



## SPECIAL MEETING MINUTES

Wednesday, April 13, 2016 | 10:00 a.m. to 12:00 p.m. | Telephonic

The meeting was accessible by telephone. U.S. and Canada: (800) 245-9874 Access Code: 7784207

---

### Attendance:

Trish Millines Dziko, Dr. Stacy Hill, Dr. Margit McGuire, Raymond Navarro, Jr., Dave Quall, Steve Sundquist, and Cindi Williams.

Absent: Larry Wright.

Leadership Team: Joshua Halsey, Executive Director; Aileen Miller, Assistant Attorney General; Sandy Green, Executive Assistant.

### Call To Order

#### Roll Call

Steve Sundquist volunteered to be Acting Chair for the meeting. Acting Chair Sundquist called the meeting to order at 10:05 a.m. The following Commissioners were present: Trish Millines Dziko, Dr. Stacy Hill, Dr. Margit McGuire, Raymond Navarro, Jr., Dave Quall, Steve Sundquist, and Cindi Williams. It was determined a quorum was present to proceed with the meeting.

#### Agenda Review

Acting Chair Sundquist welcomed the Press and Public and stated that the meeting would only cover the agenda items, as it is a Special Meeting.

#### Approval of the December 8, 2015 Special Commission Meeting Minutes

Meeting minutes for the December 8, 2015 Special Commission Meeting were reviewed and approved. Commissioner Dziko moved, Commissioner McGuire seconded. Motion carried unanimously, with no opposes, no abstentions.

### Commission as a State Agency Update

Joshua Halsey, Executive Director, informed attendees that the new charter school law that took effect April 3, 2016 maintains the Commission as an independent state agency. For administrative purposes, the Commission now resides within the Office of Superintendent of Public Instruction (OSPI) rather than within the Governor's office, as was the case under the previous law. This change is seen as having the potential to become a catalyst for improvements to the oversight processes for charter public schools.

---

The change results in OSPI managing, among other things, the following functions as directed by the Commission: Human Resources, Annual and Biennium Budgeting, Accounts Payable and Receivable, Procurement (other than charter school application solicitations), Technology, and Public Records. State email addresses for Commissioners will change to reflect the OSPI domain (k12.wa.us). Transition to OSPI takes effect July 1, 2016.

## Overview of New Charter School Law

The new charter school law contains several changes that impact the Commission, individual Commissioners, and charter school operation and oversight. Beyond the changes to the Commission regarding administration, the Commission was able to convene the April 13<sup>th</sup> meeting because the new law contains a provision that validated the actions related to the establishment and operations of authorizers prior to the effective date of the new law (April 3, 2016).

The new law added two additional members to the Commission, one to come from OSPI and one from the State Board of Education (SBE), which brings the total number of Commissioners to eleven (11). OSPI has not yet identified their member, but should know by the end of the week. SBE's Chair, Isabel Muñoz-Colón, is SBE's member to the Commission. Jack Archer attended the meeting in-person, as a non-voting member, to take notes to pass on to Isabel Muñoz-Colón. Current Commissioners can continue to serve until the new appointing bodies (majority and minority caucuses in House and Senate) complete the Commissioner appointment process, which, by statute, is to be completed no later than July 1, 2016. The Governor retains authority to appoint three Commissioners. Two Commissioners previously appointed by the Governor—Raymond Navarro and Stacy Hill—have terms that are still in effect; therefore, do not have to be reappointed. Steve Sundquist, also previously appointed by the Governor, had a term that ended in March 2016 and is currently in the process of being reappointed by the Governor. The process for Commissioners that were previously appointed by the Lt. Governor and Speaker under the previous law has shifted to the majority and minority caucuses in the House and Senate. The majority caucus in the House and Senate has authority to appoint two Commissioners each, while the minority caucus in both chambers has authority to appoint one Commissioner each. Six Commissioners are to be reappointed or appointed by July 1, 2016.

The Commission will continue to lease its current building and, for administrative purposes, will reside within OSPI.

The Commission has a statutory obligation to take reasonable and necessary steps to provide each authorized charter school the opportunity to execute new charter contracts with the same terms and duration or substantially the same terms and duration as were in effect on December 1, 2015. The Commission has sixty (60) days from the effective date of the new charter school law (April 3, 2016) to execute new charter contracts with authorized charter schools, which makes June 2, 2016 the statutory deadline to execute new charter contracts. If a new charter contract is not executed by June 2, 2016, the

authorized charter school will need to re-apply to the Commission in a future new school application cycle. The Commission anticipates releasing the new school application January 2017 for schools wishing to open in the fall of 2018.

Another change required by the new law is that all members of a charter school board and all appointed Commissioners must file an *F-1 Personal Financial Affairs Statement* with the Public Disclosure Commission (PDC). Newly appointed Commissioners must file within two weeks of their appointment. Since the new law authorizes all current Commissioners to continue to serve on the Commission up until they are reappointed, they must file their F-1s by Wednesday, April 27, which is two weeks after April 13. All charter school board members must file their F-1 within two weeks of their charter contract being executed.

The following are additional changes brought about by the new charter school law: Charter schools are no longer eligible to receive local levy tax revenue. The traditional public school conversion option was removed. All charter schools must advise families of new, ongoing and prospective students of the existence and status of any ongoing litigation challenging the constitutionality of charter schools or that may require charter schools to cease operations, which must occur through website posting and written notice, receipt of which must be acknowledged by recipient signature. A charter school must pay the full cost, minus any student participation fee, for any student who participates in interschool athletic activities or other interschool extracurricular activities governed by the Washington Interscholastic Activities Association. A charter school may offer, pursuant to an admissions policy approved by the Commission, a weighted enrollment preference for at-risk students or to children of full-time employees of the school if the employees' children reside within the state. And, all charter schools must contract for an independent performance audit of the school to be conducted the second year immediately following the school's first full school year of operation, and every three years thereafter. Schools are responsible for the costs of the audit.

## **Proposed Process for Executing New Charter Contracts with Authorized Charter Schools**

The Commission has developed steps for establishing a new charter contract and has identified three broad categories of information that schools must provide to the Commission: financial, Education Program and Design Elements, and board membership. The Commission has also established a set of re-opening conditions that are to be satisfied to assure the Commission and Public that each organization will be ready to open and operate a charter public school.

In order for the Commission to assess the financial viability of schools and to determine the extent to which an organization is able to operate a charter school under the terms of the new charter contract and requirements of the new law, the Commission will require schools to submit documents. Organizations operating schools that were serving students as a charter school in December 2015 must

provide a 2<sup>nd</sup> quarter budget versus actual report and an updated five-year budget utilizing the Commission's budget and quarterly report template. Organizations that were authorized but had not yet opened as a charter school must provide an updated five-year budget. Also required from all schools is an award letter from grantor(s) for private revenues, if any, indicating that there will be revenue coming in for the 2016-17 school year for the school to draw from. The Commission will assess the extent to which a school has secured all private revenues listed and the extent to which expenses have shifted and changed in comparison to the school's original budget. Each school is also to submit a copy of OSPI Form 203, which provides schools the most accurate apportionment projections for the next school year (2016-17). OSPI will be offering a workshop on April 22, 2016 for schools to complete the F-203. Schools are to have no outstanding unpaid balances owed to other state agencies, such as OSPI or the State Auditor's Office. The Commission will be looking at each school's financial information, which is to be submitted using the templates the Commission will provide, to see if the school is currently operating, will continue to operate, and will end the year with both a positive net income and positive cash flow.

The Commission will also look at Education Program and Design Elements to see if they have shifted or changed from the original application. If they have changed, the school will need to provide the Commission with rationale why it shifted/changed. The Commission will determine whether each school has capacity to implement and pay for its programs and if it is implementing what it has promised.

In order for the Commission to know the capacity of the organization to govern the charter school in compliance with contract, applicable laws and new charter school law requirements, it will require an updated board member roster and evidence that each board member meets all requirements and board bylaw compliance.

The three new re-opening conditions the Commission has created reflect the requirements of the new charter school law. Re-opening conditions are to be met in order to assure Commission and Public that they are ready to open. 1) Within two weeks of contract execution, charter school board members must submit an *F-1 Personal Financial Affairs Statement* to the Public Disclosure Commission; 2) Each charter school must post to their website and provide written notice, with receipt acknowledged by signature of the parent/guardian, advising families of new, ongoing and prospective students of any ongoing litigation challenging the constitutionality of charter schools or that may require charter schools to cease operations; and 3) If a charter school wishes to offer a weighted enrollment preference for at-risk students or to children of full-time employees of the school if the employees' children reside within the state, the admissions policy must be approved by the Commission. The Commission will do an onsite visit to verify that the school is ready to open.

### **Approval of Process for Executing New Charter Contracts**

Trish Millines Dziko moved that Commissioners direct the Executive Director to send the *Charter School Law Updates* document, with accompanying templates, to all previously authorized charter schools. Margit McGuire seconded. Motion carried unanimously, with no opposes, no abstentions.

Margit McGuire moved that Commissioners establish May 6, 2016 as the deadline for organizations to submit required information and materials as outlined in the *Charter School Law Updates* document.

Dave Quall seconded. Motion carried unanimously, with no opposes, no abstentions.

Raymond Navarro moved that Commissioners affirm delegation of authority to negotiate charter contracts to the Commission's Executive Director. Stacy Hill seconded. Motion carried unanimously, with no opposes, no abstentions.

Margit McGuire moved that Commissioners recommend scheduling a special Commission meeting telephonic, if needed, June 1<sup>st</sup> or around it. Dave Quall seconded. Motion carried unanimously, with no opposes, no abstentions.

## **Review New/Updated Charter Contract**

The Executive Director prepared an updated charter contract reflecting the new charter school law requirements and addressing other issues identified as a result of the charter contract wind-down that occurred in December 2015. A redlined contract that contains the changes can be found on the Commission's website in the *Meetings Archive* section. Contractual changes will be discussed in depth at the May 19<sup>th</sup> Commission meeting.

## **Identify Next Steps**

1. Next meeting is May 19<sup>th</sup> in Tacoma, at the STAR Center.
2. Executive Director will continue to work with OSPI, Legal, and Schools.
3. Commission will meet telephonic on or around June 1, if necessary.
4. Commissioners to file *F-1 Personal Financial Affairs Statement* with PDC by Wednesday (April 27).

## **Commission Adjourned at 11:21 a.m.**