

**Minutes of the North Carolina Charter School Advisory Board**

**State Board Room 755, Department of Public Instruction**

**September 12, 2022**

**9 AM**

Attendance – CSAB Members	
Jamey Falkenbury (non-voting) Rita Haire – remote John Eldridge Cheryl Turner Hilda Parlér Shelly Bullard	Eric Sanchez Terry Stoops Bruce Friend Dave Machado Todd Godbey Bartley Danielsen
Attendance – Other	
<i>Office of Charter Schools</i>  Ashley Baquero, Director Joseph Letterio, Consultant Melanie Rackley, Consultant Jenna Cook, Consultant Jay Whalen, NC ACCESS Davida Robinson, NC ACCESS Barbara O’Neal, NC ACCESS	<i>Attorney General</i> Forrest Fallanca  <i>SBE Attorney</i> Allison Schafer  <i>Teacher/Principal of Year</i> William Storrs Maria Mills

**Call To Order**

**Pledge of Allegiance: Mr. Terry Stoops**

**Mission and Ethics Statement: Ms. Cheryl Turner**

- Two recusals for applicant interviews: American Leadership Academy Monroe Interview (Hilda Parlér and Dave Machado).

**Motion:** Bruce Friend motioned to accept Agenda for this meeting

**Seconded By:** Hilda Parlér

**Vote:** Unanimous

Passed

Failed

**Motion:** John Eldridge motioned to approve June Minutes

**Seconded By:** Bruce Friend

**Vote:** Unanimous

Passed

Failed

**Motion: Bruce Friend** motioned to go into closed session pursuant to NC General Statute section 143-318.11(a)(3) to consult with our attorneys in order to preserve the attorney-client privilege between the attorneys and the public body.

**Seconded: John Eldridge**

**Vote: Unanimous**

Passed

Failed

Entered Closed Session 9:04AM

**Motion: Hilda Parlér** motioned to re-enter open session

**Seconded: John Eldridge**

**Vote: Unanimous**

Passed

Failed

### **Introductions of New Members**

- Ashley Baquero introduced Dr. Bart Danielsen.
- Ashley Baquero introduced Mr. Dave Machado – former Director of the Office of Charter Schools.

### **Report on Virtual Charter Schools – Ashley Baquero**

- Two reports presented:
  - Expansion Students
    - Ashley Baquero discussed data on the students who entered the North Carolina Virtual Academies above the 2,592 cap legislated previously. This data included students at North Carolina Cyber and North Carolina Virtual. Report contained the required demographic data and test scores and withdrawals.
  - Full Report on Virtual Charter School Program
    - Ashley Baquero introduced the Virtual Charter School Program and the legislation that created it. Report moved into discussion of enrollment data; instructional programming provided; Academic / Performance Data – broken down into subgroups, and included data on graduation rate; withdrawal data; and recommendations.
    - Question: John Eldridge
      - How does this data compare to NC Virtual Public School Data in areas like Algebra, etc.?
    - Question: Dr. Machado
      - How do the virtual charter scores compare to LEA's and Traditional Virtual Public-School Data?
    - Ms. Baquero stated she was unsure of NCVPS and district virtual academy data and how that compares to the two virtual charter schools. She stated that her understanding is that NCVPS offers specific classes as opposed to a full program. Ms. Turner stated she believes the scores for exams in NCVPS go back to the home school. Dr. Eldridge stated if he were at one of the charter schools he would want to see comparative data to virtual platforms. She explained that the virtual academies offered through districts do have accountability data available.

- Discussion on the report continued by Ms. Baquero discussing how previous recommendations to the board have been acted on by the Office of Charter Schools. New recommendations were also discussed.
- A period of public comment began. Dr. Eldridge talked about the reason students withdrawal and posed a few questions and comments as to why. Mr. Friend mentioned that there is a high attrition rate in Virtual Charter Schools due to requirements by the State Board / Charter School Advisory Board (CSAB). Mr. Storrs asked if there was a process to weed out applicants as the cap goes back down to the pre-COVID cap. Legal provided an answer that the two schools can always request SBE to increase the legislated enrollment cap.

**Motion: Bruce Friend** motions to accept reports as written to present to the SBE

**Seconded By: Hilda Parlér**

**Vote: Unanimous**

Passed      Failed

**This motion was later revised:**

**Motion: Dave Machado** motions to accept the reports after inclusion of comparative academic data between the two virtual charter schools and the district virtual academies.

**Seconded By: Bruce Friend**

**Vote: Unanimous**

Passed      Failed

### **2022 Charter School Application Interviews**

- Introduction to the Application interviews by Ms. Melanie Rackley. She discussed relevant statutory guidelines and policies related to the application cycle. She also presented the relevant administrative codes. She presented on the data from 2021 as well as the process for this year’s interviewees. Included information on accelerated applicants vs. non-accelerated.
  - Question: Bruce Friend
    - Have all the applicants been given this information?
    - Ms. Rackley responded that Ashley Baquero has visited all acceleration sites and provided all information to applicants prior to today’s interview.
    - Ms. Rackley confirmed that applicants are informed that accelerated applications cannot be changed to standard applications.

#### **Interview 1: American Leadership Academy – Monroe**

- Ms. Melanie Rackley introduced the board members, point of contacts, and more introductory information. She stated the school at capacity would serve 1100 students grades K-8. There was no LEA impact statement submitted. They are not a repeat applicant and they are partnered with an Educational Management Organization (EMO), Charter One. She stated the application did not contain an executed EMO Agreement, but the applicant has stated it will execute and submit one upon approval of the application.
- She stated the school planned to open in Union County in a building currently occupied by another charter school. Ms. Rackley showed comparisons between proposed student population vs. statistics from the surrounding LEA.

- Ms. Rackley stated the primary contact for the application has been Mr. Michael Way and Mr. Mitch Schwab. Mr. Schwab gave the applicant's opening statement. Mr. Schwab stated that he is not an employee of Charter One, that he was about a year ago but is no longer. Mr. Schwab stated the school has over 1000 families on the interest list. He spoke about his background and stated he used to work for Charter One as in-house counsel. Fellow board members introduced themselves: John Amanchukwu, Amaris Lewis, Chris Millis, Heather Whillier (remote), and Joan Roman.
- Moved into 25 minutes of Q/A and Discussion on the application. Mr. Friend asked if the law firm Mr. Schwab works for provides services to Charter One. Mr. Schwab stated he has advised other campuses and the firm has done some work for Charter One, but he will not advise Charter One or the board on any legal matters related to this school. He stated they made sure to have a good board counsel to handle any legal issues.
- Mr. Friend would like to know more about the role of the advisory board and local demand and how that was determined.
- Terry Stoops stated he would like to know more about the dynamic of the school director being an employee of Charter One and if that is standard practice for the EMO and what expectations are for the school director given they are an employee of the EMO.
- Ms. Turner asked if it were possible to be involved in the board while living in Wyoming; followed up by questions from Ms. Turner and Mr. Sanchez to the Charter One representative about what their involvement was going to be and whether or not the individual worked for both the board as well as Charter One; or if they were separate. Mr. Schwab stated he does not work for Charter One. He stated he will ensure his role as chair is related to governance. He spoke about how the board will work together to ensure things are completed.
- Mr. Schwab stated that the school leader is not usually the employee of the EMO, however they realized that model worked well in its NC schools because their leaders have intimate knowledge of Charter One management.
- Mr. Friend asked questions about the 'advisory board to the board' as well as why Union County. Mr. Schwab spoke about the efficiencies of having an advisory board. He followed up by diving deeper into the proposed class sizes and the proposed demographic data of the students.
- Ms. Joan Roman, EMO representative, spoke about the benefits of an advisory board and her experience opening three schools and how much more support she felt with an EMO.
- Mr. Schwab spoke about the demand indicated by parent interest.
- Ms. Turner asked if the facility would accommodate 1100 students. Mr. Schwab stated no, and explained plans to expand on the property.
- Mr. Eric Sanchez asked why the contract gives Charter One such immense power over hiring. Mr. Schwab spoke about the power of the school leader to lead at the school level. Mr. Sanchez asked how that is being achieved when every aspect of the contract gives Charter One hiring, firing power. Mr. Schwab spoke about how this model helps a school leader focus on the school by having support with human resources, marketing, etc. Ms. Roman stated when she worked for a school that did not have an EMO, she did all things – school leader, hiring, marketing, and she didn't have the support she needed so she can focus on academics and teacher support. She stated the amount of hiring that takes place would not be possible without the EMO support.
- Ms. Turner circled back to her original question and asked if Charter One could move employees /candidates around? Ms. Roman stated that has not been her experience. This led to several questions trying to hash out whether the board had hiring power or Charter One had hiring power. CSAB members expressed concern about how a school leader could be held accountable by the board. Ms. Roman stated in either case, the school leader is accountable to the board. Mr. Godbey then asks if they can point to the language where it says who the Charter One representative works for and where it says the board doesn't have approval powers of the Director. Board's legal

counsel and DPI legal counsel mentioned that in the contract hiring is done by Charter One and the board can kick disapprove the candidates if they don't approve.

- Ms. Turner then asks if the board has any true hiring power unless the candidate is bad and the board's legal expert says that they don't believe it will turn out that way but is how the contract reads.
- Mr. Falkenbury asks if this style of contract is similar to the other three Charter One schools to which the answer was yes.
- Closing Statement by the board focused on the point that if one child is on the waitlist then there is not school choice.
- Deliberation began and Ms. Turner mentioned that they had talked about a lot of other things; not necessarily if they fit the acceleration requirements. Mr. Falkenbury and Ms. Baquero chimed in saying that the building was the biggest thing, which they have, but they needed to look at other things involved. Dr. Haire asked about a compelling need and stated she did not see that in the previous slides. Ms. Baquero explained that the compelling need requirement is through policy, and not the administrative code presented earlier.
- Dr. Haire was also confused about the status of the board and EMO and felt like the interview was mainly of the EMO. Dr. Haire closed her statement by saying she thought the board was high quality but asked questions about whether they were seemingly paying twice in their buyout contract. She stated that is her biggest concern. Mr. Falkenbury stated he wishes we had heard from the board because he knows some of the members and they are very high quality. He stated he is very confident in the board's ability. He stated the success of Charter One in the state speaks volume. Mr. Friend and Ms. Baquero clarified members of the board for Dr. Haire. Ms. Baquero confirmed Ms. Roman is the proposed school leader.
- Mr. Friend and Ms. Turner both said they wanted to speak to the board tomorrow at their second presentation – for a different school – but overall were favorable towards the board. They both mentioned that they couldn't think of a school director who wasn't an employee of an EMO. Ms. Turner closed with bringing up her previous concerns of lack of authority for the board unless they disapprove of the Director.
- Mr. Falkenbury commented that prior experience is what they should expect from them based on previous relationship with board members as well as with former Rep. Millis. He wishes there was more time to talk about acceleration process.

### **ADJOURNMENT FOR LUNCH AT 11:28; RECONVENE AT 12:30**

#### **Interview 2: Legacy Classical Academy – Rockingham County**

- Ms. Melanie Rackley introduced the board members, point of contacts, and more introductory information. She mentioned the school planned to open in Rockingham County with 727 students grades K-8 at capacity. She showed comparisons between proposed student population vs. statistics from the surrounding LEA. Additionally mentioned resources provided by the school; as well as the fact there was only one other charter school in Rockingham County. This applicant is a repeat applicant with assistance from the EMO American Traditional Academies (ATA).
- Opening Statement from the Board began and the Chair, Mr. Bernie Parnell, mentioned that they think this board has gone back and fixed a lot of the things that last year's CSAB asked them to fix. He mentioned that there was a demand for this school; provided statistics on performance data and mentioned overall community support for this school. He then let his board members introduce themselves.
- Discussion and Q/A began with Ms. Parlér asking why K-4 to begin this year and K-5 afterwards; and Ms. Turner asked why they are doubling the ADM after year one. Ms. Kelly O'Day, board member, mentioned that it was strictly due to facility requirements and that after year one they

plan to change to fit those criteria while listing off number of physical classrooms per year of existence. Mr. Sanchez asked why it won't be at capacity to which the Ms. O'Day mentioned that Kindergarten would be at capacity the others would catch up as the number of classrooms allowed grew.

- Dr. Eldridge asked if the facility was move-in ready to which the board responded that it was EOC ready and a fire-marshal approved church facility; but, there were still areas that needed inspection. Plan to begin construction if needed in March and have a maximum of 4 months on that.
- Mr. Friend asked why ATA as the EMO to which the board said that they were local to Rockingham County and wanted their expertise to make them stronger. Ms. Turner followed up asking why Rockingham County to which several board members responded that it would help push kids and help the community grow / fit their standards. Board members spoke about their local ties and the unique needs of the county.
- Dr. Eldridge asked about separation of powers between EMO and board: board members responded that the Board has ultimate say and can terminate the EMO with notice or without notice. Mentions the strength of their principal and board. Mr. Friend then followed up asking why staff are employees of both, and it was answered that it was to help build a partnership with the EMO. Mr. Godbey and Dr. Eldridge mentioned that the wording of the contract does matter and asked what is to prevent authority abuse. Mr. Godbey stated that the language of the contract allows the EMO to take the principal if things dissolve between the board and EMO. He stated the contract does not say the board has the authority to hire/fire the principal though it does say the teachers are employees of both. Board and CSAB both acknowledged that the contract does say it could still happen but doesn't think it's probable. Dr. Eldridge stated that the board will not always be composed of the same people. Ms. Turner stated the EMO will have the power to move people to new schools they may open. The Board stated they understand but do not think that would happen because ATA understands that would not be a successful move for the school.
- Concerns about the relationship with ATA – the EMO – were brought up and board mentioned that if relationship got sour, the only employee left of the school would be the principal. The members talked about ATA's professional development programming, but multiple CSAB members talked about concern over a lack of a contingency plan if things got sour.
- CSAB discussed the fee. The board stated the fee is 14% of all funding. Dr. Haire stated the curriculum line item is low and there is no staff development budget. She stated the instructional equipment line item of 4k seems low and may be an error; she believes it's probably 40k which puts them in the red. The board stated that it would be around 4k and staff development is provided by ATA.
- Several members – Mr. Godbey, Dr. Danielsen, and Ms. Turner – had issues with certain aspects of the contract, including possible disputes between the EMO and board, and revenue to the EMO. Asked if they would be willing to renegotiate aspects of the contract to move forward, the board said yes. Board members mentioned that there were a few typos in the contract they were going to work out as well.
- Closing remarks were made by a fellow board member who mentioned concern over sending their child to a low-performing elementary school nearby and that is what spurred her to work on this project.
- Deliberations began and Ms. Turner, and Mr. Stoops mentioned that Rockingham needs this school, and they were confident with their board. Mr. Friend, Mr. Godbey, Dr. Eldridge, and Mr. Falkenbury were all talking about whether in the past they have allowed boards to come back and fix things or if they left it as is. Dr. Haire mentioned not seeing certain items in their plan or budget.
- Ms. Parlér and Dr. Eldridge mentioned that there is always going to be conversations on contracts since this is an issue all schools have. Did not want to repeat what happened last year. Mr. Friend

mentioned that he thinks it is CSAB's job to flag items in the contract and ask if this is what they meant to say. Ms. Turner and Mr. Godbey both agree with Mr. Friend's sentiment on contracts. They stated there are things that could be improved, but not fatally flawed. Mr. Friend closed by saying that he feels it's the duty of CSAB to give them recourse before they go in front of the State Board. Dr. Haire stated she doesn't believe the budget is a deal-breaker, but they should consider their allocations to curriculum and text because doesn't see the budget aligning to the mission in this regard.

- Mr. Sanchez stated he believes the board is strong but he has issues with this type of contract. He stated he can see scenarios that may play out that create conflicts. Mr. Machado stated he understands his concerns, but charters are allowed to do co-employment between management companies and school boards. He has concerns that the EMO could handle three openings at once but he did like the board and recognized the need in the area. Mr. Machado stated he is not sure it is CSAB's role to play out hypotheticals. Dr. Danielsen mentioned that there was no clarity on what to change in the contract, so it makes it hard on the board to go back and change the contract with the EMO. He continued that until we articulate what exactly we want in contracts, we can't hold them up. CSAB discussed the hyper-sensitivity to contracts after the major issues that arose last year. CSAB members wondered what exactly their responsibilities were in terms of reviewing contracts. Mr. Friend spoke about how contracts and budgets change over time.
- Dr. Eldridge concluded that this was the first board meeting since last year and they were just the board that got the brunt of all that was marinating over the past several months.

### **Interview 3: Unity Global Academy – Alamance County**

- Ms. Melanie Rackley introduced the board members, point of contacts, and more introductory information. She mentioned the school planned to open in Alamance County with 650 students at capacity in grades K-12. She also showed comparisons between proposed student population vs. statistics from the surrounding LEA. Additionally mentioned resources provided by the school; as well as the number of both Charter Schools and Traditional Public Schools that existed in Alamance County. There was no LEA impact statement submitted; this is a repeat application.
- Opening statement began - board director introduced himself, his board – which only 3 were present – and also gave demographic data of the school. He then read a statement from a teacher who currently taught at Alamance Burlington School District about the conditions of teaching in a public school and the need/desire to open a new Charter School. The Board Chair Mr. Gene Cole then gave an account of his credentials and how it makes them qualified to open this school.
- Discussion and Q&A began with Dr. Shelly Bullard asking what the real plan was for this school as there was not a plan about discipline, school teacher hours, etc. Mr. Sanchez added on asking for the goals of the organization specifically, not philosophically, and asked how at-risk students would be helped. He stated he has major concerns with the educational plan. Ms. Parlér asked what they meant by returning the educational agency to families and community and Mr. Friend made the remark that there is a difference between a school in a different part of the county with demand. That demand does not justify this school. Mr. Cole answered some of these questions by pointing back to the presentation on demographic data, and also mentioning that because there was demand at other charter schools in Alamance, they too have demand.
- Dr. Eldridge, Ms. Parlér and Ms. Turner asked questions about demographics. Dr. Eldridge asked if folks dropped out during the board process which Mr. Cole mentioned that two had dropped out and re-introduced the board members again. Ms. Parlér asked about the demographics of the board to which Mr. Cole responded 4 white, 1 black, and 2 women. Ms. Turner asked about the demographics of the county vs. what they proposed to serve and the board mentioned that the data was taken from other Charter Schools in the area.

- A conversation on the building now commenced with Dr. Eldridge asking about the facility. The board responded with the upkeep costs as well as number of classrooms and sizes of classrooms and who they had helping them build and maintain this building.
- Ms. Turner asked how those who paid into the seed money get their money back. Mr. Cole showed a chart outlining costs and mentioned that 3% of the budget is controlled by the board to hire; implied rest would be given to the principal. This led to the Mr. Cole mentioning the School Advisory Committee which would give advice to the principal and gave an example of a school they previously worked on that built an orchestra from the ground up through this type of program.
- Mr. Friend asked if they are on the board at the other schools they mentioned earlier. Board members mentioned that as soon as the school is up and running, the school creates their own board. Mr. Stoops asked how long that usually lasts, to which PBM said 1 ½ to 3 years. Mr. Friend went over the details of the fact that they could not transfer the board to them because they cannot create a whole other 501c3. Ms. Baquero then jumped in saying that they technically could but they'd have to go through the Amendment process and receive approval from SBE. CSAB discussed how this process of starting a school and transferring to a new board is not something we currently see and it may be something that was done many, many years ago.
- Mr. Falkenbury commented on how 20-25 years ago laws and other legal regulations have changed. He stated it is confusing to vote on a board that is planning to hand the school over to other people. He also mentioned his agreeance with other members regarding the difference between Northern Alamance and the heart of Burlington. Asked two questions: Why Accelerated; and why haven't we looked into what the community wanted? The applicant board mentioned that due to the fact they couldn't come last year because of an accident on the way up, they were told to fit that timeline of 23-24 they'd have to do accelerated. They also said that it was hard to do outreach and get that data until there is a charter to which Mr. Falkenbury said that he respectfully disagreed with that sentiment citing examples. Mr. Friend gave examples of what the school should have done citing other examples and his own school.
- Closing Statements was a hypothetical statement from the same teacher who is now teaching at the new Unity Global. After this statement, they did mention that the River Mill policy manual would be used.
- Discussion began and Mr. Friend mentioned that he appreciates the passion presented by the board but expresses hesitation getting the 150 enrolled students since no evidence of demand was presented. Dr. Danielsen asked if that could be rectified in a month to which Mr. Friend said potentially but it's all subjective. Ms. Turner said that we can't just assume there would be a huge difference in the application. Mr. Falkenbury, Mr. Sanchez and Ms. Turner all mentioned that the lack of planning and the change in laws 20-25 years later makes it appear as if they are just throwing it out to sea and hoping things go well. Mr. Sanchez mentioned that he does not feel confident moving forward. Dr. Eldridge stated that he's seen the success of River Mill and other charter schools in the area and the facility – per Mr. Stoops – looks perfect for a school. Dr. Eldridge hopes that they take some of this feedback and fix the things that they need to get done.

**Motion:** John Eldridge moved to not move forward for approval to the State Board.

**Seconded By:** Eric Sanchez

**Vote:** Unanimous

Passed

Failed

#### **Interview 4: Two Rivers Public Montessori**

- Ms. Melanie Rackley introduced the board members, point of contacts, and more introductory information. She mentioned the school planned to open in Buncombe County – Asheville City Proper – with 189 students in grades K-8 at capacity. She also mentioned comparisons between proposed student population vs. statistics from the surrounding LEA. Additionally mentioned resources provided by the school; as well as the number of both Charter Schools and Traditional Public Schools that existed in Buncombe County and Asheville Proper (One combined number). The applicant is not a repeat applicant and no LEA impact statement was submitted.
- Introduction of the members began with the Board Chair Wren Cook giving the value of a Montessori education, the benefits of this type of education to teachers and students, and also the history of Montessori education in Asheville. Other board members introduced themselves following Ms. Cook.
- Conversation moved into discussion and Q/A. Ms. Parlér began asking how Co-Chairing works and if they enjoy it. Both co-chairs loved it. Ms. Turner asked why there was no child benefit program, will any of the board members work outside of the school, and about the desegregation order. Board members mentioned that the in-house program they plan to provide can be more cost effective than the federal program; no one would work for the school; and that they have reached out to the Office of Civil Rights – in regards to the order – and are waiting to hear back from them. Mr. Stoops followed up asking if this applies to just kids from Asheville City, The County, Everyone? DPI Legal mentioned that it should apply to all students regardless. Dr. Eldridge asked how they regulated that and the board mentioned through a weighted lottery.
- Mr. Machado asked if they could explain the name since there was also a Two Rivers in Boone. Board said they'd be happy to change the name if need be, to which several CSAB members said to do so.
- Mr. Falkenbury asked if they are confident in the 106 number. Ms. Cook mentioned that they are as the former Asheville Montessori school shut down displaced over 120. Mr. Godbey asked why the school initially was shut down to which Ms. Cook stated they didn't know. Said it was a magnet school that a lot of community members want back.
- Dr. Haire asked if they had meetings and dates with the displaced individuals; and also the diversity of the board since she was not there. Ms. Cook mentioned meeting days were in the appendix and that they were working on diversity however it was difficult since the number of minorities in the community are dwindling.
- Mr. Machado asked about the shared leadership model to which the board stated they designed the program off of another charter school with long-term success. They would have one director for curriculum and one for finance; along with a Montessori coach who serve as a liaison between the board and the school. Those are three positions outside of the classroom to help operate. The board spoke about the advisory council as well who will advise the board.
- Ms. Cook spoke about the church facility and the church will fund the renovations at the outset to make sure they are completed on time and then they will pay that back in year 2 as 'rent' and the school will be a dedicated space, not share space with the church. Ms. Baquero confirmed that the church facility is very nice and almost ready for students to enter.
- Mr. Machado asked about Pre-K and noted they couldn't co-mingle funds. The board stated that they were aware of the lines, Pre-K would have its own director and would pay a small rent to cover basic necessities. The teachers in Pre-K and K will receive separate checks from the Pre-K program and the charter school. Ms. Cook stated the Pre-K would run as its own business. Mr. Machado then asked about the multi-age classrooms and how that would work and how they will assist older students attending Montessori for the first time. The board spoke about the student mentorship program that helps students acclimate. Ms. Maria Mills asked about testing. The board responded they are tested at age level and spoke about spiraling curriculum.

- Mr. Machado closed with asking if they sought any other auditors and if the board looked at their customer list. Ms. Cook responded they did but didn't look at the list. CPA did. CSAB said to look at the list.
- Closing statements were made stressing the board's desire to educate the whole child with a quality education that advances the collective that lives while creating a more just society. Also mentioned some of the added teaching staff and other things their school would have. They would be the only public Montessori school in all of Western NC.

**Motion: Dave Machado** moved to move Two Rivers forward for approval to the State Board on the condition of a name change, on an accelerated timeline.

**Seconded By: Hilda Parlér**

**Vote: Unanimous**

**Passed**

**Failed**

**Motion: Dr. Eldridge** motioned to adjourn

**Seconded By: Mr. Friend**

**Vote: Unanimous**

**Passed**

**Failed**

**Minutes of the North Carolina Charter School Advisory Board**

**State Board Room 755, Department of Public Instruction**

**September 13, 2022**

**9 AM**

Attendance – CSAB Members	
Jamey Falkenbury (non-voting) Rita Haire – remote John Eldridge Cheryl Turner Hilda Parlér Shelly Bullard	Eric Sanchez Terry Stoops Bruce Friend Dave Machado Todd Godbey Bartley Danielsen
Attendance – Other	
<i>Office of Charter Schools</i>  Ashley Baquero, Director Joseph Letterio, Consultant Melanie Rackley, Consultant Jenna Cook, Consultant Jay Whalen, NC ACCESS Davida Robinson, NC ACCESS Barbara O’Neal, NC ACCESS	<i>Attorney General</i> Forrest Fallanca  <i>SBE Attorney</i> Allison Schafer  <i>Teacher/Principal of Year</i> William Storrs Maria Mills

**Pledge of Allegiance:** Dr. Shelly Bullard

**Mission Statement and Ethics:** Ms. Cheryl Turner

- Ms. Parlér and Mr. Machado recused themselves from American Leadership Academy – Garner
- Ms. Turner recused from Movement SW

**Motion:** **Hilda Parlér** motioned to accept Agenda for this meeting

**Seconded By:** Terry Stoops

**Vote:** Unanimous

Passed

Failed

**Meeting Minutes**

- Ms. Ashley Baquero introduced Dr. Andrew Smith – Assistant State Superintendent, Office of Innovation. Dr. Smith expressed enthusiasm for working with Ashley and the Board.

**NC ACCESS**

- Mr. Jay Whalen and Ms. Davida Robinson presented the NC Access Annual Review. The Annual Review began with a history of the grant program and progress on grant goals. This presentation touched on the accountability measures, leadership data, Subgrant program, demographic data, and the weighted lottery. Following this presentation, a discussion was had about the NC Access Fellowship and statistics on the average academic proficiency for Math and ELA. Demographic data of this years' Fellows cohort were also presented. Mr. Whalen spoke about the professional development opportunities offered through the grant program.
- *The Friday Institute* presented its Program Evaluation of the NC ACCESS grant program. Dr. Erin Huggins discussed each research question and the progress toward each program goal.
- Mr. Whalen spoke about next steps in the program. He stated that this is the fourth year and the intense focus is on monitoring and support.
- Dr. Haire commented that the report came across influential and said that she liked the suggestions for improvement.
- Dr. Eldridge spoke about what he has learned by being a new school under a reimbursement grant model. He stated you have to pay attention to the funding process because you will need to fund those things up front and for an independent charter school that can be difficult.
- Ms. Davida Robinson closed by presenting the last subgrant cycle. She stated four schools were eligible to apply, two applied, and one moved forward. Ms. Robinson explained that Movement SW, Mecklenburg County, was being recommended for a \$400,000 implementation subgrant. Movement SW opened this year serving grades K-1.
- Mr. Machado asked if any other Movement Schools were grant recipients. Ms. Robinson stated yes, Eastland.

**Motion:** Hilda Parlér moved to approve the \$400,000 implementation subgrant.

**Seconded By:** Terry Stoops

**Recused:** Cheryl Turner

**Vote:** Unanimous

Passed

Failed

### **2023 Renewal Cohort Preview**

- Ms. Jenna Cook from the Office of Charter Schools presented a preview of the 2023 Renewals Cohort for Charter Schools. This presentation addressed the process for renewal, the 2023 cohort, academic comparability data, and the number of interviews the CSAB will need to complete. Ms. Cook reviewed the 10-year renewal statute and the renewal guidelines. She stated that 14 of the 38 schools will likely receive a 10-year renewal. She stated that leaves 24 for interviews. She stated that 13 of these schools do not have three years of academic data and 18 schools are low-performing.
- Ms. Cook stated that interviews would start in November and go through January at which time CSAB would make recommendations on all renewal schools.
- Mr. Friend asked how many of those required to present are first time renewals. Ms. Cook said 22 out of the 24 likely to receive interviews. Mr. Friend asked about site visits and if those have occurred for nonrenewals. Ms. Baquero stated site visits would have more than likely occurred for any of those possible nonrenewal recommendations because they would have to be continually low performing.
- Dr. Eldridge asked how many are possibly being recommended for nonrenewal. Ms. Cook stated one at this time. He asked about nonrenewal recommendations. Ms. Baquero stated they would

never recommend nonrenewal simply because of low performing status, there is always something else indicating nonrenewal such as noncompliance, financial issues, etc.

**Motion: Bruce Friend** motioned to go into closed session pursuant to NC General Statute section 143-318.11(a)(3) to consult with our attorneys in order to preserve the attorney-client privilege between the attorneys and the public body.

**Seconded: John Eldridge**

**Vote: Unanimous**

**Passed**

**Failed**

Entered Closed Session 10:30AM

**Motion: Hilda Parlér** motioned to re-enter open session

**Seconded: John Eldridge**

**Vote: Unanimous**

**Passed**

**Failed**

#### **Interview 5: American Leadership Academy – Garner**

- Ms. Melanie Rackley introduced the board members, point of contacts, and more introductory information. She mentioned the school planned to open in Wake County with 2050 students in grades K-12 at capacity. She also mentioned comparisons between proposed student population vs. statistics from the surrounding LEA. Additionally mentioned resources provided by the school; as well as the number of both Charter Schools and Traditional Public Schools that existed in Wake County. The applicant is not a repeat applicant and an LEA impact statement was submitted by Wake County. The applicant is partnering with EMO Charter One.
- Opening Statement provided by Board Chair Mr. Schwab. Mentioned two board members were out of town and that there were no sites chosen as of yet but this is not an accelerated application. He addressed the LEA impact statement from Wake County and stated they chose to focus on one school in a completely different demographic area than Garner.
- Dr. Eldridge moved it into Discussion and Q/A. Dr. Haire stated that the mission is aligned and seen in the budget. She stated they are heavy in personnel to support goals. She asked a question of clarification on the \$400,000 for technology. The board stated the 400k is for technology including classrooms. Dr. Haire stated the issue was that it is under office expenditures, but it's actually a student allotment. Mr. Friend then followed up asking about land for the area. Mr. Schwab mentions that they have looked into land and plan to execute an agreement upon approval.
- Ms. Turner stated the registered agent appears to be a Charter One employee. She asked if the EMO was receiving the charter or the nonprofit board since the nonprofit was the one who is legally allowed the charter. Mr. Schwab stated typically a registered agent is a third party. He stated this saves on filing fees, etc. but they can easily change that. Legal said they would circle back on this question.
- Mr. Sanchez asked what the enrollment of economically disadvantaged students (EDS) would be like and what the result of that has been. Ms. Roman mentioned examples of Bonnie Cone Classical Academy to answer this question. Mr. Sanchez asked what the other schools' makeup (Wake Prep and ALA Johnston) are. The board did not have the data due to the short time the schools have been open, but Coastal has less than 10% EDS and no weighted lottery. Mr.

Sanchez asked what this applicant projects. Ms. Roman stated 35% EDS and will use a weighted lottery. Mr. Sanchez followed up asking about the framework for the free reduced lunch program and the board said that that was up to the discretion of the principal. They also mentioned they used Google Forms so that families can remain anonymous.

- Ms. Mills asked if it was their goal Day 1 to get NC Access grant. Applicants said it was. Dr. Eldridge then asked about the contract fee and what that includes. Ms. Turner asked so the marketing plan is under the EMO fee, but the actual costs like a radio ad or flyer is in the school budget. The board stated yes.
- Mr. Sanchez asked when the EMO is acting on behalf of the school how the procurement works. The board stated it goes to board for approval and then goes for a full vote. If it fails then the requestor must come back before the board to modify their request. If it is outside the EMO then they need to write a check; but normally, the EMO would be writing the check. Ms. Turner asked if the board has to make approvals on any budget changes. Ms. Roman stated yes.
- Mr. Stoops asked about proximity to other Wake County schools. Mr. Schwab stated that they have done an analysis on demographics in this area of Garner. Mr. Schwab stated they believe they will bring more minorities and other EDS to the area for better opportunity. Mr. Stoops stated there are ten Garner area schools with racially imbalanced populations, so the county concerns are probably not the actual issue but rather they don't want competition.
- Dr. Danielsen stated that schools should be concerned with diversity system-wide, but charter schools did not create that problem. He stated it is hard to see how charter schools are causing racial imbalance when it exists in places with no charter schools.
- Ms. Turner followed up by noting that if that's what the culture is of the community then they'll have to be intentional with attracting a diverse population. Ms. Roman stated that intentional marketing is very important and that is how they attracted a diverse high minority population at Bonnie Cone in an affluent area of Mecklenburg.
- Dr. Danielsen asked about classical education. The board responded that there was a difference in math and ELA scores as well as comprehension. The board spoke about the Core Knowledge sequence and reinforcement of concepts.
- Mr. Sanchez asked why is the director 100% the EMO employee. He asked how do you negotiate priorities because you must serve the entity paying your pay check but your daily work is to serve children, not make money. He stated there must be competing priorities. Mr. Millis spoke about the huge benefit in having EMO support and taking the pressure off the board of finding a quality leader, which is essential to school success. He stated any partnership can have friction, but the board feels they have a lot of voice in the agreement. Mr. Sanchez asked why not 50/50. Mr. Millis stated he believes it is cleaner to have a leader 100% employed by one.
- Ms. Turner asked if it was the same board opening both ALA schools. Mr. Millis stated the board would be responsible for both schools but there would be local advisory boards. He spoke about the benefits of having one board with advisory boards which allows boards to be impactful but also efficient.
- Mr. Schwab gave the board's closing statement. He stated the board set up is unique but has been successful in other states. He spoke about the success of Charter One.
- Deliberation began with Ms. Turner expressing concern that board chair is on the other side of the country. She stated she doesn't believe it's possible to do both Monroe and Garner with board members all over the place. Ms. Turner stated Monroe has the building already, but she is not as sure about Garner. She stated she believes that is a lot for a new board. She stated we give charters to the boards.
- Mr. Friend disagreed and said that they do give charters to boards and this board is incredibly strong and knowledgeable and that he doesn't think it will be a challenge even though some would be living outside of NC.

- Dr. Danielsen said that they have time to address concerns that arise since it's not accelerated, so they will not be opening at the same time. He stated the ALA – Garner Impact Statement from Wake County is a 'cherry-picked' case looking at one school that Charter One services.
- Mr. Falkenbury stated he was impressed with everyone's engagement in this conversation but did note high demand in the area – he lives there. Additionally, one SBE member is advocating for a school of choice in this area. He stated the board seems confident to take on both and they are on two different timelines, so he doesn't see it as a huge issue. He hopes that both of the ALA schools would pass due to the need in the areas.
- Mr. Sanchez stated he was impressed with the response to the impact statement and appreciates local information about the need. But, he stated, he has issues with school leaders employed by the EMO, registered agent is the EMO, Board Chair formerly worked for EMO – he stated the optics are not great. He stated that if he gets down to data, the academic data is not very good for the current Charter One schools and this would triple the size of enrollment in Charter One schools.
- Mr. Stoops stated this board has tremendous experience opening charter schools with an EMO that is investing tens of millions of dollars into these schools.
- Dr. Haire stated that she concurs with Mr. Stoops and Dr. Danielsen. She spoke about the need for both of the schools and her support of both.

**Motion: Bruce Friend** moved to recommend ALA Monroe forward to SBE approval on accelerated timeline.

**Seconded: Rita Haire**

A long discussion occurred between various board members. Mr. Sanchez said that the EMO was the brand of the board, he stated the contract makes it very clear who is running the school. Dr. Haire asked if the issue is the EMO. Mr. Sanchez stated the brand of the board is the EMO. He stated he can't hypothetically consider the application without the management company. He stated he feels the board performed well and explained well. Dr. Haire stated the system of schools such as Movement are not that different in that they join together for efficiency. Mr. Friend and others noted that without the EMO it would be hard for the CSAB to get a bunch of data on student success that would help other boards get approval. Ms. Mills stated that this is a large enrollment projection for this area. She stated she could see issues, as a school leader, knowing where loyalty lies if she were employed by an EMO. Mr. Falkenbury added that they should not be holding Charter One back for going into areas that are normally not serviced by high-performing schools. Dr. Haire spoke about local performance and wondered if we would allow ALA to step into this space and see if they can perform at a higher level. Dr. Eldridge, Dr. Danielsen and others also added that there was a renewal process in a few years to determine if it is worth renewing.

**Vote: 7-2 - Terry Stoops, John Eldridge, Bruce Friend, Rita Haire, Cheryl Turner, Todd Godbey, Bart Danielsen in the affirmative; Shelly Bullard and Eric Sanchez in the negative**

**Recused: Hilda Parlér, Dave Machado**

Passed

Failed

**Motion: Rita Haire** motions to move ALA Garner forward to the SBE for approval on a standard timeline.

**Seconded By: Terry Stoops**

Discussion: Mr. Sanchez stated this is where you would go past 10,000 students with no solid data. Mr. Friend noted a need in the area; Mr. Sanchez disagreed and stated that this is not our mission – there is need everywhere. Mr. Friend believes they will provide a high quality option.

**Vote: 5-4 - Terry Stoops, John Eldridge, Bruce Friend, Rita Haire, Bart Danielsen in the affirmative; Shelly Bullard, Cheryl Turner, Todd Godbey, and Eric Sanchez in the negative.**

**Recused: Hilda Parlér, Dave Machado**

Passed

Failed

### **Interview 6: Liberty Charter Academy**

- Ms. Melanie Rackley introduced the board members, point of contacts, and more introductory information. She mentioned the school planned to open in Guilford County serving grades K-8 with 727 students at capacity. She also mentioned comparisons between proposed student population vs. statistics from the surrounding LEA. This is a repeat applicant partnering with EMO American Traditional Academies (ATA). There was no LEA impact statement submitted.
- Opening Statement provided by the Board Chair Mr. John O’Day. Introduced other board members who also touched on the things that they changed from last year. This included the addition of a 14% management fee as opposed to a sweep contract. The Proposed Principal of the school discussed the lack of classical education provided to underserved students and her credentials.
- Moved into Discussion / Q&A. Mr. Stoops and Mr. Machado asked a few questions about changes that were made and whether CSAB recommended them last time or if they implemented them on their own. Mr. Machado then asked questions about planning and what their transportation plan was. The board chair mentioned that they will wait to see where there is need before providing transportation and Ms. Turner said if you wait until they come the ones who need transportation will find it elsewhere.
- Mr. Friend asked about the facility and ownership policies; Mr. Machado asked about the option for kindergarten to which the board added that parents can have their kids stay all day for kindergarten even though they will only have a half day of academic learning. Dr. Eldridge asked about the homework policy and how they will determine if there is a support structure at home. Mr. O’Day mentioned that there will be weekly communication by the teachers to make sure the students are getting their work done.
- Dr. Haire asked how the teachers get through lunch if there’s no community lunch room; as well as if they were serious about the 40 students from Davidson County. The board stated that there will be parent helpers – parents of students who come into assist with lunch to provide a break for teachers.
- Mr. Sanchez and Dr. Eldridge asked for clarification about the proficiency statistics and noted that there were contradictions in their goals. Principal noted that the data was based on spreadsheets and data from the county. Mr. Sanchez also noted that he didn’t see large numbers of EDS students. Board stated that a weighted lottery would fix this as well as recruitment. Eldridge noted afterwards that there is a big difference between North West Guilford and High Point though.
- Sanchez asked how they will be serving these EDS students. He also asked how they are going to serve those students considering it will have 40% EDS while the LEA has 13%? Board members mentioned ESL Support; meals and tutors and that they would be developed at the same time. Mr. Friend asked about a counselor on the budget. The board chair said it was on a contract basis. Mr. Friend asked if everything you mentioned earlier warrant a full-time counselor.
- Mr. Machado asked about the 14% fee and whether they know/approve of American Charter Developers. Ms. Turner added that Federal Funds cannot be used for this; and asked if the 14%

was on top of the 14% that federal grants would have covered. Mr. O'Day said yes; they would be supplementing federal revenues with their own money. Mr. Godbey followed up by asking since the board had a provision over the leader, there was no way to get rid of the EMO/Leader. Ms. Turner asks what their understanding of that is. The board responded that ATA would have full control; but if they needed to get rid of the head/leader they probably would listen.

- Closing Statements were made. Mr. O'Day said that the leaders were all in the same community and they tracked the records of the leaders with ATA. They highlighted the need as well citing a survey as well as the difference in traditional education vs. classical education.
- Deliberation. Mr. Machado had concerns that the EMO that has not operated in the state is now applying for three schools in the state. Ms. Parlér concurs, and Ms. Turner does as well. Dr. Haire concurs and is also looking at demand in the region. Dr. Eldridge talked about how there was a lack of designation of resources to provide a high-need school as opposed to contractual services.
- Mr. Sanchez had questions about the 14% fee and counseling. Said there was a high need for mental health resources and lots of gaps between what students might need. Mr. Stoops asked if it would be beneficial to bring back next month for another interview. Ms. Turner said no since she thought they didn't understand the questions they wouldn't be able to clarify in a month.
- Dr. Danielsen noted that there is a need for the schools citing business leaders not sending their kids to school in the area even if they move businesses there.

### **Interview 7: Centerpoint Classical Academy**

- Ms. Melanie Rackley introduced the board members, point of contacts, and more introductory information. She mentioned the school planned to open in Guilford County – but noted the large distance between this school and Liberty Charter. The school proposes to serve grades K-8 with 727 students at capacity. She also mentioned comparisons between proposed student population vs. statistics from the surrounding LEA. This is a repeat applicant and no LEA impact statement was submitted.
- Opening Statement began and board members introduced themselves and spoke about their personal expertise and experience.
- Conversation moved into Discussion and Q&A. Mr. Friend started it off by asking what's changed in the overall application since last year. Mr. Falkenbury asked what they think the 14% pays for and if they got a hypothetical 100k grant would they be required to come up with 14k in addition. Mr. Stoops mentioned that the contract would require 14k to the company. Ms. Turner clarified the federal law for the applicants.
- The board chair Mr. Schneider mentioned they wouldn't use Federal Funds and several CSAB members asked about why not designate it Title 1 if you have 42% EDS. Dr. Eldridge noted that the 'surcharge' proposed by the board would not be sufficient as for one year of lunches for 40% of students would be over \$290,000. Additionally, Dr. Haire asked if the survey was done in the climax area and if the school plans to locate in that area to which the board answered yes.
- Mr. Sanchez said that if 42% of students were to be bussed, that would make 157 students needing bussed which is not possible if you only have 2 busses. Dr. Eldridge asked about updates to facilities and the board member with real-estate experience noted they had a few sites in mind but nothing they could state for the record. Dr. Eldridge asked how far from the mega site. The board stated not too far.
- Closing Remarks began. Mr. Schneider stated there was a great need in the community and said their desire was to educate the whole child. He spoke about the community desire to have more than just an academic education. The board spoke about classical education. The proposed principal mentioned that she wanted to bring classical education to all students.
- Deliberation began. Dr. Haire and Ms. Bullard had some issues with the budget but liked the number of improvements from last year. Dr. Haire confirmed that no board members serve on Revolution's board. The board confirmed that is correct. Dr. Haire stated the teacher assistant

ratio is very low and no support staff like counseling. She stated the budgetary issues are still there in that regard. Dr. Bullard also has concern with the board's grasp of the budget especially federal funding.

- Ms. Turner added they should not look at federal funds as a bad thing. Mr. Falkenbury noted that the 14% issue was still there on the table. He stated it appears you are getting a lot for the 14% fee but there is no restrictions on what that 14% would encompass. Ms. Turner also noted the lack of support staff – 1 assistant for 370 or so kids. She noted the support children new to classical education would need.
- Mr. Sanchez added by year 5 they would be spending 2.5 million on facility and contract fees. He stated you are outsourcing at a real premium. Dr. Haire stated you would need to look at the value of the facility at year five also.
- Dr. Eldridge and Mr. Sanchez pointed out that the board needed to do its homework. Mr. Sanchez pointed out to the fact they didn't know they needed more than 2 busses if 42% were bussed. Ms. Turner noted unless they know their contract through and through partnering with an EMO could be actually detrimental to the charter. She stated the contracts are designed for you to stay together. Said that they need to ask is this EMO contract taking us where we need to go. She stated she did not see that in this plan. Mr. Machado added that he was concerned about the cost of the facilities not necessarily the 14%.
- Mr. Godbey said the EMO is going to lend money to the school, so it doesn't operate in a deficit. He stated that the financials the EMO sent in was less than 5k in the bank and overdrawn last year. Dr. Haire asked how the information was presented in the application and Mr. Godbey said it was in the documents. Mr. Friend closed by saying that they've been looking closely about these boards while also having a conversation about the value of EMOs. Mr. Sanchez and Mr. Friend then go on to talk about their school startup process / costs; and Ms. Turner and Ms. Parlér wanted to make sure they saw oversight and restraint from the board on the EMO.

**Motion: Dave Machado** motions to move Legacy Classical Academy forward to the SBE for approval on an accelerated timeline.

**Seconded By: Chery Turner**

**Vote: 10-1 – John Eldridge, Shelly Bullard, Todd Godbey, Dave Machado, Terry Stoops, Bruce Friend, Rita Haire, Hilda Parlér, Bart Danielsén, Cheryl Turner, in the affirmative; Eric Sanchez in the negative.**

Passed

Failed

**Motion: John Eldridge** motions to not move Liberty Classical Academy forward to the SBE for approval on a standard timeline.

**Seconded By: Terry Stoops**

**Vote: Unanimous**

Passed

Failed

**Motion: Eric Sanchez** motions to not move Centerpoint Classical Academy forward to the SBE for approval on a standard timeline.

**Seconded By: Chery Turner**

**Vote: 5-6 – John Eldridge, Shelly Bullard, Todd Godbey, Eric Sanchez, Dave Machado in the affirmative; and Terry Stoops, Bruce Friend, Rita Haire, Hilda Parlér, Bart Danielsen, Cheryl Turner, in the negative.**

Passed

Failed

**Motion: Bruce Friend** motions to move Centerpoint Classical Academy forward to a second interview.

**Seconded By: Terry Stoops**

**Vote: 6-5 – Terry Stoops, Bruce Friend, Rita Haire, Hilda Parlér, Bart Danielsen, Cheryl Turner in the affirmative; and, John Eldridge, Shelly Bullard, Todd Godbey, Eric Sanchez, Dave Machado in the negative.**

Passed

Failed

**Motion:** Mr. Friend moved to adjourn at 4:12

**Seconded By:** Dr. Eldridge

**Vote:** Voice Vote

- Unanimous in the affirmative.