rate provided online was based on the federal rate. When a student comes into Commonwealth they are not a part of the cohort listed on the federal site. Ms. Turner asked what measures Commonwealth was being held to. The school leader shared statics and read the expectations outlined in the pilot program. The school leader stated they are using a Gain Assessment for the statistics.
- Ms. Nance explained that Common Wealth was in a pilot for alternative schools. House Bill 884 states that by March 2016 they would provide report to the SBE about how well the school had done. They have Stuart Creek that will open this Fall and is a charter school that will have data. Some of the data that had been provided makes it difficult to tell how well they have done in other states. She further stated she would like to see how well they do in NC before they open additional schools in NC.
- Mr. Walker explained the pilot program was based more on funding than anything else. Ms. Turner stated that they were being evaluated differently than other schools. Ms. Walker replied students would be missing the opportunity to have the flexibility in their education. They are targeting dropouts and high risk. Ms. Turner noted she visited the school and they are doing what they said they would be doing. She does have an issue with one board running five schools. Mr. Quigley stated he would be concerned about the number of schools being opened at one time.
- Mr. Sanchez stated that it was more than data. The mission is an issue and there is nothing yet to completely prove it is working. It doesn't align with the CSAB mission. Mr. Quigley replied that LEAs are ready to move students to the school off their books and the metrics need to be closely watched. Ms. Taylor added she likes the model and it could be a statewide model. It was an aggressive plan to bring on three more right away. Mr. Maimone asked if the board could come to a compromise to open one school per year and choose the school that had the greatest need. Mr. Quigley replied he would like lots of data.
- **Mr. Maimone made a motion to forward Central Wake Academy to the Ready to Open Process and waive the fee for Capital City for reconsideration for the next cycle. Ms. Reeves seconded the motion.** A member of the board stated that statistically Central Wake would be their choice to open first. Mr. Walker asked if this motion needed to be divided. Ms. Crumpler agreed. **Ms. Nance restated the motion to forward Central Wake to the Ready to Open Process. Ms. Reeves seconded the motion. The motion carried 10-1 with Mr. Sanchez dissenting. Ms. Nance restated the motion to table Capital City application until January 2016. It was seconded by Ms. Reeves. The motion carried unanimously.**

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

- The members of the board introduced themselves. Ms. Nance stated that according to the by-laws there were three members who would be rotating off in April. The board chair responded that the by-laws allow them to be voted on for one more term. The eight member board would be expanded and ninth member would be added.
- Ms. Nance stated there were two new board members and this board would supervise all three schools. There was one nonprofit organization.
- Mr. Sanchez asked about the make-up of the school was mentioned in the application. The school leader responded on average, the schools serve 85% of disadvantaged students. In Orange County (Florida) the free/reduced lunch forms are not used.
- Ms. Nance asked how the school kept up with the students since the attendance was unique. The board replied the schools monitor attendance. Mr. Maimone asked if ALS worked with traditional schools. The board responded they work with charter schools. ALS has the financial capacity to open multiple schools at the same time.
- Mr. Sanchez commented the management company that would be working with the school had schools that were not renewed in Atlanta, Dallas and Philadelphia. The board chair responded the information he is referring to was not ALS. The information he is sharing refers to CP and they are not involved with the charter school programs.
- **Mr. Walker made a motion to forward Town Center Charter High School for the Ready to Open Process. Ms. Gibbs seconded the motion.** Mr. Sanchez stated he was in favor of people taking on the challenge and it was tough work. He would still like to see data from the existing school. **The motion carried 6-5 with Ms. Reeves, Mr. Quigley, Mr. Sanchez, Ms. Sutton, and Ms. Nance dissenting.**

### **Fortis**

- The board introduced themselves. Ms. Nance asked if the board thinks there is a need for the anticipated number of students. The board chair referred to the distributed packet.
- Ms. Nance asked how the program would run and how Prestige would support the school. The board chair responded some schools that are unmanaged do not do well in their first year. The Prestige model provides training and support for three years.
- Ms. Nance asked about the education plan. Board members read from the application to explain the education plan.
- Ms. Nance noted there were parts in the application that addressed high school. The board policy manual talks about 9<sup>th</sup> grade admissions. The school will be a K-8 but high school is mentioned. The manual also talks about Carolina School. Mr. Walker asked how the board could insure the documents met all expectations. The board responded the direct answer was complying with any board law or federal body. The documents are draft and will be amended once the charter is approved.
- Ms. Nance asked about the facility plans. The board chair explained a facility had been identified and there were some contingent locations. The board is in negotiations for the land. True North is a construction and finance company that would assist the board. The board chair explained one member of the board resigned and there is a new member.
- Ms. Nance recalled the information on the board chair's information. She asked what strengths he had to lead a board. The board chair responded that he brought the heart and passion and fitness background. He brought Prestige and a board together.

- Ms. Taylor asked what the breakeven was for the board. **Mr. Walker made a motion to allow the new board member to speak. Ms. Gibbs seconded. The motion passed unanimously.** Dr. Townsend-Smith replied it was considered new information to allow new board members to speak. The board member replied that the break even number was 340 students.
- Mr. Quigley inquired about the management fee for Prestige. The board member explained the amount was listed under two line items in the application. Mr. Walker asked if there was a contingency plan if they were not able to meet enrollment projections. The board member replied it was a standard operations procedure in which anything that is not essential to the school could be removed. The breakeven is less than 34. The board had full confidence in the number.
- Mr. Sanchez asked how the standing classroom was fleshed out with regards to the EC population. The board replied the “beehive” is referring to the productivity of the students and the excitement that would be occurring in the classroom. The medical association stated there are repercussions of sitting for more than four hours. Mr. Sanchez asked what it would look like. The board chair explained that students would be standing but they would have a stool to sit on if they pleased. Mr. McLaughlin replied that it sounded really innovative. The board member further explained they intended to meet student IEPs and any accommodations for students would be implemented.
- Ms. Reeves stated the budget for food nutrition was high. The board chair replied the school would be providing a nutritious diet. Ms. Turner added that the surplus for year five was \$1,600. The concern is 486 year one is ambitious and the breakeven was 31 students. The board believed there was excitement for the school. Ms. Sutton asked what if the excitement was not there. The board responded that other charter school models don’t offer transportation or nutrition. That would put them at an advantage.
- Ms. Taylor asked about the partnership with Healthy Start. The board chair responded they provided them with guidance and support. Mr. Maimone asked if the fee for Prestige was a flat fee. The board member replied that the fee was a per student fee. The number would be diminishing and would disappear in three years. The school could also decide not to participate in the retirement plan. The textbook budget has some weight in it and it can be cut.
- Mr. Sanchez noted there is some concern cutting and pasting. Ms. Swinson responded that one of the outside evaluators noted that several of the attachments were from other schools. The board chair responded that the accusation is that they plagiarized. He explained that they used public information from other school systems.
- Ms. Turner responded the concern was more about budget and it was not realistic.
- **Ms. Nance made a motion not to forward Fortis Academy for the Ready to Open Process. Mr. Sanchez seconded the motion.** Mr. Walker stated the number was not that unrealistic because Davidson County was growing. Mr. Sanchez stated he was never alleging plagiarism. He was concerned with the use of the names of programs but the theories were not embedded in the application. Mr. McLaughlin stated he liked the board and they have a good idea. Mr. Maimone stated that although the application needed some improvement, the applications had the support to open a school. It would have been better if they had referenced the documents. **The motion carried 8-3 with Mr. Maimone, Mr. Hawkes and Ms. Gibbs dissenting.**

#### Northeast Academy of Aerospace

- Ms. Nance explained that Northeast Academy of Aerospace is applying to open in the Fall of 2015 and met the requirements to participate in the Accelerated Application process in which the

planning year would be accelerated. There were three out of seven board members that were not present at the meeting.

- Mr. Quigley inquired about the partnership with the university. The partnership with the school has been a moving target because they have had three changes in their chancellor. The charter school will rent space because on the college campus there are three empty buildings there. They will also provide food services. The charter school will also consider being a lab school for their School of Education.
- Ms. Nance stated the budget does not have money for facilities. The board chair replied there is a line item for \$60,000 for facilities. Mr. Maimone noted that he was surprised that there were deficits in years 4 and 5. The board chair explained there should not be any deficits. There was an issue with the online application in that the applicants wanted to include additional LEAs and the system would not allow the additional information to be included. Mr. Sanchez noted it was explained in the clarification documents.
- Mr. Sanchez asked how the board would measure their goals overtime. The board chair responded there would be baseline data that would be established during year one. Growth and rigor would grow every year and the board would create a three year plan. There would also be a set of process goals.
- Mr. Walker asked about aerospace in the area. The board chair responded that Elizabeth City has the largest coast guard in the state. They repair more planes than any government entity in the world.
- Mr. Walker asked how many of the students would go straight to jobs versus the university. The board chair stated the children would learn a lot of the information from the community college program. Aerospace is the focus and 30-40% would go to college.
- Mr. Maimone asked why the projected enrolment was low since there would be a need in the area. The board chair responded he would like to train the teachers and not bite off more than the board could chew in its first year. It's better to go slow than fast.
- Mr. Quigley asked if a school leader has been identified. The board chair responded that there were three powerful candidates that have been identified.
- Mr. Sanchez noted this was an innovative group. He added some things need to be tightened up in the application but they have the board that could do that. **Mr. Sanchez made a motion to recommend Northeast Academy of Aerospace for the Acceleration Application process. Ms. Taylor seconded.** Ms. Turner noted she was thrilled the school will partner with a historically black college. Dr. Medley stated the application would go immediately to the SBE for next month and they would have a truncated planning year. **The motion carried unanimously.**

The meeting adjourned at 4:07.