



Department of Education
Charter School Accountability Committee Meeting

November 26, 2012
Preliminary Formal Review Meeting
Pencader Business & Finance High Charter School

Ms. McLaughlin called the meeting to order. The purpose of the meeting was to review the relevant statutory criteria pursuant to the Formal Review of Pencader Business and Finance Charter High School. For the purpose of the record introductions were made:

Attending Committee Members

Mary Kate McLaughlin, Chairperson, Chief of Staff
Paul Harrell, Director, Public and Private Partnerships
April McCrae, Education Associate, Education Associate, Science Assessment and STEM
Karen Field Rogers, Financial Reform & Resource Management
Jennifer Kline, Esq., Education Associate, Procedural Safeguards and Monitoring
Kendall Massett, Executive Director, Delaware Charter Schools Network

Staff to the Committee

John Carwell, Director, Charter Schools Office
John Hindman, Deputy Attorney General, Counsel to the Committee
Patricia Bigelow, Education Associate, Charter School Office
Chantel Janiszewski, Education Associate, Charter School Office

Others

Donna R. Johnson, Executive Director, State Board of Education
Leighann Hinkle, Office of Management and Budget
Amber Cooper, Office of Management and Budget

Representatives of the Charter School

W. Daniel Young, Vice President
Steve Quimby, Head of School
Tami Koss, Assistant Head of School
Barry Willoughby, Counsel to the school

Ms. McLaughlin stated that the Preliminary Meeting was the second of three Committee meetings. On October 17, 2012, the Committee met with representatives of the school for the Initial Meeting. She explained that the Committee would make a preliminary recommendation as to whether the school is violating the terms of its charter. This recommendation will be codified in a Preliminary Report that will be sent to the school after this meeting. The Committee focused on the following statutory criteria:

- Criterion 1- Governance & Administration
- Criterion 3 - Mission, Goals, Educational Objectives
- Criterion 6 – Educational Program and Student Performance
- Criterion 7 - Serving Students with Special Needs
- Criterion 8 – Economic Viability

- Criterion 9 – Administrative and Financial Operations

Ms. McLaughlin stated that at the conclusion of the Committee’s discussion John Carwell would provide next steps. She opened the Committee discussion and asked Mr. Carwell to begin with Criterion 1.

Criterion 1 – Governance and Administration. Mr. Carwell recapped some of the items that were discussed at the Initial Meeting in regard to Board knowledge and/or expertise to operate the school without assistance from third parties; the Board’s failure to insure continuance of the school’s 501c3 status; the FOIA complaint regarding the election of new Pencader directors; and Board transparency and responsiveness to parent concerns.

Mr. Carwell stated that since the Initial Meeting the Board has partnered with the Delaware Charter Schools Network, which helped identify new board members and an interim assistant principal. The Board elected two new Board members: Frank McIntosh (President), Dr. Daniel Young (Vice President). The new board members add talent and expertise. In addition, the school has revised its bylaws and plans to reapply for 501c3 status. School representatives indicated that application will be sent to the IRS no later than December 1, 2012. The Board formed five committees that include parents and faculty (Formal Review, Special Education, Board Policies, Strategic Planning, and Marketing).

Mr. Carwell said there are additional concerns that have yet to be addressed. Charter specific Board training is needed. New talent alone is not sufficient to turn around the school. The Boards of high performing charter schools have specific competencies which ensure effective governance (e.g. operations, school leader accountability, etc.). He said that during Pencader’s third Formal Review, the previous Board President and school leader indicated that the Board would receive training in the Baldrige model but it was never pursued. He asked that the Board provide the Committee with a training plan to gain the competencies of high performing charter school boards.

Regarding the Board’s current status, Mr. Carwell requested that the Board explain their rationale as to why they think the Board is lawfully constituted at the present time.

Mr. Carwell also noted that the school currently has an interim school leader and interim assistant school leader. The school must provide information on its search process for a permanent school leader.

Mr. Carwell also noted that this process marks Pencader’s fourth Formal Review. He requested that the Board articulate a compelling vision of how any proposed changes represent a fundamental shift from past practices. The aforementioned items can be included as part of the school’s response to the Committee’s Preliminary Report.

Ms. Massett commented that Pencader Charter has been in contact with Delaware Charter Network and is currently working with the Delaware Association of Non-Profit Agencies to help design a charter school Board training for all charter schools, which will include board excellence training. She added that the training will help new Board members know their roles and responsibilities. She said they are working on a pilot program to help with the cost. Ms. Massett said the school leader search process will be addressed at the next Board meeting. In the interim, the school is headed by Mr. Quimby who is a teacher and valuable and competent member of the team. In addition, the school has hired Ms. Koss as interim assistant principal. Ms. Koss has been a positive guiding force for the school. She has school leadership experience in international high schools and domestic charter schools. Ms. Massett also said the school’s tax status will be forthcoming from the IRS. The school’s lawyers looked into the matter and found the

school was lawful. In addition, the school has developed a framework for a business plan which provides a compelling vision of what this charter school of business and finance could be and will be.

Ms. Johnson commented that it is critical to remember that all new Board members are required to have Board training since all members are fairly new with the exception of Ms. Kennedy and Dr. Jones who has since resigned. She recommended that the Board pursue training now and not wait until more directors are elected.

Mr. Harrell asked if Innovative School was helping them. Ms. Massett said the school is using Innovative Schools for back office support. However, Innovative Schools offered to contract with the school as a Charter Management Organization (CMO). The new Board President, Mr. McIntosh, and Board Vice President, Dr. Young, both felt that it was not necessary at this time. Ms. Massett said Innovative Schools suggested that the Board consider changing the school's educational model. She explained that this year the school added a new business curriculum - MBA Research Program - to meet their business mission. It has project-based learning, similar to the New Tech model that Innovative Schools recommended.

Mr. Carwell recommended that Criterion One be considered not met.

Criterion 3 – Mission, Goals and Educational Objectives. Mr. Carwell said during the Initial Meeting the school acknowledged that missteps caused the school to only focus from year to year, making it difficult to look beyond the current school year and focus on issues such as the school's mission, facilities, etc. He recommended that the Board provide the Committee with a plan for ensuring compliance with the school's mission.

Mr. Carwell recommended that Criterion Three be considered not met.

Ms. McLaughlin asked for questions or comments.

Ms. Massett stated the school is currently using a high school curriculum for business and is included in the business plan framework.

Criterion 6 – Educational Program and Student Performance. Mr. Carwell said that based on the significant budget cuts the Board instituted to address the budget shortfall a review of the current curriculum and instruction is required to determine fidelity of implementation. Regarding student performance, Mr. Carwell noted that the school submitted its annual report, a statutory requirement, which provided some reflections on student performance. Ms. Johnson said that at the Initial Meeting the Committee discussed the school's compliance with their Performance Agreement and asked that it be addressed in the Preliminary Report. Ms. Massett said at the Initial Meeting the Charter School Office discussed upcoming meetings to discuss the new Performance Framework with Pencader and asked if that happened or had been scheduled. Mr. Carwell said the meeting is scheduled for January 11, 2013.

Mr. Carwell recommended that Criterion Six be considered not met.

Criterion 7 – Serving Students with Special Needs. Mr. Carwell stated that the Formal Review notification the school received included several administrative complaints. He said that the Board has authorized a restructure of the Special Education Department to be completed no later than December 1, 2012. He said during the Initial Meeting the Committee had concerns around whether the administrative

complaints represented any systemic issues at the school. He recommended that the school submit a plan to address any systemic issues which led to the complaints. In addition, the plan should address any issues that were identified during the Department of Education's recent compliance monitoring visit.

Ms. Kline said to clarify there were two administrative complaints that were filed in the area of Special Education. She said one of the complaints has been resolved and addressed. There were no findings with compliance in that complaint. She said for the other complaint (number 1213) there were outstanding findings of noncompliance. Her recommendation would be that the school implement strategies to ensure that not only the special education staff, but also, the general education administration and staff understand Child Find, which is under IDEA. The duty to recognize when a student may be in need of special education or need to be evaluated to determine whether or not they are eligible is not limited to only special education. She said in the decision, the Department has requested that the school organize a Instructional Support Team, which is a measure that used in general education to determine which students may need help in general education settings versus special education. She said the school is responsible for setting up this process, which they have started. However, the concerns that the complaint raised were more than a special education issue and that the general education, administration and others need to be aware of what the duties are in that regard. Ms. Kline said that as reflected in the complaint decision, it did not appear that the school's administration understood this responsibility. In addition, the issues in the complaint decision were not limited to special education or one staff member but several teachers and administrators. The parents did not get a timely response from the school based on IDEA, which created additional problems for the student.

Ms. Kline commented that the concern is there is a culture that needs to be reversed and there needs to be a clearer understanding of what is required. She also recommended that the Committee collect evidence to ensure that all noncompliance issues have been corrected as noted in the complaint and that the Department verify that corrective actions have been implemented throughout the school, not only in the respect the student.

Ms. Kline recommended that Criterion Seven be considered not met.

Criterion 8 – Economic Viability. Mr. Carwell said enrollment has decreased significantly over the past three years from 611, 509, and now 411. Enrollment drives revenue. The school is currently on probation relative to economic viability. Ms. Rogers stated that the Departments Finance Office and the Charter School Office meet monthly with Pencader to review their finances to make sure that all bills are being paid in a timely matter. She said they are always current with their information and have provided it in a timely manner. In May, the Department asked the school to provide an enrollment projection for this school year and it was 410. We also asked them to provide a budget based on that enrollment. Ms. Rogers said the next monthly monitoring meeting is scheduled Thursday, November 29, 2012. She said the school has done everything that we have asked of them. The only outstanding condition is that by the end of the school year they need to be debt free. Ms. Johnson asked Ms. Rogers if the school is on track to be debt free by the end of this school year. Ms. Field Rogers said yes.

Ms. Rogers recommended that Criterion 8 be considered met.

Criterion 9 – Administrative and Financial Operations. Mr. Carwell said this criterion is related to building-level financial oversight and school leader accountability. He said the school rehired Innovative Schools for back office support. In addition, the school has implemented procedures to make sure that

funds are not expended without prior approval from the school leader and a designated Board member. Financial Management Policies will be presented to the Board during their next regularly scheduled meeting. Mr. Carwell said the school has existing conditions from the previous formal review and he would like assurance from the Board that they would maintain continued compliance with those conditions. He said one of those conditions is Board Finance and Citizen Budget Oversight Committee training. In addition, regarding enrollment and student recruitment, he requested that the school provide a recruitment plan, with clear goals and strategies to move enrollment closer to the school's authorized enrollment which is 625.

Mr. Carwell recommended that Criterion Nine be considered not met.

Ms. McLaughlin asked for questions or comments.

Ms. Massett asked besides a recruitment plan, was there anything else that was needed. Mr. Carwell said he's looking for a recruitment plan with clear goals and strategies (e.g., how many students, by when, etc.) so that the school can get closer to their authorized enrollment. Mr. Hindman asked if the Citizens Budget Oversight Committee training that is offered by DDOE needed to be completed. Mr. Carwell agreed.

Summary and Recommendations

- Criterion 1: Governance & Administration – NOT MET
- Criterion 3: Mission, Goals, Educational Objectives – NOT MET
- Criterion 6: Educational Program and Student Performance – NOT MET
- Criterion 7: Serving Students with Special Needs – NOT MET
- Criterion 8: Economic Viability – MET
- Criterion 9: Administrative and Financial Operations – NOT MET

The Charter School Accountability Committee recommended that the charter for Pencader Business and Finance Charter High School be revoked pending the Committee's review of all documentation the school is required to submit with its response to the Preliminary Report..

A vote was taken. All ayes; none opposed or abstained.

Ms. McLaughlin said it is possible that the recommendation could change at the Final Meeting.

Ms. McLaughlin asked Mr. Carwell to share the next steps. Mr. Carwell stated he would follow up with the school and provide the date for the next meeting. He added that the Preliminary Report will be issued next week and the school will have 15 calendar days to respond.

Meeting adjourned.