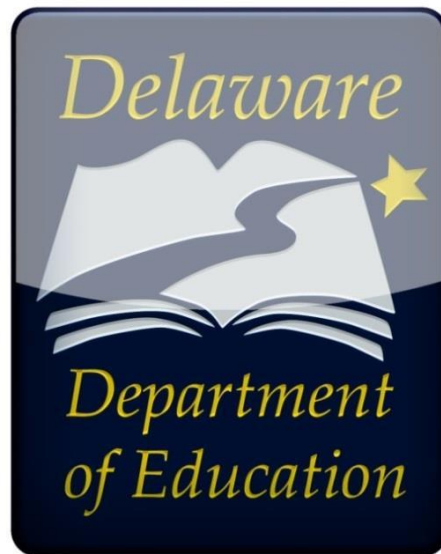


CHARTER SCHOOL ACCOUNTABILITY COMMITTEE

DELAWARE DEPARTMENT OF EDUCATION



Odyssey Charter School

**RENEWAL APPLICATION
FINAL REPORT**

CSAC Final Meeting: December 2, 2019
CSAC Final Report Published: December 6, 2019

By September 30, 2019, Odyssey Charter School submitted an application to renew its charter. Consideration of this application is in accordance with the applicable provisions of 14 **Del. C.** Ch. 5, including § 514A, and 14 **DE Admin. Code** 275. Written renewal application guidance is provided by the Delaware Department of Education (DDOE) on its website. The renewal application template developed by DDOE is aligned to measures and targets within the Performance Framework, which outlines the academic, organizational and fiscal standards by which all Delaware charter schools are evaluated. The evaluation of the school's performance as measured by the Framework is a major component of the decision on the renewal application. The decision on the renewal application is based on a comprehensive review, guided, in part, by the following three questions:

1. Is the academic program a success?
2. Is the school financially viable?
3. Is the school organizationally sound?

This report serves as a summary of the strengths, areas of follow-up, and/or concerns identified by members of the Charter School Accountability Committee (CSAC) during their individual reviews of the charter applicant's renewal application, Performance Review Reports, Annual Reports and Performance Agreements and during the CSAC meetings.

The following were in attendance at the Final Meeting of the CSAC on December 2, 2019:

Voting Committee Members of the Charter School Accountability Committee

- Chuck Longfellow, Ed.D., Chairperson of the Charter School Accountability Committee, Associate Secretary of Education, DDOE
- Susan Keene Haberstroh, Ed.D., Director, School Support Services, DDOE
- Raushann Austin, Education Associate, Educator Support Team, DDOE
- Catherine Oravez, Education Associate, Finance Office, DDOE
- Gregory Fulkerson, Ph.D., Education Associate, Academic Support, DDOE
- April McCrae, Ed.D., Education Associate, Academic Support, DDOE
- Susan Veneema, Education Associate, Academic Support, DDOE
- Chuck Taylor, Community Member, Retired Head of School

Ex-Officio Members (Non-voting)

- Audrey Noble, Ph.D., Vice President, Delaware State Board of Education
- Kendall Massett, Executive Director, Delaware Charter Networks

Staff to the Committee (Non-voting)

- Darryl Parson, Deputy Attorney General, Counsel to the Committee, Delaware Department of Justice
- Leroy Travers, Lead Education Associate, Charter School Office, DDOE
- John Carwell, Education Associate, Charter School Office, DDOE
- Brook Hughes, Education Associate, Finance Office, DDOE
- Jennifer Roussell, Administrative Secretary, Operations Support, DDOE

Representatives of Charter School

- Josiah Wolcott, Board Chair, Odyssey Charter School
- Denise Parks, Head of School, Odyssey Charter School
- Riccardo Stoeckicht, Campus Operations Officer, Odyssey Charter School
- Karen Thorpe, Financial Consultant, Odyssey Charter School

Discussion

Dr. Longfellow stated that an initial public hearing was held on November 13, 2019 and the CSAC Initial Meeting was held on October 29, 2019. He added that the CSAC Initial Report was issued on November 7, 2019. The school submitted a timely response to the CSAC Initial Report.

Dr. Longfellow stated that the purpose of the CSAC Final Meeting was for the CSAC to continue its review of the Renewal Application, probe any areas of concern through a discussion with the applicant, and to issue a recommendation on the renewal application to the Secretary of Education. Dr. Longfellow added that a final report will be issued no later than December 6, 2019.

Dr. Longfellow stated at the initial meeting on October 29, 2019, the CSAC identified areas that required a response and/or additional information from the school. This information included:

- A timeline for completed goal-setting forms for the 2019-2020 school year.
- Evidence that the following areas fully met expectations when reviewed by the Curriculum, Instruction, and Professional Development (CIPD) workgroup:
 - o English / Language Arts
 - o Mathematics
 - o Social Studies
 - o Visual and Performing Arts
- A draft of the proposed by-law language, as of the response date, of the ten by-law related conditions imposed on the school due to the school's probationary status.
- Progress update on all additional conditions imposed on the school.
- A plan for addressing processes identified as the two material weaknesses in the audit (capital asset records and construction project management).
- An explanation of the \$3,300,000 that was identified in the 2018 audit as not being insured or collateralized.
- A copy of the investigatory audit, if completed within the CSAC timeline. If not completed during the CSAC timeline, the results will be shared with the Secretary of Education and the State Board of Education before any decisions are made.

Dr. Longfellow asked each member if they had any concerns or questions regarding the application that required further discussion.

Dr. McCrae stated that all of the above listed curriculum items met standard when reviewed by the CIPD workgroup. She stated that Deborah Hansen from the CIPD workgroup asked that the school follow up with her regarding some of the Visual and Performing Arts content.

Ms. Oravez asked if the investigatory audit had been completed. Mr. Stoeckicht responded that it is not complete, however, it is anticipated that it would be complete by December 15. The auditors, he added, spent one week reviewing files that they asked for and will return on Friday, December 6, 2019 to complete their review.

Ms. Oravez asked for clarification around the date for the repayment of funds listed in the July 22, 2019 probation letter (see attached). She stated that the response from the school listed 2020 as the expected completion date. Mr. Wolcott responded that the plan is to have the repayment completed before June of 2020. He stated that the Chairperson of the Compliance Committee has informed him that the finance subcommittee is discussing this and developing strategies to put forth to the Compliance Committee very early in 2020.

Ms. Oravez asked if any of the Town Hall meetings that are being used to engage the community have occurred. Mr. Wolcott responded that there have been many meetings, though they have been sparsely attended. The school has moved from bi-weekly meetings to quarterly meetings with the next one scheduled for January, 2020. The January, 2020 Town Hall meeting will be primarily focused on the construction occurring on and around campus. He stated that the last meeting was held in August or September of 2019. Mr. Wolcott feels that these meetings have helped with communication. Mr. Stoeckicht has utilized Facebook Live to engage the community, as well.

Dr. Noble asked the school to explain why the decision was made to increase the number of Board members from nine to eleven. Mr. Wolcott responded that the Board was founded as a nine member board and has remained as such, even though the population of the school has tripled over time. He stated that the nine member Board simply does not have the man power to do everything that they want to do such as fundraise, manage facilities, strategic plan, etc. Dr. Noble expressed concern that this could appear to be a tactic to maintain the influence of the current five members of the American Hellenic Educational Progressive Association (AHEPA). Dr. Noble recommended that the school consider, in an effort to rebuild the trust in their Board, keeping the Board size at nine, and that AHEPA consider proposing new members to fill the four AHEPAn seats. Mr. Wolcott responded that the Compliance Committee reached out to the Department of Education for feedback in developing the by-laws. He stated that there was consideration given to increasing the Board size, even before the formal review process began. Mr. Wolcott stated that the Board can always use additional qualified and talented bodies. He stated that the current AHEPAn members were not given consideration when developing the new by-laws and that it is his understanding that some of the current AHEPAn members are considering stepping down. He emphatically denied that the Board number increase was due to a desire to keep the current AHEPAn members as part of the Board.

Dr. Noble asked about the condition that states, "AHEPA family members must be appointed by the AHEPA family in a manner that provides gender balance among AHEPA family members." Dr. Noble pointed out that the draft by-laws state that "The Board will strive for gender diversity among all appointing sources." She explained that this could result in a Board that is gender diverse, though the AHEPAn portion of the Board may lack gender diversity. Dr. Noble felt that the Board should stay within the current recommendation from the CSAC committee and that the by-law should state "ensure" instead of "strive." Dr. Noble is concerned that some of the language used in the revised by-laws does not match the language used in the July 22, 2019 conditions letter. Mr. Wolcott responded that the initial intention was to dictate a particular number of minimums for each gender on the Board, however, they felt that there may be some

legal issues in doing so. Dr. Longfellow concurred and stated that dictating a quota of one gender may not pass a legal test. He reiterated that it is the Department's intention and obligation to return the school to formal review if the school does not appear to be striving to meet this condition. Mr. Wolcott reiterated that there is an effort among the AHEPA family to strive for gender equality among board members.

Dr. Noble asked for clarification around the statement in the draft proposed by-laws that provides that "officers may, but not need be, members of the Board." Mr. Wolcott responded that this appears to be a holdover from the old Board by-laws and that he was unsure of the intent of that statement. Ms. Massett stated that this may be a common statement included in nonprofit Board by-laws.

Dr. Noble asked for clarification around the term used throughout the document "Vice President / First Vice President." She asked if this was meant to indicate two different people. Mr. Wolcott explained that the President and Vice President would be acting in tandem. Mr. Wolcott stated that the intention is to create flexibility and allow for an opportunity to have two Vice Presidents to provide for continuity as the Vice President assumes the President's role, meaning that these are intended to be two separate individuals.

Dr. Noble commented about the language used in the proposed by-laws stating that "committee members and committee chairs will be selected and approved by majority vote of the Board." She pointed out that the proposed by-law omits some of the wording listed in the condition. Specifically, that this process must take place utilizing "a fair and transparent process."

Dr. Noble asked about the funding being held in Zions Bank (\$3,580,834.53), currently uninsured. She stated that the school's response to the request for further explanation is confusing. She pointed out that OCS stated that they do not have access to the funding, however, they also stated that the account ensures immediate liquidity.

Ms. Thorpe stated that the school has access to the funding at all times, however, funds cannot be removed without approval from Zions bank. Ms. Thorpe explained that the "debt service" portion of the funds (\$2,817,917.45) was funded from the bond proceeds, not from the school. It is in place to ensure that there is always one year of debt service payments in the Zions Bank account. She stated that the school is currently financially able to meet its obligations and should not need to access those funds. This funding will be released once all of the bond obligations are met and will become available to the school. Ms. Thorpe explained that the "repair and replacement" funding listed (\$362,917.08) is a requirement from Zions Bank. This is funded by the school and can be accessed by appeal to Zions Bank for repair and replacement costs at the school. The "supplementary reserve" portion (\$400,000) is funding, provided by the Longwood Foundation, that may be released to the school by Zions Bank as improvements are made at the school. This began as \$1,400,000 and \$1,000,000 has been drawn down by the school. Mr. Stoeckicht reiterated that OCS cannot simply go to Zions Bank and withdraw this funding. The release of these funds must first be approved by the bond holders. He stated that

the facility is an aging one and these reserves give bond holders peace of mind knowing that there is funding available if a major repair is needed.

Mr. Taylor stated that his former school had similar reserves set up by bond holders as a requirement and feels that this is not unusual.

Dr. Noble reserves the future right to ask for the bond documentation at the conclusion of the investigatory audit.

Ms. Green stated that Michael Saylor, Education Associate, School Leadership, is satisfied with the response provided from the school regarding administration goal setting.

Conclusion

Dr. Longfellow reminded the applicant that the CSAC's recommendation was just that: a recommendation to the Secretary of Education on the renewal application.

Dr. Longfellow asked for a motion to recommend the renewal of Odyssey Charter School for a term of five years beginning on July 1, 2020 with the reaffirmation of the conditions imposed in the July 22, 2019 probation letter (see attached) with the modification of condition 1E to the following:

- Allow for a two-year alternating term for Board President with a one-year extension allowed by a super-majority vote of the Board, as recommended by the Delaware Association for Non-profit Advancement

Dr. Longfellow asked for any discussion.

Ms. Oravez asked if there would be any potential consequences to the school should the investigatory audit show improprieties, outside of repayment.

Dr. Longfellow and Mr. Travers explained that, once the audit is shared, if necessary, there could be another formal review of the school.

Dr. Noble asked for a "redline" copy of the by-law changes. Mr. Travers will send those to Ms. Ahner.

Mr. Taylor seconded. The motion carried unanimously with one abstention from Mr. Fulkerson due to his absence at the initial meeting.

Next Steps:

- A second public hearing will be held on December 10, 2019 at the Townsend Building, 401 Federal Street, 2nd Floor Cabinet Room in Dover.
- The public comment period ends on December 13, 2019.

- The Secretary of Education will announce her decision at the next State Board of Education meeting to be held on December 19, 2019 and seek the assent of the State Board as necessary.