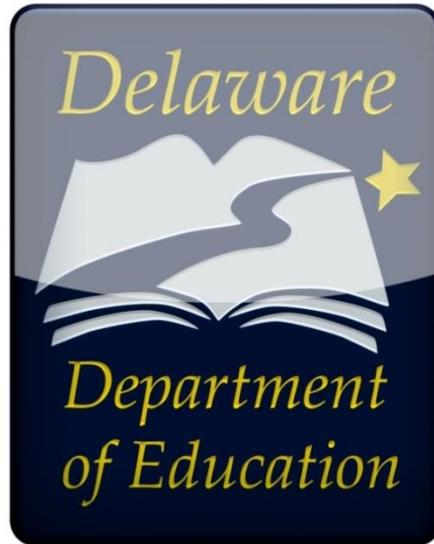


# CHARTER SCHOOL ACCOUNTABILITY COMMITTEE

DELAWARE DEPARTMENT OF EDUCATION



## Las Americas ASPIRA Academy

### MAJOR MODIFICATION APPLICATION FINAL REPORT

CSAC Meeting: March 18, 2019  
CSAC Report Published: March 25, 2019

On December 21, 2018, Las Américas ASPIRA Academy (LAAA) submitted an application for a major modification of its charter.

The following individuals attended the Charter School Accountability Committee (CSAC) on March 18, 2019:

**Voting Members of the Charter School Accountability Committee**

- Chuck Longfellow, Chairperson of the Charter School Accountability Committee, and Associate Secretary, Operations Support, DDOE
- Brian Moore, Education Associate, Student Support, DDOE
- Debbie Hansen, Education Associate, Academic Support, DDOE
- Chantel Janiszewski, Education Associate, Performance Support, DDOE
- Tiffany Green, Education Associate, Educator Support, DDOE
- Charles Taylor, Retired Head of School, Community Member
- Mary Ann Mieczkowski, Director Exceptional Children Resources, Academic Support, DDOE

**Non-voting Members of the Charter School Accountability Committee**

- Kendall Massett, Executive Director, Delaware Charter Schools Network

**Staff to the Committee (Non-voting)**

- Laura Makransky, Deputy Attorney General, Counsel to the Committee
- Leroy Travers, Lead Education Associate, Charter School Office, DDOE
- John Carwell, Education Associate, Charter School Office, DDOE
- Brook Hughes, Education Associate, Finance Office, DDOE
- Sheila Kay-Lawrence, Administrative Secretary, Charter School Office, DDOE

**Representatives of Las Américas ASPIRA Academy Charter School**

- Margie Lopez Waite, Head of School
- Brian Bell, Director of Strategic Planning
- Greg Panchisin, Chief Operating Officer
- Kim Whyte, Instructional Specialist
- Lourdes Puig, Board Chair
- Debbie Panchisin, Delaware Charter School Network

Mr. Chuck Longfellow stated this was the Final Meeting of the CSAC, and the last of two Committee meetings relative to the Major Modification Application submitted by LAAA. LAAA applied for a modification to its charter to expand vertically by adding grades 9-12 and laterally by leveling enrollment in grades K-12 starting in the 2020-21 school year. In addition, LAAA seeks to create a junior/senior high school within 15 miles of its current campus. An initial meeting was held on January 29, 2019 and the CSAC issued its initial report on February 4, 2019. The school submitted a response to the CSAC Initial Report. An initial public hearing was also held on February 25, 2019.

Mr. Longfellow said the purpose of the meeting was for the CSAC to discuss the Major Modification Application with the applicant, ask questions, and to probe areas of concern based on the CSAC's initial review of the written application and feedback from the initial meeting. The meeting also served as LAAA's opportunity to respond to requests for changes after the initial meeting in support of its

application. Mr. Longfellow announced that the final report would not be issued later than March 25, 2019.

Mr. Longfellow asked the Committee if there were any amendments to the minutes of LAAA's initial CSAC meeting on January 29, 2019. He asked for a motion to approve the minutes and the minutes were approved unanimously.

#### **Discussion:**

Mr. Longfellow stated that the CSAC identified the following areas of concern with the application of LAAA as noted in the initial report:

1. A legible copy of Appendix D (enrollment)
2. A list of personnel that will be added, in each year of the proposal.
3. A budget showing adequate carryover to cover payroll for four pay periods.
4. For any changes to the submitted budget, please provide documentation or evidence supporting the changes.
5. The vertical articulation and how it is going to transition from middle school into high school.
6. Social Studies: An amended proposed social studies curriculum setting forth how it complies with Delaware recommended high school social studies standards and submit one unit for 9th grade Social Studies.
7. Science: An amended proposed science curriculum setting forth how it complies with Delaware recommended high school science standards and submit one unit for 9th grade Science.
8. Art: A plan for how the school intends to expand arts program into the high school.
9. Break out of the facility plan, include possible sites and fit-out costs.
10. Documentation that the school has complied with the requirements for administrator evaluations.
11. An improvement plan to increase enrolment for the high school.

Mr. Longfellow noted that one non-voting member, Dr. Audrey Noble, was not in attendance but she had sent a letter outlining her concerns. The letter was distributed to the CSAC. In her letter, Dr. Noble wrote that she believed the scope of LAAA's application "falls significantly short of the level of information this Committee typically requests of charter school applicants who propose opening new schools." Dr. Noble encouraged CSAC to "explore the question as to whether this proposal truly qualifies as simply altering grade configurations (DE Code, Title 14, 9.9.1.4) or is it something significantly more than that."

Ms. Massett responded to the letter stating that the proposed changes did not constitute a new school and that LAAA's modification request is, in fact, a major modification as outlined in 14 DE Admin. Code § 275. She referenced past modifications that have taken place under this regulation. Mr. Taylor concurred.

#### Curriculum and Instruction

Ms. Hansen commended the school's efforts on its arts curriculum. She stated that Visual and Performing Arts were accepted without reservation. Social Studies was met to the minimal standard but LAAA can use the feedback given to improve the Social Studies curriculum before their renewal. Science was partially met. There are physical science adjustments that need to occur.

## Administrator Evaluations

Ms. Green stated that the Educator Support team determined that LAAA's submission was satisfactory.

## Facility Plans

Mr. Moore asked about progress on the facilities layout and plan and asked if LAAA closed the gap with regard to funding. Mr. Panchisin noted that additional potential investment partners. LAAA received a grant for \$215,000 to assist with expansion and narrowed down their facilities search to two potential lease sites. Mr. Panchisin also noted that the two sites would provide 20,000 extra feet of space, initially, that could house seven classrooms. They would then build out in the same manner that they have done with their current building, preferred by the school. Mr. Panchisin stated that one of the two properties is the preferred location and is located very close to the current school. The other property is eleven miles away.

Mr. Taylor inquired about the \$215,000 grant. Ms. Lopez Waite noted that the grant came from the NewSchools Venture Fund (NSVF). The funding was not only financial, but it was also part of a long-term collaborative relationship between the school and NSVF. The organization is covering travel expenses to California for several LAAA staff to meet with major charitable foundations, such as the Walton Foundation. The funding was provided after NSVF visited the school and it will support the expansion, namely, curriculum development and benchmarking. The support of NSVF means that the LAAA now has a national profile. Ms. Massett stated that it was the first time that they had funded a project in Delaware, and it was very exciting for the state.

Mr. Longfellow then turned to the financial issues that were raised in the initial meeting. He thanked the representatives from LAAA for the submission of documents. The committee noted the revised projected budget showing a carryover of \$48,000 in 2020 and \$89,000 in 2021. Mr. Longfellow noted that this carryover was only related to pay and there were many other costs and budgetary items to consider if a school were to close. He raised concerns that the fit-out costs that will be built into the lease. Once all costs are factored in, the final cost to the school could be \$300,000 per year.

Mr. Panchisin reminded the committee that budget numbers are produced using only guaranteed funding, and that the school has raised over three million dollars in the past several years from private funders that is not included in their budgeted numbers. Their board-approved budget model allows for up to 15% for the lease, but the budget was built at 10% -12% to allow for "wiggle room". He expressed confidence that revenue will improve, as well, but he will continue to be as conservative as possible. They are looking to utilize the same model that they use with their current landowner. The would allow them to either secure a favorable lease or ultimately purchase the buildings.

Mr. Longfellow asked how close they were to securing an agreement with a property owner that was contingent on approval of the modification. Mr. Panchisin agreed that securing a property was contingent on the approval of the expansion by CSAC. His hope is to sign an agreement in May. Ms. Lopez-Waite stated that they could sign a lease with their second option within days. They are looking to further explore their preferred facility. That facility is not "move-in ready" and would require more significant fit-out. The discussions are ongoing with the preferred property owner and are promising. Ms. Waite confirmed that the property owner needs a commitment or approval to expand in order to get a commitment for a lease back from them. The school is satisfied that they have two options.

Mr. Longfellow stated that he was concerned over their marginal carryover numbers and lack of a firm commitment from the property owner. At this time, he is not comfortable with approving the expansion of the Charter School. He stated that he would be more comfortable giving them another year to improve their plan and increase their reserve funds. Ms. Lopez-Waite and Mr. Panchisin stated that charter schools do not typically operate that way. They have big investors that are confident in their plan and they have a target opening date of August of 2020. Mr. Longfellow reiterated that he did not feel that it was economically viable for them to move forward.

Mr. Taylor discussed his own experience, stating that he could not finalize plans with any entity until the Department Of Education approved the expansion. He discussed that their worse-case scenario is that they would use their second choice in location.

Ms. Lopez-Waite stated that there was some \$10.4 million available in a fund held by the DOE for the expansion and development of the Charter School sector. She noted that some of that could be allocated to the expansion and this would help their finances. Once the application process is finalized, LAAA will apply for this grant which would greatly improve their financial position.

Mr. Longfellow pointed out that since this was an expansion as opposed to a new school, their current students could be at risk if the expansion was not successful.

Ms. Massett stated the school has a successful financial track record that a new school would not have. Within their first five years, LAAA received a \$21 million dollar bond, which is significant for a young charter school. She informed the CSAC that LAAA has been financially conservative, fiscally responsible, and have consistently made decisions that are in the best interest of children. She feels that the school's financial history should be taken into account. Ms. Massett discussed schools approved in the past that were in similar situations as LAA. She reminded the committee that the Authorizer has the ability to stop the expansion if it does not meet particular milestones. She said the school's past history needs to be taken into account.

Mr. Panchisin reminded the committee that his budget is very conservative and is based only on actual funding. He stated that the school averages revenue increases of 5-6% per year, but his budget remains flat. The school has taken a phased approach to projects in the past and they have been successful. Mr. Longfellow asked if they would be let out of their lease if their high school enrollment is low or would that affect the operations of the current facility. Mr. Panchisin stated that this is the same situation that they have just gone through. Ms. Lopez-Waite stated that their lease would be based upon their renewal. She stated that she could produce a document that stated that the building would be leased to them pending DOE approval of the modification.

Ms. Lopez-Waite stated that she wanted to ensure that LAAA is not being held to a higher standard than other modifying schools have in the past, noting that past schools were approved without facilities. She said this Committee should be looking at their application based upon curriculum, track record, and financial stability. Ms. Lopez-Wait said that they have a track record of turning warehouses into amazing schools. She said that what they pay per square foot for a warehouse is pennies compared to what districts pay for a brand new building. She reiterated that they are good stewards of the State's funds. She asked for justification that LAAA is being asked for documentation of a facility given that previous schools have not.

Mr. Taylor stated that charters cannot pass a referendum to expand and that charter schools can only expand based on what their past performance has been. LAAA's performance has been solid. He stated that enrollment can always be challenging to predict but LAAA has met every standard set by the committee, in his opinion.

Ms. Lopez-Waite added that the school has milestones that they need to meet regarding enrollment and finance. She has stated that the school has consistently met milestones and even exceeded them. Those points will ensure that those milestones will ensure that the school is not opened if they are not met

Mr. Travers asked Ms. Lopez-Waite asked what their current wait-list is. Ms. Lopez-Wait said that it was at present some 800 but they expected to have a waiting list of 1000 by May, which was usual. They only have spots for 780 students and they normally receive 1000 additional applications. Mr. Travers asked if it would be possible to expand at their current K-8 level if enrollment goals were not met for the high school. Ms. Lopez-Waite stated that would be an option.

Mr. Moore asked when the Secretary would make her decision. Mr. Travers stated that this was to be done on April 18 and the final public hearing will be on April 8. Mr. Moore explained that this committee is made up of different members than previous iterations and that recent charter events have put the committee in a position to ensure that their decisions are defensible. He asked for a letter of intent from the landowner as a condition of approval.

Ms. Lopez-Waite said that they can secure a letter of intent for their second-choice property. She reiterated some positives of that property, such as lease cost and minor fit-outs, but also explained that it is their second choice due to the proximity to the current school.

Ms. Lopez-Waite stated that she appreciated that the CSAC is looking to learn from past mistakes, but that this should not fall on the shoulders of LAAA. She stated that LAAA tried to do the right thing by helping another charter school from closing its door and LAAA should not be punished for the failings of the school. Mr. Moore reiterated that from the standpoint of the Committee that this was all about defensible decisions.

Ms. Green asked about the number of teachers they expected to hire. Ms. Lopez-Waite stated that they had anticipated hiring five 9<sup>th</sup> grade teachers and one to two special education teachers based on demographics. She also stated that those teachers would be involved in the teacher mentoring program.

#### **Conclusion:**

The criteria for approving a modification to a charter are set forth in 14 *Del. C.* § 512. The criteria include that the charter school's educational objectives are consistent with the legislative intent of and restrictions set forth in Title 14, Chapter 5 of the Delaware Code; the charter school's educational program has the potential to improve student performance; the plan for the charter school is economically viable; the charter school's financial and administrative operations meet or exceed the same standards, procedures, and requirements as a school district; and the charter school's procedures to assure students', employees', and guests' health and safety are adequate.

Mr. Longfellow asked if anyone was prepared to make a motion. Mr. Taylor made a motion to recommend approval of the modification application with the condition that a letter of intent from the property owner stating that there is opportunity to rent be provided within seven days.

Ms. Massett argued against there was no precedent that this should be required of a school and that milestones are in code to ensure that schools do not expand if they are not able to do so. Mr. Longfellow reiterated that economic viability is also part of code and he does not feel that the school is economically prepared to expand.

Mr. Panchisin stated that they are looking for minimal fit out and they understand that they cannot take on debt for this expansion and that they are working with investors that understand their successful history.

Mr. Moore asked if the fit-out cost projections or one-hundred dollars a square foot is practical. Mr. Panchisin stated that he felt that it would be less. He reiterated that their current BB bond rating is excellent for a small charter school. Their recent grant award will assist with fit-out costs, as well.

Mr. Longfellow again asked for a second to the motion presented by Mr. Taylor. There was no second to the motion.

Ms. Massett asked if there were concerns other than Mr. Longfellow's financial concerns. The committee members did not respond.

Ms. Hansen put forward the motion that CSAC make a recommendation to the Secretary of Education to approve LAAA's modification application. Mr. Taylor withdrew his original motion and seconded Ms. Hansen's motion. The motion was carried with five votes for (Green, Hansen, Moore, Janiszewski, and Taylor), one opposed (Longfellow), and one abstention (Mieczkowski). The CSAC recommends that the Secretary approve the major modification application submitted by LAAA.

#### Next Steps

- On or before, March 25, 2019 the CSAC will issue a Final Report, which will include its recommendation on the Major Modification Application.
- A second and Final Public Hearing will be held on April 8, 2019 at 5:00 P.M. at the Newark Free Library, 750 Library Avenue, Newark, DE 19711.
- The public comment period ends on April 12, 2019.
- The Secretary of Education will announce her decision at the April 18, 2019 State Board of Education meeting.