

**STATE OF WASHINGTON
CHARTER SCHOOL COMMISSION
MEETING MINUTES**

Tuesday, June 10, 2014 – 10:00 a.m. to 5:00 p.m.

South Seattle Community College
Georgetown Campus
Building C: Room C122
6737 Corson Ave S
Seattle, WA 98108

Attendance:

Trish Millines Dziko, Margit McGuire, Raymond Navarro, Dave Quall, Steve Sundquist, Roberta Johnson Wilburn, Cindi Williams, and Larry Wright.

Absent: Kevin Jacka

Staff: Joshua Halsey, Executive Director; Aileen Miller, Assistant Attorney General; Colin Pippin-Timco, Executive Assistant

CALL TO ORDER

Roll Call

Chair Steve Sundquist called the meeting to order at 10:11 a.m. Attendance was taken. The following Commissioners were present: Trish Millines Dziko, Margit McGuire, Raymond Navarro, Dave Quall, Steve Sundquist, Roberta Johnson Wilburn, Cindi Williams, and Larry Wright. It was determined a quorum was present to proceed with the meeting.

Approval of the April 24 and May 22 Commission Meeting Minutes

Meeting minutes for April 24, 2014 were reviewed and approved – Commissioner Williams moved, and Commissioner Dziko seconded. The motion passed with one abstention: Commissioner McGuire.

Meeting Minutes for May 22, 2014 were reviewed and approved – Commissioner Dziko moved, and Commissioner Quall seconded. The motion passed with one abstention: Commissioner Williams

PUBLIC COMMENT

No public comments were given to the Commission. The Commission moved forward in the agenda

CHAIR REPORT – STEVE SUNDQUIST

Chair Sundquist informed the Commission that the Charter Board Partners had led their first training in Washington State the weekend prior to the Commission meeting. Chair Sundquist had represented the Commission at the training.

Chair Sundquist reminded the Commission that charter school applicant Notices of Intent (NOI) to apply to the 2014 Request for Proposals (RFP) were due Friday, June 12, 2014.

Chair Sundquist informed the Commission that H.R. 10 – Success and Opportunity through Quality Charter Schools Act, had passed the United States House of Representatives and was on its way to the Senate. The Act, among other things, would combine grants to increase startup funding for charter schools.

EXECUTIVE DIRECTOR REPORT – JOSHUA HALSEY

Rules Update

Executive Assistant Colin Pippin-Timco informed the Commission that Commission approved rules 108-40 and 108-50 had been submitted for publication in the Washington State Register following the May 22, 2014 Commission meeting. However, Mr. Pippin-Timco explained that Commission staff had received a request from the Code Reviser to withdraw section 108-40-200, as it contained language not heard at the rules' scheduled public hearing April 27, 2014. Commission staff had withdrawn 108-40-200, and would subsequently submit a CR-105 Expedited Rulemaking concerning 108-40-200 within the month of June.

2014 Solicitation Process Update

Mr. Halsey informed the Commission that, as of June 6, 2014, four non-profit organizations had submitted NOIs to apply to the 2014 RFP. In addition, eight charter school applicant evaluators who conducted capacity interviews during the Commission's previous RFP had responded to the Commission's 2014 Request for Qualifications (RFQ), which would close June 27, 2014.

In response to the previous month's testimony from the Washington State Charter Schools Association (WA Charters) and Democrats for Education Reform (DFER) regarding amending the 2014 RFP to include language allowing schools to seek an extra planning year, Mr. Halsey recommended that the Commission amend the 2014 RFP to allow potential charter school operators to disclose to the Commission their intent to seek an additional planning year. Mr. Halsey noted that if the Commission were to amend the RFP in this manner, it is recommended that the Commission amend the Rubric for Charter School Application to include criteria by which the Commission would assess whether to grant an additional planning year. In advance of this recommendation, Mr. Halsey had drafted language for both amendments. Mr. Halsey encouraged the Commission to discuss what would become the Commission's definition of a planning year. Commissioner Dziko offered that a planning year should be defined as two years max, as any longer would beg the question of how long the approved school and the affected communities will and excitement would last. Chair Sundquist agreed, adding that allowing schools more than a two year planning year would likely cause confusion in authorization caps, and would provide little of a track record for the Commission.

Commissioner Dziko moved to define the planning year as no more than two years, and Commissioner Williams seconded. The motion passed with one abstention: Commissioner Wright.

Commissioner McGuire moved to add an amendment to the 2014 RFP and Rubric for Charter School Application to allow applicants to disclose to the Commission their intent to seek an additional planning year, and to allow this disclosure to be evaluated; Commissioner Dziko seconded. The motion passed unanimously.

Authorized Charter Schools Update

Mr. Halsey informed the Commission that approved charter school First Place was making progress towards opening in the fall of 2014. Mr. Halsey has scheduled regular monthly meetings with First Place's Board Chair, as well as the leadership from the other approved schools; since the May 22, 2014 meeting, Mr. Halsey had met with leadership of all approved schools except Green Dot and Rainier Prep.

Commission Website and File Sharing

Mr. Halsey informed the Commission that he would have a timeline of when the Commission's website would be moved out from beneath the Governor's page by Friday, June 13, 2014. The website would still be scheduled to go live in October, 2014.

Mr. Halsey briefed the Commission on Commission staff's acquisition of a Box.com account through a Department of Enterprise Services (DES) master contract. The account would replace the Commission's non-proprietary and non-confidential file storage. Chair Sundquist noted that the Commission should engage in a conversation with counsel Aileen Miller as to how the Commission should be conducting its internal communication among Commissioners. Ms. Miller agreed, and noted that the Commission's August would likely be when that discussion should occur.

Commission Budget and Upcoming Biennium Budget

Mr. Halsey informed the Commission that Commission staff had met with representatives from the Office of Financial Management (OFM) regarding the Commission's biennium budget, due in August, 2014. Large agencies would be asked to cut fifteen percent from their biennium budget. Though the Commission would not be seen by any means as a large agency and thus exempt from such cuts, Mr. Halsey noted that this would make asking for a higher allocation difficult for the Commission. He added, as well, that there would need to be no cut in full time employees (FTE), and that his request for 2.1 FTE in late 2014 would translate to 3.0 FTE come 2015.

In light of the above, Mr. Halsey suggested that the Commission form an ad-hoc budget committee. Chair Sundquist and Commissioner Wright volunteered to serve on the ad-hoc committee.

Commission Legislative Action

Mr. Halsey informed the Commission that he recently met with Marta Reyes-Newberry, Executive Director of Washington State Charter School Association, and that Ms. Reyes-Newberry had agreed to convene a meeting of education reform advocates and Commission staff to develop synergy before the next legislative session. Commission staff met with Sue Goldstein of the Office of the Code Reviser regarding drafting legislation. Mr. Halsey noted that Commission staff planned to draft legislation to grant the Commission the ability to accept gifts and grants, and that Commission staff planned to directly engage Legislators, as well as legislative staff, to garner support for such legislation.

Commission Chair to be out of Country

Chair Sundquist informed the Commission that he planned to be out of country June 13-22, 2014. Chair Sundquist suggested that the commission make a motion to appoint the Vice Chair, Commissioner Wright, as the acting Chair for the extent of Chair Sundquist's absence.

Commissioner Dziko moved to appoint Commissioner Wright as the Acting Chair from June 13-22, 2014, and Commissioner McGuire seconded. The motion passed unanimously.

STRATEGIC PLANNING

Staffing Presentation by the National Association of Charter School Authorizers (NACSA)

William Haft of NACSA presented a year-five organizational chart to the Commission. Mr. Haft noted that the organizational chart was created to enable the Commission to fulfill its mission, prioritize the needs of at risk students, and achieve sustainability in five years.

Chair Sundquist inquired as to the budget for such an increase in staff. Mr. Haft responded staffing was informed by revenue projections created by Commission staff and NACSA, pointing to an estimated \$1.5 million in 2018-19. Commissioner Williams inquired as to the level of contact Performance Management staff would have with schools. Mr. Haft responded that those involved in Organizational Management would maintain the lion's share of contact with schools.

Mr. Haft informed the Commission that the next steps to be presented at the Commission’s July 29, 2014 meeting would be a two year budget, to be submitted to OFM in mid-August, 2014. At the August 19, 2014 Commission meeting, the Commission would approve of an organization plan.

Commissioner Navarro arrived at 12:00 p.m.

The Commission broke for lunch at 12:05 p.m., and returned at 12:40 p.m.

Commission Strategies and Outcomes

Cathy Fromme of TrustWorks reviewed the Commission’s work to date. She noted that from the strengths, converted weaknesses, opportunities, and prioritized and converted threats the Commission would develop key milestones/goals and key deliverables. Ms. Fromme then led the Commission to consolidate the Strengths, Weaknesses, Opportunities, and Threats (SWOT), especially those which were similar. Commissioners noted the following similarities:

<p>Partnerships: Well written charter law O1 - Emerging players O5 - Opportunities for new relationships O12- Charter district compact W1 - Prioritize and partner with those with capacity W2 - Play good defense T20 - Charter and traditional schools not connected</p>	<p>Strengths: A strong governing team as evidenced by: The make-up pf the commission Strong governing board Team bonding</p>
<p>Dimensions of Communication: T2 - Play good defense T3 - Create a different story T10 -Political environment around education T12- Charter schools are an opportunity for political point scoring T17 - The research is still out on charter schools T18- Pressure on legislature T20 -Charter schools and traditional public schools not connected T24 -Rumors around charter school</p>	<p>Political Climate: T1 - work to elect supportive officials T2 - Play good defense T10- The political environment around education T12 - CS opportunity for political scoring T18 - pressure on the legislature W8 - Abundant Political support</p>
<p>Barriers for charter schools: T8-Lack of ability to access risk management T9 - facility access difficult T13 -Multiple audits T19 -Potential to become unlevel playing fields T21 - Over regulation/micromanagement pushes charter schools toward a traditional school model T23 - Push for charter school governance</p>	

Ms. Fromme shared the following considerations when prioritizing strategies:

- 1) How significant is this issue?
- 2) What type of impact does this issue have on achieving your charter school vision?
- 3) How feasible is it to address this issue?
- 4) What will happen (what are the costs) if you don’t address this issue?

Ms. Fromme then led the commissioners through a prioritizing activity. The following are the top six strategies that came from the first prioritization of strengths, opportunities, and converted threats and weaknesses:

- (1) Barriers for Charter schools
- (1) Plan of outreach for community of color
- (1) Closer connection to public schools
- (4) Acquire Adequate and diverse funding
- (5) Partnerships
- (6) Communication
- (6) Abundant Political Support

Mr. Halsey noted that adequate funding doesn't capture what he was thinking which is operationalizing the mission with funding. Commissioner Wright agreed and suggested that we've already started this process (7) to operationalize the commission

Commissioner Williams also noted that nothing in the prioritized list goes back to greater student learning and the need to have something on the board that goes back to the goal of increasing student outcomes.

Guest Jim Goenner of the National Charter Schools Institute introduced suggested that the Commission needs to help build an infrastructure/marketplace for building better outcomes. Commissioner Williams suggested the following language for an additional strategy: "Create and foster an enabling environment for high quality schools to thrive".

Mr. Halsey and Commissioner Williams suggestions were added to the list of strategies and the group re-prioritized as follows.

- 1) Strategy 1: Create and foster an enabling environment for high quality public charter schools to thrive
- 2) Strategy 2: Operationalize the commission
- 3) Strategy 3: Minimize barriers for charter school
- 4) Strategy 4: Communication
- 5) Strategy 5: Plan of outreach to communities of color
- 6) Strategy 6: Develop a closer connection to public schools
- 7) Strategy 7: Foster positive political climate and support

Ms. Fromme then proceeded to have the group develop milestone/ goals and deliverables for each strategy. After a suggestion that the first strategy to "create and foster an enabling environment..." was the most abstract of the strategies it was determined that Ms. Fromme will populate the milestones/goals and deliverables section using the SWOT outcomes. She will work with Mr. Halsey and share early on with the Commissioners for feedback so that in July it would simply be a matter of adding what is missing or deleting what 's not appropriate at this time.

PERFORMANCE FRAMEWORK

Whitney Spalding Spencer of NACSA presented the draft Financial Performance Framework that the Commission would eventually utilize to evaluate approved schools. The Financial Performance would evaluate both near-term financial viability, as well as sustainability indicators up to five years. Ms. Spencer noted that the Financial Performance Framework was focused only on financial indicators, not on processes; the Organizational Performance Framework would evaluate processes. The Financial Performance Framework

would as well contain a two-step rating process, wherein if questions were raised in an initial review, then a more detailed review would be conducted before a final rating was made.

The Near-Term Financial Performance Framework contained the following rating categories: unrestricted days cash, enrollment variance, and debt default.

The Sustainability Financial Performance Framework contained following rating categories: income to revenue ratio, debt to asset ratio, liabilities to total assets ratio, cash flow, and debt service coverage ratio.

INTRODUCTION AND COMMENTS FROM JIM GOENNER

Jim Goenner of the National Charter Schools Institute introduced himself as Mr. Halsey's executive coach through the NACSA Leaders Program in which Mr. Halsey was currently enrolled. Mr. Goenner explained that he had worked with charter schools since 1995, serving as the executive director of the Central Michigan University Center for Charter Schools. Mr. Goenner applauded the Commission's work to date, and encouraged the Commission to continue with its strategic planning.

NEXT STEPS

The Commission has identified the following next steps for the July 29, 2014 meeting:

- 1) Establish the Commission's legislative asks
- 2) Continue with strategic planning
- 3) Continue with the creation of the Performance Framework
- 4) Address the Commission's bylaws regarding citizen correspondence
- 5) Establish the Commission's communication plan as the RFP process continued
- 6) Mr. Halsey to draft a recommendation for revising the RFP and solicitation cycle dates for coming solicitations
- 7) Address the Commission's email practices
- 8) Establish the Commission's biennium budget for submission to OFM

EXECUTIVE SESSION

The Commission did not go into executive session.

The Commission adjourned at 4:44 p.m.