



**Department of Education
Charter School Accountability Committee Meeting**

**October 17, 2012
Formal Review Meeting
Pencader Business & Finance High Charter School**

Ms. McLaughlin called the meeting to order. The purpose of the meeting was to meet with representatives from Pencader Business and Finance Charter School to discuss the school's formal review. Introductions were made for the record:

Attending Committee Members

Mary Kate McLaughlin, Chairperson, Chief of Staff
Deb Hansen, Education Associate, Visual and Performing Arts, Charter Curriculum Review
April McCrae, Education Associate, Education Associate, Science Assessment and STEM
Karen Field Rogers, Financial Reform & Resource Management
Karen Jones, Education Associate, Curriculum Access & Differentiation of Instruction
Kendall Massett, Executive Director, Delaware Charter Schools Network (Non-Voting)

Staff to the Committee

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

Judi Kennedy, Board President
Steven Quimby, Head of School

Ms. McLaughlin noted that the school received a formal letter from the Department of Education which outlined the major issues relative to the Formal Review: Governance and Administration; Student Performance, Servicing Students with Special Needs and Economic Viability.

Mr. Carwell noted that this is the school's fourth Formal Review and the charter is currently on probation from the third Formal Review. This indicates a negative pattern of performance. He asked the school to provide evidence that the current Board has the knowledge and/or expertise to operate the school effectively. Ms. Kennedy said the school did not have a full Board for several months and the school had a lot of changes over the past year and half. She noted that the school had the same Board for the first five years of the charter but changed in the past year due to issues with personnel. The new Board was formed on July 2, 2012. Current Board members have expertise in special education, human resources, accounting and business. She also noted that the Board Secretary is also the Parent Representative. Two board members have resigned. The board is currently looking for candidates with higher education and corporate expertise.

Ms. Kennedy noted that the Board has been at the school daily to provide support during the leadership transition. Since the former school leader's termination the assistant principal has gone out on short-term disability. She acknowledged that the current Board is a "work in progress." She noted that corporate finance and school finance are very different and the learning curve is steep. She acknowledged the issues

which led to the termination of the former school leader. The Board did not provide sufficient oversight. Ms. Kennedy said the Board will receive training. She also noted that the Board has rehired Innovative School to provide back office services. In addition, Mr. Bentz has been assigned by Innovative Schools to prepare their budget. She said the Board has confidence in his expertise. She also noted that the vacant Board positions will be filled in sixty days.

Mr. Quimby said negative publicity has made it difficult to recruit qualified candidates for the Board. He said prospective candidates want to know about the future of the school. He asked that DDOE share any information that could help the Board with recruitment. Ms. Kennedy noted that the negative press has not been helpful. She said current Board members are willing to step down to get more qualified candidates if it will help the school be successful and keep Pencader open.

Mr. Kessel asked the school representatives to explain how the Board is recruiting Board members. Mr. Quimby said the Charter School Network has been helping by sending information to potential candidates. Ms. Kennedy said their attorney has also been helping to identify new candidates. She said the Board needs people who do not have any association with the school.

Mr. Hindman asked the school representatives to confirm the current number of Board members. Ms. Kennedy said five. Mr. Hindman asked the school to confirm the number of parent representatives. Ms. Kennedy said three. Mr. Hindman asked the school to confirm the number of teachers on the Board. Ms. Kennedy said one. Mr. Hindman asked Ms. Kennedy if she was aware that the bylaws require the Board to have two faculty representatives. Ms. Kennedy said she was aware of this but noted that Mr. Quimby was a teacher representative and stepped down last month to become the interim school leader.

Mr. Hindman asked Ms. Kennedy if she was aware of the Freedom of Information Act (FOIA) complaint filed with the Attorney General's Office relative to the manner in which two members of the Board were elected to the Board. Ms. Kennedy indicated that she was aware of it. Mr. Hindman asked the school to explain how the Board decreased to two members beginning with the board's composition 18 months ago. Mr. Quimby said the Board had seven to eight members. Last school year (2011-12) the Board had one teacher representative who left the school due to a reduction in force. A second faculty member resigned and took a job at another school. In addition, the former Board President, Ms. Minnehan, resigned and another member left due to employment commitments.

Mr. Hindman asked Mr. Quimby to explain when there were five Board members according to their bylaws and identify who they were. Mr. Quimby named Dr. Jones, Ms. Minnehan, Ms. Quinn, Ms. Kennedy, Mr. Klapinsky and himself. Ms. Kennedy said the Board changes began after the incident with the former math teacher who used expletive language toward a student. It took six to eight weeks to reach a decision on termination. During that time Mr. Klapinsky left the Board due to issues with the former school leader. Mr. Hindman asked if Mr. Klapinsky resigned. Ms. Kennedy agreed. Mr. Kessel asked if Mr. Klapinsky was the Board's accountant. Ms. Kennedy said he was not the accountant but the Board treasurer. She noted that Ms. Minnehan informed the Board that Mr. Klapinsky did not submit his resignation and brought him back on the Board. Ms. Kennedy explained that there were six of Board members when Mr. Klapinsky returned.

Ms. Kennedy noted that Ms. Minnehan resigned on June 1, 2012 and Mr. Klapinsky resigned on June 30th when his term ended. Mr. Hindman asked Ms. Kennedy to confirm that Mr. Klapinsky had no desire to be reappointed when his term ended. Ms. Kennedy agreed. She said Ms. Quinn resigned because she was no longer working at Pencader. Mr. Hindman asked the school to confirm when Ms. Quinn resigned. Mr. Quimby said mid-June. Ms. Johnson asked the school to confirm that Ms. Quinn formally resigned from the Board and Pencader. Mr. Quimby agreed. Ms. Kennedy added that Mr. Quimby's term ended June 30th, leaving the Board with two members. Mr. Hindman asked Mr. Quimby to confirm that he resigned. Mr. Quimby said he did not resign, but his term ended and the faculty nominated him to be the interim director after the former school leader was terminated.

Mr. Hindman asked Mr. Quimby to confirm that he understood when his term ended that he was no longer authorized to act as a director after June 30, 2012 even though his position was not replaced. Mr. Quimby said he did not act as a director after he became the interim school leader. Mr. Hindman asked Mr. Quimby to confirm the chronology. He noted that the Board had at least three directors including Ms.

Kennedy, Dr. Jones, and Mr. Quimby which would have constituted a quorum for purposes of the bylaws. He asked the school to confirm this. Ms. Kennedy said Pencader's legal counsel advised them to have a meeting as soon as possible in the beginning of July to reconstitute the Board and bring the Board back up to what it was supposed to be.

Mr. Hindman said the Committee may ask the Board to, either directly or through legal counsel, as part of the response to the Preliminary Report, to explain their rationale as to why they think the Board is lawfully constituted at the present time. Mr. Hindman said he did not expect the school to answer the question during the meeting. Ms. Kennedy noted that Pencader's counsel advised them that based on what they received from the Attorney General's Office the Board is in good standing because new members were elected in early July. Mr. Hindman said the AG's Chief Deputy's opinion indicated that they thought the school was in compliance with the meeting requirements for notice purposes of the Freedom of Information Act (FOIA), but they did not address any issues arising through General Corporations Law and that's what these issues would address.

Mr. Carwell noted the high turnover on the Board and changes at the administrative level. He added that he recently became aware that the assistant principal is no longer at the school. He asked the school to explain the current administrative structure at Pencader. Mr. Quimby said he is the interim school leader. Four or five days after taking this position, the assistant principal, Amanda Fraser, went on medical leave. He said the Board had begun the process of interviewing for a temporary assistant school leader. Mr. Quimby noted that Ms. Fraser did not resign from her position. He is currently covering both administrative positions.

Ms. McLaughlin asked if there were any more follow up questions. Ms. Johnson asked the school to explain the Board's process to recruit a permanent school leader and interim assistant school leader. Is the school utilizing a service to assist with that search? Mr. Quimby said the Board is currently interviewing a candidate recommended by Charter School Network Board President, Chuck Taylor. He added that the candidate has administrative experience and is only seeking temporary employment. Mr. Quimby also noted that the Board is reviewing the different roles and responsibilities handled by Ms. Fraser (e.g. DPAS II, DCAS testing) to determine if other staff could assist during her absence. Ms. Johnson asked does the school currently have an administrator who has gone through DPAS II training. Mr. Quimby said no. She asked have the teachers filled out the necessary forms for DPAS II Component V. Mr. Quimby said yes. Dr. Bigelow asked Mr. Quimby to confirm that teachers are not evaluating teachers. He agreed.

Ms. Johnson asked about DCAS testing. Was this handled by Ms. Fraser? Mr. Quimby agreed and noted that DCAS testing was underway. Ninth grade testing was completed. Mr. Quimby noted that fall test scores for reading and math exceeded last year's fall scores. Ms. Johnson asked about last year's fall testing. Was it late or early fall? Mr. Quimby said it was during the month of October. He noted that the school never does testing at the very beginning of the school year.

Mr. Hindman asked has the school reapplied for 501(c) (3) status. Ms. Kennedy said the auditors have requested documentation to finish the process. The former school leader was the only one who had access to the system. When she resigned the contractors she hired also resigned which meant no one had access to the system. Innovative Schools has been given authorization to work with the auditors to complete the audit. Ms. Kennedy said the auditors need two additional documents to complete the audit. Mr. Hindman asked Ms. Kennedy if she was referring to the Office of the State Auditor or private accountants. Ms. Kennedy said private accountants. Ms. McLaughlin asked if there were any more follow up questions.

Ms. McLaughlin noted that in 2010 the Board was reconstituted and the school leader was replaced to address issues relative to the third Formal Review. These changes were intended to drastically improve the school. Since then the former Board President and former school leader who advocated for the charter's continuance are no longer with the school and the school appears to be more unstable. Please describe how students are better served now than they were in 2010, especially relative to students performance.

Mr. Quimby said the student body had a difficult start to the school year with all of the transitions - the departure of the former school leader and staff reductions that resulted from the drop in enrollment. He said despite these challenges the students have been resilient as evidenced by DCAS data. The school met Adequate Yearly Progress (AYP) last year. Mr. Quimby said he was very pleased to see the positive growth in DCAS scores from last fall to this fall. Scores increased 15 to 20%. He said it wasn't an ideal situation. Students had to move to different classes and establish relationships with new teachers. Despite these challenges, the school year started incredibly smooth.

Mr. Quimby noted that one of the biggest complaints communicated to DOE was lack of communication between the administration and parents. He has made it a priority to improve communication. Phone calls are returned. Mr. Quimby said the school will have its first monthly Parents Night next Monday. Parents will have an opportunity to speak with him and members of the Board. He said the discussion will focus on the Formal Review, programs at the school, and building parent support. He added that if the school is allowed to have a long term future, committees will be established to develop a strategic plan for the school to ensure that all programs align to the mission of the school.

Mr. Quimby acknowledged that missteps have caused the school to only focus from year to year, making it difficult to look beyond the current school year and focus on issues like the school's mission, facilities, etc. He acknowledged that this has had an impact on the students. The school has taken some steps to improve. Mr. Quimby said Pencader is in the second year of the Vision 2015/Vision Network program which Secretary Murphy is very familiar with. Through Vision 2015 Pencader has created a building-level instructional learning team (ILT), instituted a school-wide instructional focus, conducts peer walkthroughs and improving the culture and climate of the school.

Ms. Johnson asked Mr. Quimby who will be coordinating Pencader's participation in the Vision Network since Ms. Fraser is not available. Quimby said he would be the lead person. Last year he participated on the instructional learning team as a faculty member and is familiar with the program. The Vision Network has assigned Diane Stetina as Pencader's thought partner. She has helped him navigate through the administrative transitions.

Ms. Jones asked Mr. Quimby to clarify the difference between the instructional learning team (ILT) and instruction support team (IST). Mr. Quimby said the ILT team is part of the Vision Network. Its goal is to improve teaching practices and create an instructional focus. Pencader is in the process of training teachers to become a part of the instructional support team which intervenes when students have difficulties in the classroom. This team will help assess learning and teaching styles and put in place interventions to better meet the needs of students with 504 plans and Individualized Education Programs (IEPs). He said that two teachers have begun the training process this past September.

Ms. Hansen asked Mr. Quimby to describe the instructional focus. Mr. Quimby said the instructional focus is critical thinking and was chosen last year. It's the role of the administration and ILT to identify professional development to help teachers build critical thinking across the curriculum. Ms. McLaughlin asked if there were any follow up questions.

Mr. Carwell said it appears that the Board is not in compliance with its mission. Please describe how the Board shares its vision among the school community and ensures that its mission is demonstrated in daily practice. Mr. Quimby said the mission and vision are areas that the leadership and Board have to get back to. He noted that the charter was authorized to focus on business and finance. Mr. Quimby said he has been with Pencader since it opened and acknowledged that the school has not done a very good job of articulating its vision to parents. He said that upcoming parent meetings and committees will provide opportunities to look at the vision and mission and validate the priorities of the school. Mr. Quimby noted that the mission statement is something that guides every day practices and the long term vision of the school. He said every year has been about getting through the school year and has caused the school to lose sight of its true vision and mission.

Ms. Johnson said it's not only the responsibility of the school leader to implement the mission but the Board's role is to advocate and support the mission. She asked the school to explain the Board's role to make sure that the school's mission is implemented appropriately. Ms. Kennedy said that since she joined

the Board last year the focus has been on putting out fires and playing catch up. The Board has not had an opportunity to focus on the mission. She said the bylaws were on the Board's agenda for several months. Currently, the Board is focused on assisting Mr. Quimby. Ms. Kennedy said her expertise is not in education. She explained that she is a parent and her children attend Pencader. She came onto to the Board as a parent representative. She said workshops are planned for the Board, staff and parents to outline what needs to be done in order for the school to be in compliance with the mission statement.

Mr. Quimby said Pencader is meeting parts of its mission. Most students continue on to the post-secondary level. The school continues to provide challenging academics. He said that it would be important to get the perspective of people who do not have a history with the school to validate the school's adherence to the mission. In addition, he said every major decision about funding, staffing, programs, and curriculum should help achieve and support the mission.

Ms. Kennedy said her transition to the board was difficult because she did not have any training and had to take on different roles and learn at the same time. She said the Board is looking for new members with a fresh perspective and expertise in finance, education, business, and non-profit governance. Ms. Kennedy said she relied on the former Board President, Ms. Minnehan, and the former school leader to share information. She said her youngest brother graduated from Pencader and she has two daughters who currently attend the school. She is pleased with the education her brother received and her daughters are receiving and believes the school is meeting its mission. She also noted that the school climate is "amazing" and noted the positive feedback she has received from fellow PTO members and Board members. She said that past personal relationships and conflicts of interest between the Board, administration and staff are gone.

Mr. Carwell commented that the issues with the former school leader's credentials, the newspaper articles, etc. are all in the past. He noted that charter school leaders are stewards of the charter's mission and vision. At recent Pencader Board meetings parents and other concerned citizens commented on ethical and business interactions regarding the former school leader. He asked the school to describe the Board's plans going forward to ensure that Pencader administrators carry out their duties in a professional, responsible and ethical manner.

Ms. Kennedy said the school's monthly financial report will be more detailed and the Board will review all invoices before payment. Hiring and firing decisions can no longer be carried out by the school leader alone. Recommendations must be presented to the Board. Ms. Kennedy said all contracts must be reviewed by the Board. She and Mr. Quimby will review on a monthly basis all revenue and expenditures in detail. She commented that in the past the Board took a "backseat" approach but is more involved now. Mr. Quimby's credentials have been verified by the State. The Board and a teacher have spent many hours at the school reviewing back office information. They are awaiting access to the FSF and PHRST State systems.

Mr. Quimby said Providence Creek Academy has helped with developing board policies and procedures. The bylaws need revisions. He said the lack of board policies and procedures caused some of the issues. A board handbook would include protocols for paying invoices, actions that can be taken by the administration and the Board. He noted that the school employee handbook is comprehensive but rarely referenced or followed. Ms. Kennedy said there were a lot of financial problems occurring without the Board's knowledge such as contracts issued to pensioners.

Mr. Quimby said that within the first 48 hours after his hiring he had to terminate five employees and he does not want to be in that position again. It was difficult but it was the direct result of decisions that were made without the Board's knowledge and regard to the students. Mr. Carwell commented that the school was poised for success after making progress on the probationary conditions that resulted from the previous Formal Review. However, the Board did not hold the formal school leader accountable for professional, responsible and ethical behavior. Mr. Carwell added that parents essentially voted with their feet when they saw inaction by the Board around these clear governance responsibilities. The impact to enrollment has been significant. The charter is authorized to enroll 625 students, in 2010 enrollment was 611; last year, enrollment was 509 and current enrollment (as of 10/16) is 411. Given this

significant loss in revenue, Mr. Carwell asked the school to explain its steps to balance the budget.

Mr. Quimby said their biggest cost is personnel and five employees were terminated. The second highest cost is their facility. The school currently leases two buildings and the landlord has agreed to reduce the rent from October through June by \$27,000 per month. The landlord also deferred May and June 2013 rent to a later date. The third highest cost is transportation and they are working with their transportation contractor to consolidate as many routes as possible. He said Bill Bentz of Innovative Schools is advising the Board. Mr. Quimby said the balancing act is to minimize the impact to student learning.

Ms. Hansen asked the school to explain how they are managing impact to students learning. Mr. Quimby said the two greatest impacts on students learning have been teacher turnover and staff reductions. In addition, some students experienced increased class sizes and some schedules had to be adjusted because some classes they wanted in the fall could only be offered next semester. Pencader has semester block scheduling so the hope is to revisit the schedule for the second semester. The Board did not cut the five highest positions, but looked at which positions would have the least impact on students.

Mr. Carwell asked which positions were impacted by the staff reductions. Mr. Quimby said an administrative secretary, Spanish teacher, Physical Education teacher, business teacher and a Special Education teacher. However, based on the Unit Count the Special Education teacher was brought back. Mr. Quimby commented that it might seem counterintuitive to their mission to lay off a business teacher, but they had to make a decision based on which teachers would be able to take on additional responsibilities and persevere through the current challenges. In addition, there were five business teachers and four teachers for the major content areas. Ms. Johnson asked did the school consider the impact of the staff reductions, specifically the Spanish and PE teacher, on students meeting their graduation requirements. Mr. Quimby said that seniors would not be affected by staff reductions. He said Spanish is offered throughout the school year along with PE.

Ms. McLaughlin asked about the school's plans for recruitment and increasing enrollment. Mr. Quimby said one of his core responsibilities as school leader is to lead student recruitment. The 9th and 10th grades have the largest enrollment and provide a foundation from which to build. The recruitment process has to begin in the fall but parents might not commit based on the uncertain future of the school. He noted that the negative press has eroded trust. He commented that improved communication can rebuild trust and increase enrollment. Mr. Quimby said the most powerful advertising tool is word of mouth. In addition, students are working on a DVD called "A Day in the Life of a Pencader Student." He said the school can focus on the 200 students they have lost or the 410 students who have chosen to remain. Recruitment efforts will include information about student outcomes such as the colleges Pencader graduates have attended.

Mr. Carwell said administrative complaints have been filed with the Department. He asked the school to describe the steps the Board has taken to address these issues and ensure that school leadership makes decisions and implements policies that enable all students to be effectively served, particularly special education and second language learners. Mr. Quimby said that he and Board are taking a much closer look at special education in light of the four administrative complaints. He said the complaints could have been avoided with better communication. Mr. Quimby said the school cannot afford to continue to pay legal bills that stem from procedures and processes not being followed.

Ms. Jones asked about opportunities for Board members to receive training in special education. She said the Department provided training last year but Pencader's Board has new members. Ms. Kennedy said that two Board members have expertise in special education – Ms. Davis is a speech pathologist and Mr. Anderson is a special education teacher at the school. Ms. Kennedy said the Board first received the complaints in June and some of the parents had hired attorneys. She said a compliance audit was conducted on October 4th and follow up items must be provided to the State.

Ms. Kennedy said many changes are planned for the special education program going forward. A part-time educational diagnostician will be hired and supported by the two Board members who have special education expertise. The current educational diagnostician receives a State pension and has been

advised to discontinue receiving her pension if she plans to remain employed at the school. Ms. Johnson asked if she was involved in the pension investigation. Ms. Kennedy said she was not involved but their legal counsel has advised that the school would be in violation if the educational diagnostician did not discontinue her pension and continued to work at the school. Mr. Johnson asked if she has taken steps to do so. Ms. Kennedy said she had not but the Board has provided her with a timeline to decide.

Ms. Johnson asked the school to describe whether the four administrative complaints are isolated or indicative of systemic problems. Mr. Quimby said he did not think the four complaints were an accurate reflection of the services provided to students. Ms. Kennedy admitted that the complaints were ignored. She said one of the parents told her that her communications were ignored by the special education coordinator. Another parent requested to have her child tested, but the request was ignored. Ms. Kennedy said one of the problems was that there was one person making the decisions. Going forward there will be a team approach and an expectation of improved communications. Pencader's legal counsel contacted the parents. Ms. Kennedy also noted that she and Dr. Jones authorized evaluations for two of the students. Ms. Kennedy said the educational diagnostician was away so she had to personally find the student's files which enabled their legal counsel to move forward with the parents. Mr. Kessel asked is the Consolidated Grant application the only reason why the educational diagnostician remains at the school. Ms. Kennedy agreed.

Ms. Johnson asked the school to clarify whether the Board had actually read the administrative complaints when they were informed of pending legal action in June. Ms. Kennedy said she read the complaints but she and Dr. Jones were the only members of the Board.

Ms. McLaughlin asked the school to describe the Board's expectation of administrators to ensure that students, parents, and community members are involved as part of the overall school's support system to ensure student success. Ms. Kennedy said communication is a major concern and if done poorly, will lead parents to form their own conclusions about what will happen to the school. Ms. Kennedy said at least one Board member is present at the school all day. In addition, a Board member is serving as a backup for Mr. Quimby. Ms. Kennedy said the Board and administration are a better team now than ever before because they communicate constantly. Mr. Quimby said his job is to get up to speed as quickly as possible so the Board does not have to be at the school every day.

Mr. Carwell commented that Pencader is not a new school but continues to be hampered by new school issues. He added that this is Pencader's fourth Formal Review and asked the school to describe what is different this time. Mr. Quimby said that it's a fair question and noted that he participated in the previous Formal Review process and acknowledged that the Accountability Committee might not be certain that Pencader should be given another chance. He said they have 410 families who have chosen to remain and dedicated staff. The students have found something unique at Pencader. His goal is to convince the Committee that despite the current issues the problems can be solved and students are being educated in a way that is consistent with the school's mission and adds something unique to the charter school community in Delaware. His goal is to highlight that what Pencader does with kids has not changed and continues to grow.

Ms. Johnson asked the school describe their goals and plans for students to become successful and demonstrate achievement this year. Mr. Quimby said their goals are to equal or improve the percentage of students who meet or exceed the standards, maintain its graduation rate, college enrollment and scholarships, and maintain a qualified and effective faculty. He said part of the role of the Instructional Learning Team (IST) is to begin creating instruments to assess students' critical thinking. He also noted that the IST will be supported by their data coach. He said their annual report is due on November 1st and will highlight their progress on these goals. Ms. Johnson said Pencader is not in compliance with its Performance Agreement. She noted that Pencader academic performance does not meet or exceed state averages. A new regulation was approved in July that provides an opportunity to revise the Performance Agreement.

Ms. Johnson asked the school for concrete goals for student performance and plans to address deficiencies. Mr. Quimby said the school has taken several steps. First, is the instructional support team which will begin to identify students who are having difficulty in the classroom and provide them with

strategies to become more successful. Second, they will look at better ways to assess students' strengths and weaknesses when they are admitted. Third, they will continue to look at the block schedule to determine if it's the best approach.

Ms. Johnson asked the school if they anticipate further budget cuts that might impact the educational program. Mr. Quimby said they are confident that they would not need to make any further cuts in the teaching staff nor to the educational program. He said the amount of teachers on staff is enough to meet the needs of the students so they cannot afford to eliminate any more staff.

Ms. McLaughlin asked if there were any other questions. Mr. Carwell provided the following next steps.

- Preliminary Meeting is scheduled for October 29, 2012 at 1:00 PM
- Final Meeting is scheduled for December 5, 2012 at 1:00 PM
- Public Hearing is scheduled for January 21, 2013 at 5:00 PM

Meeting adjourned