

**MINUTES OF THE
UTAH STATE CHARTER SCHOOL BOARD MEETING**

Thursday, February 9, 2017
USB E – Basement West

Approved

Members Present:

Chair Kristin Elinkowski
Vice Chair DeLaina Tonks
Member Bruce Davis
Member Dean Brockbank
Member Robert Enger
Member Greg Haws
Member Michelle Smith

Staff Present:

Jennifer Lambert
Armando Venegas
Rabecca Cisneros
David Thomas
James Madsen

Others present:

Teresa Theurer, Alisa Ellis, Jerry Record, Royce Van Tassel, Tina Smith, Ryan Marshall, Kelly Tate, Marianne Ludlow, Brooke Hurther, Tasi young, Gary Adams, Ben Moulton, Craig Frank, Kim Frank, David Andris, Stephanie Eccles, Cami Thorpe, Jen Martin, Rosalyn Wynn, Cathy Hunter, Shelly Taylor, Lisa Smith, Laura Campbell, Brad Lester, Kevin Fenstermacher, Lisa Smith, Heather Allen

Call to Order

Chair Kristin Elinkowski called the meeting to order at 10:22 a.m.

Board Chair Report

Chair Elinkowski informed the SCSB that staff has worked on getting schools.utah.gov emails setup, and encouraged everyone to set one up when IT sends them the email. Mr. David Thomas suggested board members do it, in case of a GRAMMA request, to protect personal emails. Chair Elinkowski said everyone would like an individual business card. Executive Director Jennifer Lambert informed the SCSB that the proposed procedures of the board are on the website and will be ready to vote on at next month's board meeting. Chair Elinkowski welcomed USB E Third Vice Chair Alisa Ellis.

Consent Calendar-Approval of Minutes

Motion: Member Bruce Davis motioned, and Member Michelle Smith seconded, to approve the General Consent Calendar, which contains minutes from the January 12, 2017 meeting, DaVinci Academy Articulation Agreement, DaVinci Academy Bylaws Amendment, and the Ivy Preparatory Academy name change to Ivy Grove Academy. The motion passed unanimously.

Ignite Entrepreneurship Academy

Possible Action under UCA §53A-1a-510

Motion: Member Michelle Smith moved, and Member Bruce Davis seconded, to determine a material breach with the contract, but to note that the school has taken sufficient action to the performance making the breach no longer material to the essential nature of the contract, thus suspending the termination process until the school is operational, and further directing staff to work with Ignite's governing board to demonstrate readiness to open. The motion did not carry and was withdrawn by a unanimous vote.

Discussion: Chair Elinkowski commented that, if the above motion had carried, the SCSB would be suspending the school until the issues were resolved.

Member Brockbank noted that he did not see a material breach, but rather a technical breach. Member Smith said she believed the violation of the Open and Public Meetings Act constituted a material breach, but because it occurred unknowingly, remedying it would be appropriate. Member Brockbank said he believed the violation should be seen as a technical violation, and not material, because he felt it didn't go to the heart and soul of the matter, then noted that another technical breach would be the failure of Ignite Entrepreneurship Academy breaking ground before the January 1st, 2017 deadline.

Substitute Motion: Member Dean Brockbank moved that the SCSB find there was not a material breach. Member Michelle Smith asked Member Dean Brockbank to amend his motion so it would include a technical breach rather than a material breach, instead of denying proposed termination. Member Dean Brockbank agreed. This motion was withdrawn by a unanimous vote.

Motion: Member Michelle Smith moved, and Member Bruce Davis seconded, that Ignite Entrepreneurship Academy had a technical breach to its charter, but that the breach was not material to the essential nature of its contract, and further, the technical breach was remedied to satisfaction, so the SCSB would suspend the termination process until the school is operational. The motion carried unanimously.

Motion: Vice Chair DeLaina Tonks moved to accept the school's request to delay the opening by one year. Member Bruce Davis seconded the motion.

Discussion to Motion: Ms. Teresa Theurer asked the SCSB to consider adding the aforementioned motion, so future applicants could understand that Ignite Entrepreneurship Academy had violated USBE rule by not breaking ground by January 1st, 2017.

Amendment to the Motion: Vice Chair DeLaina Tonks moved, and Member Bruce Davis seconded, that due to technical breaches, the SCSB accepts the school's request to delay opening one year, and directs staff to work Ignite Entrepreneurship Academy. The motion carried unanimously.

School Spotlight — Schools with High Growth

American Preparatory Academy— The School for the New Americans was recognized for their high SAGE growth in English Language Arts, Winter Sports School was recognized for its high SAGE growth in Mathematics, and Excelsior Academy was recognized for their SAGE growth in Science. Each school presented on their school and its success, then received a congratulatory certificate from the SCSB.

Kairos Academy

Review of probation and possible action under UCA §53A-1a-510

Staff and representatives from Kairos Academy presented on the school's progress on the terms of probation.

Member Greg Haws asked Kairos Academy to speak about the line of credit they received from their board chair for \$100,000. Member Michelle Smith asked Kairos Academy if they saw the line of credit as a conflict of interest. Kairos Academy said their auditors are aware of the line of credit and didn't object to it.

Member Haws asked what would happen with that debt if they were to be terminated. Kairos Academy said it would be deemed as a charitable contribution. Member Haws asked about the interest rate, to which Kairos Academy said it was market rate, to ensure no conflict of interest was happening or extra benefit was being given to its board chair. Member Haws then asked if there was an attempt to borrow from a third party lender, to which Kairos Academy said there was not.

Member Dean Brockbank asked what would happen to Kairos Academy's metrics if they didn't have the \$100,000 loan from their board chair. Kairos Academy said they would have to rerun those numbers to answer that.

Chair Kristin Elinkowski asked if the daycare was a part of their charter, and Kairos Academy confirmed that it is now, but was not a part of the original charter. Chair Elinkowski asked how many students they have now, to which Kairos Academy said they have 90 students.

Kairos Academy said the loan from its board chair was necessary because Kairos hadn't yet received its start-up funds, explaining that the interest and principal payments are deferred until the obligations to the state are met, and interest payments will then be donated back to the school as a charitable contribution.

Member Bruce Davis asked Kairos Academy if they are confident they can survive financially, to which representatives of Kairos Academy said they think they can as their enrollment grows, then explained that they are still enrolling this late in the school year because pregnancies aren't planned to align with the school year.

Chair Elinkowski asked if teen mothers were still Kairos Academy's target market, because their website markets to others. Kairos Academy replied that they are obligated to allow all students because of open enrollment laws. Executive Director Jennifer Lambert commented that they do have to accept whoever, but marketing is a different reality.

Ms. Teresa Theurer asked how many students attend on campus. Kairos Academy said they see around twenty students per day. Ms. Theurer followed up by asking if classes are taught every day, and was told that everything is accessible online, and that they had begun offering some classes exclusively on campus with one or two of those each six week term. Ms. Theurer asked how many students graduated last year, to which Kairos Academy said they had three in year one, 18 in year two, and that nearly 60% of their students were classified as dropouts before attending, and 65% of their current student body are pregnant or parenting. Member Michelle Smith asked what percent of the other 45% have risk factors. Kairos Academy said several of those students are siblings of those who are pregnant, and 77% of their student body is on free and reduced lunch.

Vice Chair DeLaina Tonks said there is no argument against Kairos Academy's philosophy, but besides the financial issues she is concerned with the academics, citing American Preparatory Academy— School for the New Americans as having similar demographics but experiencing great success.

Kairos Academy said some of their students will return to their home school after attending, which may have been a school they weren't attending previously, so returning ready to succeed is something Kairos Academy considers as a success.

Vice Chair Tonks asked Kairos Academy to explain the situation of their licensed and qualified teachers. Executive Director Jennifer Lambert commented that CACTUS shows only 75% of the teachers as being qualified. Kairos Academy said it would be hard to answer exactly why that is without sitting down and going through the details with SCSB staff.

Chair Elinkowski commented that it is concerning that if what appears is in CACTUS is actually, since it is the responsibility of Kairos Academy to ensure that it is correct.

Vice Chair Tonks asked if Kairos Academy has a Special Education teacher, and was told, by representatives of the school, that they did. SCSB Educational Coordinator Armando Vegas clarified that Kairos Academy has a contract with SPEDCO, but that the contract doesn't say they have a teacher. Kairos Academy said SPEDCO is provided them with a teacher who is an employee of SPEDCO. Kairos Academy explained that six Special Education students are enrolled, and all services are provided on campus with staff serving as paraprofessionals.

Kairos Academy noted they'd been in contact with Travis Rawlings of USBE Educator Licensing, and SCSB's former Executive Director Marlies Burns, asking how to ensure they were covered when a teacher who appears to be on track in CACTUS indeed remains on track after being hired. Executive Director Lambert said the report she pulled from CACTUS is live data and is something Kairos Academy could pull as well.

Chair Elinkowski reminded the SCSB that this is the second year of probation for Kairos Academy; and so three options exist 1) propose termination, 2) remove the governing board members, or 3) put them on probation for a third year in a row.

Member Dean Brockbank noted that he is not happy with the situation, but has to look at Kairos Academy as progressing.

Motion: Vice Chair DeLaina Tonks moved to propose termination of the charter, as allowed by UCA §53A-1a-510, due to the failure of Kairos Academy to meet the terms of their probation, with regard primarily to fiscal management, enrollment sufficient for break-even budget, charter fidelity, and then all of the other instructional practices such as: the 990 hours, 180 days, compliance with other things. Kairos Academy governing board can request a hearing of the proposed termination within 14 days. No one seconded the motion. There was no second, so this motion failed.

Motion: Member Bruce Davis moved, and Member Greg Haws seconded, to put Kairos Academy on a third year of probation.

Mr. David Thomas said USBE rule allows for one year of probation, not serial years, unless there are new infractions. Chair Elinkowski said the SCSB has to be extremely cautious of serial probation.

Amendment to the Motion: Member Bruce Davis moved, and Member Greg Haws seconded, to remove Kairos Academy from its current probation, based on substantial completion of details in original probation. The motion passed with Vice Chair DeLaina Tonks dissenting, and Chair Kristin Elinkowski recusing herself.

Motion: Member Bruce Davis moved, and Member Michelle Smith seconded, to place Kairos Academy on a new probation based on academic performance and administrative compliance issues.

Amendment to Motion: Vice Chair DeLaina Tonks moved, and Member Michelle Smith seconded, to amend the previous motion to have a deadline of June 8th where all the terms of probation would need to be met.

Amendment to Amendment: Member Bruce Davis moved, and Member Michelle Smith seconded, to place Kairos Academy on a new probation based on compliance and administrative issues, 990 hours of instructional time, and academic issues discussed today, the details of which will be put in a letter that will be drafted by SCSB staff and sent to the school at the time of their hearing. The motion carried unanimously.

Discussion – Need for Authorizer Approval of Waiver Requests

Executive Director Lambert asked if SCSB wants to hear waiver requests if they don't pertain to actual charter. Three options: 1) It still has to go through SCSB 2) it is USBE's role, 3) they could add it and amend it to their charter if the school chooses.

Chair Elinkowski said the SCSB would leave it as is. No motion was taken.

Legislative Report

Mr. Royce Van Tassel presented, noting that SB180 passed out of committee today. Mr. Van Tassel also commented that carryover funds are in the base budget, so it would take a majority vote to take them out.

Executive Director Lambert referred the board to the legislative tracking sheet in the board binders.

Motion: Member Michelle Smith moved, and Vice Chair DeLaina Tonks seconded, to support SB180. The motion carried unanimously.

Motion: Member Bruce Davis moved, and Member Dean Brockbank seconded, to support HB114. The motion carried unanimously.

Motion: Member Michelle Smith moved, and Member Bruce Davis seconded, to support HB292. The motion carried unanimously.

Chair Elinkowski informed the SCSB that executive leaders are meeting with USBE and some members on the hill to discuss the Task Force bill.

Our School Now Initiative Presentation

Representatives from *Our Schools Now* presented on their initiative. *Our Schools Now* informed the SCSB that some of its members are members of the Steering committee, and contains the Chair of Zions Bank, Questar Gas, and Gail Miller of the Larry H. Miller companies. *Our Schools Now* describe themselves as influential business leaders who recognize that education in Utah needs more funding. The proposal is a voter initiative to be on the 2018 ballot, and needs 113,000 signatures to get there. *Our Schools Now* said that 75,000 charter school students would generate \$73M each year if passed, and the initiative would fund K-University, generating \$750M in new funds each year, with just under a \$1000 being available for each student. *Our Schools Now* envisions a special account separate from other accounts that would be funded via income tax,

allowing for the greatest degree of local control at each community and school. *Our Schools Now* said the wording is still being worked out, and it is still open for input, and asked for SCSB's input on the wording.

Future Meeting Schedule, Committees, and Timelines

Executive Director Lambert informed the SCSB that Chair Elinkowski, Vice Chair Tonks, Member Haws, and herself are unable to attend the scheduled March 9th SCSB meeting. Chair Elinkowski directed staff to conduct a doodle poll to determine the next meeting.

Staff Report – Progress on Goals

Executive Director Lambert presented, noting that communication has been successful, with a monthly newsletter and staff making school visits, but meeting the goal of visiting every school is going to be very hard with the limited staff that exists. Schools that have been visited have given positive feedback about the SCSB. Systems and processes are being worked towards with the hiring of Executive Assistant James Madsen and Education Coordinator Armando Venegas. SCSB staff is working to increase percentage of schools in compliance with their charter agreements, and a workgroup has been assembled to look at direction of charter school oversight. That workgroup will present to the SCSB in the future.

Adjourn

Motion: Vice Chair DeLaina Tonks moved, and Member Michelle Smith seconded. The motion carried unanimously by those present.