

**Minutes of the
North Carolina Charter School Advisory Board
Education Building
301 N. Wilmington Street
Raleigh, NC 27601-2825
September 12, 2016**

Attendance/NCCSAB	Alan Hawkes Joseph Maimone Phyllis Gibbs Sherry Reeves Mike McLaughlin - <i>Absent</i> Cheryl Turner Hilda Parlér	Alex Quigley Eric Sanchez Tammi Sutton – <i>via conference call</i> Becky Taylor – <i>via conference call</i> Tony Helton Steven Walker
Attendance/SBE/DPI	<i>Office of Charter Schools</i> Dave Machado, Director Deanna Townsend-Smith, Lead Consultant Cande Honeycutt, Consultant Kebbler Williams, Consultant	<i>SBE</i> Martez Hill <i>Attorney General</i> Laura Crumpler <i>SBE Attorney</i> Katie Cornetto

CALL TO ORDER

The North Carolina Charter School Advisory Board (CSAB) meeting was called to order at 9:00 am by Chairman Alex Quigley who read the Ethics Statement and CSAB Mission Statement. Mr. Steven Walker led the Pledge of Allegiance.

Ms. Hilda Parlér made a motion to approve the August 9, 2016 CSAB meeting minutes as amended. Mr. Steven Walker seconded. The motion passed unanimously.

NC GOVERNORS’ SCHOOL PRESENTATION

- Mr. Tom Winton, Coordinator, NC Governor’s School provided the CSAB information about NC Governor’s School and charter school connections to the program. 33 charter schools submitted nominees and 24 charter school students attended Governor’s School for 2016.
- General information was provided about the program, its purpose, how charter schools participate in Governor’s School, and an outline was provided of the various experiences students receive while attending the program. Mr. Winton also outlined the cost of the program,

how the program is funded, the nomination, and selection process. Governor's School takes place at 2 campuses; however, it is one program and students receive the same experience regardless of the campus they attend. The Governor's School has 10 different disciplines and students are nominated in one of these areas to receive quality instruction from teachers.

- Ms. Laura Crumpler surmised that the Governor's School is the first in the country and many states have mimicked the program; however, have not reached the level of success as NC Governor's School model. Various CSAB members asked general questions following Mr. Winton's presentation. No action was taken by the CSAB following this presentation.

STATE BOARD OF EDUCATION UPDATES

Multi-Tiered System of Support

- Ms. Amy Jablonski, Director, Integrated Academic and Behavior Systems, provided information about Multi-Tiered System of Support (MTSS), its implementation to date and next steps. MTSS is a framework and is built with the students in mind. Ms. Jablonski reviewed various handouts to provide relevant facts, 6 critical components, the self-assessment, and cohort information.
- Ms. Amy Miller, Consultant, Integrated Academic and Behavior Systems, provided information about the Self-Assessment of MTSS (SAM) and its implantation in cohorts 1 & 2. SAM measures school level implementation data. 48 traditional schools, 8 charter schools and 1 alternative program are participating in the process. SAM was not mandated; however, many districts and charter schools deployed the tool and tailored the use of the tool to meet their purposes.
- Ms. Jablonski outlined how professional development is now tailored based on information provided from the SAM and feedback received from districts and charter schools. There are 3 professional development sessions scheduled for this year based on the received SAM data. Based on survey data, future assessments are being developed to build systematic equitable access based on the HB 237 required report.
- Mr. Hawkes questioned the efficacy of MTSS. Ms. Miller outlined that the department is currently collecting data which will be compiled once the agency collects final information about participating schools.
- Mr. Maimone outlined concerns with the paperwork component required to maintain MTSS. Ms. Jablonski outlined that HB 237 repealed individualized plans for students and MTSS does not mandate paperwork.
- No action was taken following this presentation.

Office of Charter Schools

- Mr. Dave Machado, Director, Office of Charter Schools, provided accolades to Mr. Jablonski and her support to charter schools using MTSS and general updates from the State Board of Education (SBE) meeting. The SBE approved Northeast Aerospace & Advanced Technology's amendment request to end its contractual relationship with New Schools which suddenly closed April 2016.
- He further detailed the SBE's approval of Rocky Mount Preparatory's Academic Improvement Plan per the CSAB's recommendation. Additionally, the Fast Track Replication Policy and subsequent policy changes were also accepted and approved.
- Mr. Machado also provided information related to Union Academy receiving State and National recognition as a School of Character and the detail provided by each NC virtual public charter school in their report to the SBE.
- Dr. Townsend-Smith provided a summary of charter specific performance based on the recent release of accountability data. Chairman Quigley outlined adjustments to the document to include aggregated demographic data. Mr. Walker specifically pointed out a particular phenomenon of charters performing well or performing poorly and if this trend was only applicable to NC. Dr. Townsend-Smith pointed to a CREDO study for the CSAB's reference.
- Mr. Walker directed the CSAB's attention to the accountability spreadsheet, Torchlight receiving the highest growth amongst all charter schools, and provided positive remarks about Rocky Mount Preparatory exceeding growth. Chairman Quigley wanted assurance that the low-performing list was based on the new statute. Dr. Townsend-Smith outlined the recurring low-performing list is not provided with the data summary. Ms. Turner sought clarity on continually low-performing and how charter schools receive that status. Mr. Walker outlined the need to recodify the inadequate policy due to statute changes. He stressed the importance of the CSAB continuing to be involved when schools are not performing. Mr. Walker further outlined the nonrenewal of Crossroads and Kennedy proved to be the right decision based on the respective schools accountability grades of F.
- Chairman Quigley asked the office to triple check to ensure accuracy, and to work on the coloring portion of the pie charts. For example, choose green for the highest performing and red for the lowest performing schools. The pie charts starting on page 8 should possibly be placed on one page for easy readability. Ms. Turner stressed the CREDO report and if the research is correct, it possibly bodes well for schools that have opened in the last 3 years. Chairman Quigley followed with the importance of the Ready To Open process to help ensure school success. Ms. Hilda Parlér suggested adding a breakdown by grade for the data outlined on page 9 of the document.
- Mr. Eric Sanchez outlined the need for the report to include aggregated demographic data. Specifically, revise page 2 to include demographic data and include a breakdown of elementary, middle, and high school performance. This information would help inform CSAB's decisions and help ensure the right questions are asked.

- Mr. Walker reminded the board of 2 schools which received renewals last year with stipulations. Since the stipulations outlined required the schools to meet growth, the schools will need to appear before the CSAB for its review to ensure compliance.
- Ms. Parlér referenced page 9 of the report and suggested that grades of the performing schools that opened in 2015 should be listed individually above the group grades shown on the bar graph.
- Mr. Maimone referred to page 13 for schools listed as low performing and how many schools on this list might be eligible for alternative school status. He also questioned the relation of the low performing schools in the districts and how the overall performance grades would differ if the low performing information were included in the calculation.
- Chairman Quigley expects OCS to provide charter specific accountability data each year. He and Mr. Walker SW encouraged all CSAB members to download the accountability spreadsheet to use as they make crucial decisions.
- No action was taken following this presentation.

POLICY COMMITTEE DISCUSSION

Charter School Alternative Status

- Mr. Steven Walker led a discussion on whether charter schools should be considered alternative schools. Dr. Townsend-Smith provided background information on SBE policy GCS-Q-001. She also provided details about Stewart Creek, a dropout prevention school, which applied but did not receive the designation of alternative because it did not meet licensure requirements. She outlined the correlation of Success Institute, which is seeking the alternative designation. Mr. Helton believes the licensure requirement should be the same as charter statute as charters have proven success with teacher certification at the minimal 50%. Mr. Walker outlined that dropout prevention schools should be considered alternative. Ms. Turner outlined that charters which receive the alternative designation, the CSAB needs to ensure that the schools continue to be alternative. She also outlined that the alternative definition needs to be rewritten because of the definition's broad context. To provide additional detail, Mr. Walker referenced GCS-Q-038.
- Mr. Maimone outlined that it is important that we compare apples to apples and that charter schools should have an opportunity to receive alternative designation. He outlined he does not support the 100% licensure requirement. He reiterated Ms. Turner's earlier point of ensuring schools are being true to their approved dropout prevention missions.
- The CSAB outlined how the policy relates to the Stewart Creek and other Commonwealth. Chairman Quigley outlined his concerns about opening a door and charter schools by nature are alternative. Mr. Walker outlined the policy is twelve years old and should possibly be revised. He confirmed with Mr. Machado the possibility of delaying action until a later date and detailed options for policy consideration. Ms. Reeves questioned the benefit to charters seeking the designation if ultimately the schools will receive a letter grade.

- The CSAB plans to draft a policy and make a recommendation to the SBE at a later meeting. No action was taken following this presentation.

State Board of Education Collection and Calculation Method of Charter School per Pupil Share

- Mr. Steven Walker led a discussion about the collection and calculation method of the charter school per pupil share. He outlined that the policy was moved for action at the last SBE meeting and wanted to know if the CSAB could work with Ms. Alexis Schauss to have a consistent collection method/process. He outlined that the General Assembly is conducting a study and the information specifically surrounding funds two and eight will be useful and relevant. Ms. Alexis Schauss categorized the items Mr. Walker outlined as more procedural than policy. She detailed that NCDPI has already given consideration on the structural format. She reiterated the statute language and the interpretation. Ms. Schauss outlined requiring a template is more difficult as each county is different.
- Ms. Turner outlined Charlotte-Mecklenburg (CMS) recently sent out their calculations and the information provided was not specific. Mr. Walker outlined that changes to the policy may not be necessary; however, we need to make sure we are getting relevant information so the General Assembly can make an appropriate policy.
- Ms. Gibbs suggested NCDPI consider withholding funds until districts comply with submission mandates. Ms. Schauss outlined the state cannot audit the information for 115 school districts. The intent for submitting the information to NCDPI is to have a central repository for the information and to ensure compliance with the statute.
- Mr. Walker requested that Ms. Schauss get as much information as possible. Ms. Schauss outlined she would do her best to have a uniform collection method so charters have the necessary information.
- Mr. Maimone revealed the large local funding discrepancy from Cleveland County of over \$1000 per student due to the Nesbitt amendment passed in 2003. He emphasized that this is directly opposed to the original intent of the charter law that "the money should follow the child." He outlined the most contentious item charters deal with is billing local school districts. Mr. Helton outlined the process in Oklahoma and a process that could work to alleviate the tension between charters and districts.
- Mr. Walker encouraged the board to send any suggestions to Ms. Schauss regarding the collection and calculation method of the charter school per pupil share. The CSAB did not take action on this agenda item.

PERFORMANCE COMMITTEE DISCUSSION

2016 Application Update

- Chairman Quigley requested the Office of Charter Schools to provide a brief update on the application due date. Dr. Townsend-Smith provided details on the system wide blackout and the

OCS plan to convene an Executive Committee of the SBE to extend the current deadline by three days. Mr. Machado informed the CSAB that Chairman is aware of the issue and a meeting will be convened. Mr. Walker outlined the importance of granting the three day extension to the volunteer board preparing applications. Mr. Quigley acknowledged audience member, John Betterton, former Charter School Advisory Council Chairman.

- **Mr. Maimone made a motion to recommend that the State Board of Education extend the application deadline to September 19, 2016 at 5:00 pm. Mr. Helton seconded and expressed gratitude to OCS for providing quality customer service. The motion passed unanimously.**

Expectations of Charters Requesting a Year Delay

- Mr. Joe Maimone, Chair, Performance Committee, led a discussion on adjustments to the letter an approved applicant receives when requesting a one-year delay. The Office of Charter Schools provided a recommendation to the CSAB which outlines four alternative stipulations instead of the charter being null and void.
- Mr. Walker clarified the reasons the CSAB is seeking to make the revision and questions if the requested document should be an affidavit. He thinks the letter should be adjusted to delete the affidavit and have it be a document from the contractor. Mr. Walker questioned the reason schools needed to request year two enrollment numbers when one year delay requests are granted. Mrs. Turner supplied additional clarity and outlined the SBE has approved the requests to increase year two enrollment numbers. Mr. Helton wants to ensure the boards receive clear communication. Ms. Reeves outlined the need to get an update for the Ready To Open schools.
- **Mr. Maimone made a motion to accept the letter with the change of removing the affidavit language. Mr. Walker seconded.** Mr. Helton wants to make sure there is no mention of a charter being null and void in the letter. Mr. Hawkes outlined the situation with Howard and Lilian Lee and how this change would be applicable with such instances. **The motion passed unanimously.**

New Business

- **Mr. Maimone requested Accountability make a formal presentation to the CSAB about changes to the state accountability model and the growth model. Hilda Parlér seconded.** Mr. Maimone outlined we need to push toward nationally normed models. Dr. Townsend-Smith provided general information about North Carolina's state accountability model. **Motion passed unanimously.**
- Mr. Alan Hawkes outlined the NC Policy Watch report which detailed his displeasure about the SBE not accepting the CSAB application recommendations for five of the thirteen recommended. He explained he responded via email to NC Policy Watch and used some colorful language. Mr. Hawkes expressed his sincere apologies and he assured Senator Berger that he regrets his action. He commits to temper his behavior moving forward.

- Chairman Quigley outlined he would include the staff in the apology and we are not looking for unanimous decisions and want to keep things above board.

SCHOOL UPDATES

North East Carolina Preparatory

- Dr. Townsend-Smith provided information regarding the reasons North East Carolina Preparatory (NECP) was present at the meeting. Mr. Tom Schuck, Executive Director, North East Carolina Preparatory, made introductions. He outlined he took over as Executive Director on June 1, 2016. He provided his work experience outlining 25 years of charter school experience along with 12 years of private school experience. Mr. Schuck outlined his experience working with diverse student populations and increasing academic performance.
- During the presentation, Mr. Schuck outlined his role with producing a five-year plan aligned to the SBE approved strategic plan for NCEP. He claims the school will be the top performing charter in the state and outlined the five year plan included replacing the past administration team to have strong leadership at the school. Mr. Schuck outlined what he and the Academic Dean are doing to ensure the approved strategic plan is implemented.
- Mr. Schuck outlined the school exceeded growth for 2015-16 and its plan to sustain the academic success. Average Daily Attendance (ADA) for the first 20 days were fluid ranging between 853 - 973. He believes the half-day professional development contributes to the drastic student attendance and plans to make recommendations to the board on changes in April. Mr. Helton inquired about the NECP's current enrollment to date. Mr. Shuck responded the current Average Daily Membership (ADM) is 950.
- Mr. Turner questioned the ADM for the month one Principal Monthly Report (PMR). The NECP Executive Director responded the month one PMR reflected 947 students and the current budget is based on 950 students.
- Representatives from the school presented the budget and outlined the steps taken to get the school on track fiscally. Mr. Schuck projects \$181,000 surplus for the year-end budget. The Executive Director outlined the contracts he and the board chose not to renew to ensure the school's resources are spent appropriately. Last year the school partnered with Prestige to help run financials and other operational services. This year the school plans to use its in-house expertise to fill the void Prestige once provided. The school is currently seeking investors to buy out Highmark facility lease due to \$140,000 monthly charges and excessive interest rates.
- Chairman Quigley sought clarity of the presented timeline about the finances and the Executive Director start date. He also questioned the assessments the school plans to use. Mr. Etheredge outlined Cammaco and schoolnet as the internal assessments. Chairman Quigley questioned the alignment of the plan provided today to the approved SBE strategic plan. Dr. Townsend-Smith could not verify the alignment as OCS received the plan minutes before the presentation.

- Ms. Parlér inquired about how the school determines a struggling teacher and the observation schedule. Mr. Schuck outlined the school's observation protocol and how the school identifies struggling teachers.
- Ms. Reeves questioned the school's renewal status. Dr. Townsend-Smith outlined the school appeared before the CSAB as the school was identified as inadequately performing for 2014-15. Mr. Schuck added, NECP is currently in the fourth year of its approved term and next year is its renewal year.
- Mr. Sanchez inquired about the financial structure and how the school will ensure it is not losing expertise Prestige once offered. Mr. Schuck outlined he now reviews the financials monthly. He further detailed that the school did not have the budget at its disposal previously until requested and now it is his responsibility to monitor as the Executive Director. Mr. Sanchez inquired on what the board is now doing since bringing the financing in-house to ensure internal controls remain intact with some level of fidelity. The financial representative present for NECP detailed they are following the internal controls previously in place and those controls continue to be followed even without Prestige.
- Mr. Sanchez questioned the significant drop in disadvantaged students by 18%. A school representative attributed the drop to a decrease in the submission of FRL applications and possibly past erroneous reporting. She further detailed the school's difficulty with completing the economically disadvantaged reporting and skewed data. She concluded the audit for 2015-16 is underway and will be submitted on time.
- Mr. Walker questioned staff on the school's current compliance standing. OCS reported NECP is currently noncompliant as the school has not yet complied with the Performance Framework reporting requirements. Mr. Helton sought clarification on reporting patterns based on schools having new administrators. Dr. Townsend-Smith outlined the reporting process. The board chair outlined the school is addressing the noncompliance and did not get the information to OCS on time. Mr. Schuck outlined the Performance Framework will be submitted by the end of the week.
- The CSAB wanted to make sure that OCS conducts an unannounced visit to the school and will determine next steps for the school. No action was taken following this agenda item.

Z.E.C.A. School for Arts & Technology

- Ms. Stacy Howard-Owens, Director, Z.E.C.A. School for Arts & Technology made introductions. She outlined the goals the school set have been achieved. Additionally, the school has ended the year with a \$6,000 surplus. The school has combined campuses and is now under one roof and will end the school year at a new modular facility. The board has partnered with Leaders Building Leaders (LBL) lead by Dr. Tom Miller. She detailed LBL partners to help strengthen the governing board and the board now receives more detailed monthly reports to influence their decisions. LBL is also providing academic support to increase student performance.

- Mr. Walker questioned the plan to improve Z.E.C.A.'s proficiency. He surmised, while the school should be commended for its growth, there are issues with student proficiency and the state provides funding to educate students. It is concerning the school received a F letter grade. Ms. Howard-Owens outlined it was critical to scale down its program to build cohesiveness. Additionally, the administration has increased observations to build teacher knowledge. The school now videotapes teacher lessons and recently participated in a week long A+ training.
- Ms. Reeves wanted clarity on the grades the school currently offers and the current enrollment. Ms. Howard-Owens outlined the school provides K – 8 and has 118 students instead of the 129 of last year since the campuses are now combined. Mr. Sanchez expressed concerns over the school combining 5th and 6th grade classrooms. Ms. Howard-Owens justified the reasoning for combining 5th and 6th grade based on the students being in the 10th percentile necessitating the need for differentiated instruction. The school has now extended its school day which starts at 8am and concludes at 5 pm allowing additional reading and math instruction. Mr. Sanchez probed if the school had examined other areas such as science and social studies to help take it to the next level outside of focusing on the broad percentile numbers. Ms. Howard-Owens concluded data driven instruction will get the school to the next level. The school plans to provide assessments developed by the administration each month aligned to pacing guides. Mr. Sanchez inquired about the school's specific goals for 2016-17 and the end goal. Ms. Howard-Owens explained the overall goal is to exceed growth.
- Chairman Quigley questioned a member from Charter Success, the school's financial partner. Charter Success works with 7 other charter schools in the state and is assisting Ms. Howard-Owens with keeping an eye on the finances to ensure the same fiscal mistakes do not happen. The representative outlined he and Ms. Howard-Owens now meet on a monthly basis to review the budget. Charter Success worked with Z.E.C.A. the last three months and ended with surplus of unrestricted funds by reducing revenue and expenses.
- Chairman Quigley questioned Ms. Schauss on the specifics of the financial noncompliance. Ms. Schauss outlined Z.E.C.A. had a going concern, a fourth quarter tax issue, and a negative \$70,000 deficit. The Charter Success representative explained the school is currently projecting an \$8,000 surplus and the breakeven number is 118 students. The CSAB members expressed concerns about the current 118 student enrollment number. Ms. Reeves wanted clarity on who is currently responsible for the school's finances. Ms. Howard-Owens explained Charter Success is responsible for the separation for the internal controls and meets with the board one time per month. Additionally, a part-time retired consultant also assists with the school's finances.
- Ms. Turner questioned who is responsible for the building upkeep. Ms. Howard-Owens outlined major repairs are covered since the school is leasing its current facility. The CSAB questioned OCS on the next renewal for the school. Dr. Townsend-Smith outlined the school received an initial ten year charter. The school confirmed they were originally approved in 2013.
- Ms. Owens outlined the first long-term plan was to move from a facility where it could only accept 118 students. Additionally, it is important to recruit a stronger teacher base and ensure the vision of the school comes to fruition. Mr. Quigley questioned the ADM for the first 20 days of school. Ms. Howard-Owens outlined since day ten the school has maintained 118 students.

- Chairman Quigley wants to see the board once the audit is submitted.
- Ms. Reeves questioned the school configuration and how far the modular campus is from the current campus. Ms. Howard-Owens outlined the 10 – 15 min. difference between the commute times at the school. The school has obtained a memorandum of understanding and is structuring its marketing plan. Also, the school has purchased two more buses to prepare for the increase of students to the new campus.
- Ms. Turner questioned the plan to finance the new facility with an \$8,000 surplus. She questioned if 200 students would allow the school to afford the facility cost. Ms. Owens outlined marketing is key and will be based on student needs. Mr. Hawkes questioned the K – 8 model with 200 students and questioned the sustainability. Ms. Owens outlined there were discussions at the board level and there is parent support at the middle school and the board chose to scale back with K - 8 this year. Mr. Hawkes encouraged the school to consider this recommendation.
- Mr. Helton questioned if growing an F school is the correct course for the school to take. Currently the school has 13-14 students per grade. Ms. Howard Owens compared their performance with that of its LEA. She outlined time will get them to proficiency and the focus this past year was growth. Ms. Turner outlined just making growth should not be the focus.
- The CSAB outlined its concerns for the school regarding its academics and financial picture. Mr. Walker hopes the audit for the school looks good. There is a tight margin and he agrees with Mr. Helton and maybe it is not wise to grow the school. Students are not performing where they should be performing and there are a lot of concerns. He outlined it will take a lot of commitment to make this school successful.
- Mr. Sanchez outlined the school is seven students under capacity and is spread thin over eight grades. If the school loses students or has a bus breakdown, coupled with the potential teacher classroom management issues and he expressed additional concern. He outlined the writing is on the wall and how the CSAB will receive updates. Dr. Townsend-Smith outlined the process of identifying at risk schools and the potential site visits for at-risk schools.
- The CSAB wants to see the audit and will require the school to appear at a later meeting. **Mr. Walker made a motion to reject the submitted plan and require the school to appear before the CSAB at its next meeting to present a strategic plan. Ms. Reeves seconded.**
- Mr. Maimone questioned the non-certified staff employed by the school and encouraged the school to keep an eye on this component because not doing so could result in additional financial ramifications. Mr. Helton suggested that the board focus on academics and receive a detailed report. He detailed the items the board emphasizes the most will yield results.
- **Mr. Walker withdrew the previous motion and made a substitute motion that the CSAB not recommend approval of the current plan and be required to attend the November CSAB meeting to present a detailed strategic plan to include SMART goals and timelines of how they seek to achieve those goals. The school must also work with the auditor to ensure the audit is completed and submitted on time. Ms. Reeves seconded. The motion passed**

unanimously. Mr. Walker outlined that the five board members for Z.E.C.A. need to think about this plan and contribute to its development. He further detailed his concerns. Mr. Sanchez requested a detailed budget be included with the strategic plan submission. Mr. Maimone encouraged the school to look at previously submitted research-based strategic plans.

Thunderbird Preparatory Academy

- Mr. Mojica provided introductions. He detailed that all requested information outlined in stipulations were submitted to OCS and available for the CSAB. Mr. Lynch, the school's financial representative and other financial consultants were also in attendance. NCDPI conducted several visits to the school. Dr. Vincent outlined the school operations and highlighted the school is working with Dr. Cline staff at NCDPI and Dr. Miller with LBL.
- Dr. Vincent provided a facility update and how the school corrected its health and safety issues. He rehashed how the mold occurred and that no one is immune to having mold in their building. Smith Engineering conducted a mold analysis and North Star used their recommendation to ensure compliance. The water damage required the school to repair the entire roof. Dr. Vincent outlined the school has lunch in the classroom which was the reason for the mice. He detailed the school never had an infestation and wanted to make that point clear.
- According to Dr. Vincent, the CSAB's recommendation to initiate revocation was a shock to the school. He further reiterated that the CSAB's revocation decision caused the school to hemorrhage students and the long-term strategy is getting students to attend the school. The school is also focusing on increasing its academics and improving its financial picture. Marketing efforts include increasing enrollment five to ten percent for this school year. Dr. Vincent recapped the visits provided by Ms. Shaunda Cooper, Mr. Machado, and Dr. Kebbler Williams and invited the CSAB members to make announced or unannounced visits to Thunderbird Preparatory Academy. He outlined that 2016 would be a difficult year, but expects the school to have some successes.
- Ms. Turner inquired about the current and projected ADM. Dr. Vincent explained the current enrollment is fluctuating between 150 – 160, while the school was projecting approximately 350 students for 2016. Mr. Helton questioned the 2015 ADM to which Dr. Vincent confirmed an ADM of 461 students. Dr. Vincent yet again detailed the revocation decision of the CSAB and summarized the decision led to the school losing students. Currently the school is K – 6 and the school could possibly add grades 7 and 8 and house the additional middle school grades in the same facility since enrollment numbers are low.
- Chairman Quigley referenced the August 25, 2016 meeting minutes which detailed student enrollment numbers of 255. Dr. Vincent confirmed that only 150 students showed up and the school has advertised at Wal-Mart and other community partners to increase student enrollment. Mr. Quigley wanted clarity on the alignment between the budget and student enrollment. Dr. Vincent suggested the budget was built on 250 students. Chairman Quigley questioned the touchpoints the school had in place for the projected 250 students as projected in the August 2016 meeting minutes. Dr. Vincent detailed he communicated with parents and at the last minute parents switched students to another school. He also explained to the CSAB that issuing the

initiation of revocation was the reason for low enrollment numbers. Ms. Turner reiterated the school had contact with the parents and the school had an opportunity to communicate to its parents that the school was not closing.

- The CSAB expressed frustration as throughout the presentation, Dr. Vincent placed the blame on the CSAB for the school's current state. The CSAB recapped the reasons for the initiation of revocation decision and detailed the decision was issued because the school was not responsible to its stakeholders. Dr. Vincent reiterated he was never contacted about attending the CSAB meeting where the revocation decision was rendered and was pulled from another meeting to appear before the CSAB. He also explained he never had an opportunity to fully explain the school's status before the decision was rendered.
- Mr. Walker detailed how parents knew about the meeting, yet the board and administrators did not know about the meeting. He explained he is comfortable with all the CSAB decisions regarding Thunderbird. Mr. Walker suggested the letter from OCS possibly should have been sent certified mail; however, there were issues at the school which required the CSAB to be forceful in its decision. Additionally, the financial records received remain confusing and the mold, rats, and hostile situation of the Thunderbird board necessitated CSAB action. The CSAB is not the blame, Thunderbird is the blame as the school was not governed appropriately. Dr. Vincent educated the board on the differences between rats and mice and reiterated the school had mice and it was not an infestation. He also detailed there was a perception of mold which took hold toward the end of the year. Dr. Vincent concluded he was not placing blame; however, the CSAB is culpable. Chairman Quigley advised Dr. Vincent that it was best not to continue this conversation and the CSAB stands by its decision. Further, we are in right the ship mode and our focus should be on moving forward.
- Chairman Quigley outlined the finances is the problem du jour and questioned how the school plans to adjust. Dr. Vincent explained there would be a reduction in force and that reduction would not affect the school's program as outlined in its charter. He also provided the school's financial experts could best describe the financial state.
- Ms. Turner wanted clarity on the initial allotment the school received. Mr. Sanchez provided the school received one-third funding for 460 students. Ms. Turner expressed concern and questioned Dr. Vincent's understanding of receiving this funding when current enrollment is reflecting 150 students. Chairman Quigley wanted clarity on if the school had the opportunity to request a fund reduction and the date by which schools projected final numbers. Mr. John Lynch addressed the board and explained the Thunderbird board was fractured and was strong initially with governance and in opinions. He also provided additional commentary on the school's current status and now the board is unified and has his support since his agency financed the bond for Thunderbird. Mr. Lynch detailed each of the notes the school has and one supposed note of \$150,000 was not a note and would not need to be repaid. American Charter Development has deferred interest and payments for 18 months for the \$150,000 owed. Chairman Quigley questioned the \$1,000,000.00 debt service reserve to which Mr. Lynch confirmed 80% of the current gap would be recovered using these monies if needed and the remaining \$200,000 would come from staff reductions and other operational deductions.

- Mr. Walker questioned Mr. Lynch on the total debt amount including any bonds. Mr. Lynch explained the debt amount is a bit confusing and the school has a lease payment of approximately \$57,000 a month. Additionally, there are \$300,000 in bonds which are deferred. Mr. Walker questioned the school's revenue projection for the year should the ADM not increase. Mr. Lynch confirmed the school would possibly not receive additional state funds, minimal local/federal funds and could not confirm the state funds. Another financial representative for the school provided a guesstimate of what the school might possibly receive. Mr. Walker confirmed the school would pay approximately 3 million dollars over five years for the facility it could possibly own with the option to purchase.
- Chairman Quigley requested Ms. Schauss address the CSAB. Ms. Schauss outlined the school is starting with a deficit and has a going concern. The school overspent over \$300,000 for 2015-16 and there is a pattern of financial concerns with Thunderbird. She also detailed her concerns that the entire financial picture may not have been discussed and continues to have concerns about the school. Mr. Lynch outlined the auditor misunderstood some of the loans which triggered the going concern. Mr. Quigley concluded the school has a lot to do to correct its financial picture. Mr. Sanchez wanted assurance that the CSAB had received the full financial picture. Some explanation was provided by one of the financial representatives who explained with staff reductions the school will be in a better place. Mr. Sanchez questioned the positions the school plans to reduce and if the action had occurred. Dr. Vincent provided brief details on the ten to twelve positions the school might reduce as he wanted to announce at the school instead of in front of the CSAB.
- Dr. Vincent outlined the school started with eighteen to twenty staff members. Mr. Helton questioned the number of intent letters from staff at the end of 2015-16. Dr. Vincent reported only five to six staff reported they would return; however, the news reports resulted in the frenzy with staff. Mr. Helton clarified he was seeking returning students. Dr. Vincent stated it was originally 450 students and following the revocation decision there was a sliding scale. Additionally, parents did not communicate their intent not to return to Thunderbird. He concluded that the school has complied with the stipulations and once again encouraged the CSAB to visit the school.
- Mr. Maimone noted the school hired six staff members to help increase enrollment. Dr. Vincent outlined the minimal number of students enrolling from this marketing effort. Ms. Turner and other staff members educated Dr. Vincent on the funding formula to ensure he understood the school would not receive additional state funding. Dr. Vincent reported his optimism with students signing up until the school's day twenty. Mr. Maimone proposed that the school receive funding for the higher of the first two month ADM. He questioned if it was possible for the finance department to make this exception and this is not fair for the school. Chairman Quigley suggested the board exercise caution with this request. Additionally, Mr. Sanchez detailed these are the rules we all agreed to and this is a school who did not have a finger on the pulse and appropriately track enrollment.
- Chairman Quigley outlined there remains financial concerns and requested the school submit its NCDPI approved budget and the adjusted budget based on the 20th day ADM for CSAB review.

Additionally, the school will appear before the CSAB in November. No action was taken following this agenda item.

PERFORMANCE FRAMEWORK UPDATE

- Ms. Cande Honeycutt provided information regarding the 2016 Charter Schools Performance Framework (PF). She expressed gratitude for those within OCS and in other divisions of NCDPI who helped make the PF happen. Ms. Honeycutt outlined how the Office of Charter Schools uses the PF to inform SBE and CSAB decisions. Also the PF allows an efficient way for OCS to perform its monitoring responsibilities. Mr. Walker questioned how the information for the performance framework was compiled. He expressed gratitude to Ms. Honeycutt for her work and concluded that this was a lot of work. Ms. Honeycutt outlined how SharePoint was constructed and how the documents were produced and that this task should be celebrated as OCS has always manually compiled this information.
- Ms. Honeycutt provided a summary about the operational, financial, and academic results for the charter schools operating in 2015-16. Additionally, she outlined how the collection period and the subsequent correction window. There are eight schools that received a governance noncompliance as they did not submit the operational component of the PF as requested. She supplied the CSAB a review of the PF using one charter school. Ms. Honeycutt explained the information the CSAB typically requests about charter schools is provided in the PF and pointed to the academic section of the document.
- Mr. Quigley sought clarity on the items that will be included in next year's PF. Ms. Honeycutt confirmed this point. Mr. Maimone questioned the academic compliance component of the PF. Ms. Honeycutt there is not an overall academic compliance component and the CSAB previously requested the subgroup data be added to the PF. Ms. Turner explained the CSAB needs access to the subgroup data but did not want schools to appear to be noncompliant when meeting basic statutory requirements. Other CSAB members expressed the reporting concerns and the perception it may portray with the media.
- Mr. Walker surmised he receives multiple complaints about the charter school PF. He outlines the information in the PF is duplicative. Various CSAB members expressed gratitude to Ms. Honeycutt for her work. Dr. Townsend-Smith detailed the monitoring responsibility for OCS and the need for the office to be efficient and consistent. She detailed the goal is not to categorize charter schools negatively; however, the goal is to provide accurate information about school performance. Dr. Townsend-Smith assured the board there will be adjustments moving forward. Ms. Turner expressed she did not have an issue with the data but how the information is presented in the report. Mr. Helton provided additional suggestions about how the information should be presented to improve the optics. Ms. Honeycutt detailed the data indicates some trends in charter schools which need further discussion. Mr. Machado supported we need the data and agrees the words compliance and noncompliance should be removed. Mr. Maimone detailed the perceptions of the words compliance and noncompliance and how we should not contribute to such perception. He concluded that the PF is way beyond statutory requirements.

- Mr. Walker expressed concerns on the analysis of the information from the PF which is the primary issue. He explained he is fine with collecting data and for OCS to use the data internally, but we have the Single Audit Act. Also this is an overload and schools pay \$10,000 for an audit each year. **Subsequently he made a motion for the SBE to remove the PF from its strategic plan. Ms. Reeves seconded.** Chairman Quigley outlined the PF example in relation to PAVE and its licensure noncompliance. Ms. Honeycutt outlined the process OCS took to help clear up licensure and explained the PF measures the entire year. Mr. Martez Hill questioned if the issue was with the data or rather how the data is reported. He suggested that maybe the information from the PF not be aggregated and used for CSAB, OCS, and SBE and possibly we need to continue to collect the data and determine alternative ways to report the data. **Mr. Walker withdrew his motion.**
- **Mr. Walker made a motion for OCS to remove the PF from the October SBE agenda and to determine an ongoing process for data collection. Mr. Maimone seconded. The motion passed unanimously.**
- Committee chairs will work with OCS on how the data is reported and its aggregate representation. The PF will appear on the CSAB October agenda. Mr. Maimone outlined the SBE needs succinct data. Ms. Turner and Chairman Quigley detailed the data does not accurately reflect charter school performance as currently reported. Mr. Hawkes outlined the word compliance needs to be removed.

CHARTER SCHOOLS ADVISORY BOARD VICE CHAIR NOMINATION

- Ms. Hilda Parlér nominated Mr. Joe Maimone for Vice Chair. Mr. Maimone rejected nomination and made an alternate motion to nominate Mr. Steven Walker for the Vice Chair. Ms. Sherry Reeves seconded. The motion passed unanimously.

The meeting adjourned via acclamation at 4:10 pm.