

Minutes of the Meeting of the Illinois State Charter School Commission, June 18, 2012

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Monday, June 18, 2012

3:21 p.m. to 5:51 p.m.

Perspectives Charter School- Joslin Campus, 1930 South Archer Avenue, Chicago, Illinois

A. Section I of the Agenda: Roll Call

1. Commission Chair Greg Richmond called the meeting to order at 3:21 p.m.
2. Present in person: Bill Farmer, Jaime Guzman, Mike Jacoby, Angela Rudolph, Paul Swanstrom, Rudy Valdez, Patricia Van Pelt Watkins, Chair Richmond.
3. Present via internet video chat: Glen Barton.
4. All present rose and said the pledge of allegiance.
5. Chair Richmond called for a motion to allow Commissioner Barton to participate remotely.

**MOTION: Motion to allow Commissioner Barton to participate remotely; seconded.
Chair called for a voice vote. The motion passed unanimously.**

B. Section II of the Agenda: Consent Agenda

1. Section II A. Approval of Minutes. Chair Richmond called for a motion to approve both the minutes for the April 16, 2012, Commission meeting, and the May 7, 2012, special Commission meeting.

**MOTION: Commissioner Barton moved that both Minutes be approved.
Commissioner Guzman seconded the motion. Chair Richmond called for a voice vote;
the motion passed unanimously.**

2. Section II B. Financial Status Update. Chair Richmond noted that the current budget was included in the agenda book for informational purposes. No discussion.

C. Section III of the Agenda: Public Participation

1. Chair Richmond said that a number of attendees wished to speak. The *Guest Sign-In Sheet* is attached as Exhibit A.
2. Public Participation Speakers:
 - a. Respicio Vazquez, Prairie Crossing Charter School: Would like to congratulate the Commission on its start. Has met with Executive Director Jeanne Nowaczewski and Counsel to the Commission Lisa Scruggs to discuss the school's charter renewal. Has been a

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professional and amicable process. Hopes the Commission approves the school's charter renewal. Looks forward to working with the Commission in the future.

- b. Jill Gottfred, Illinois Network of Charter Schools: Wanted to provide an update on INCS activity. This week, together with Loyola Law School, INCS is co-hosting a training on special education and IDEA. Over 35 charter school representatives are attending. Also this week, the National Alliance for Public Charter Schools is hosting its national conference. INCS staff will be attending and speaking on panels. Next week, INCS is holding two breakfasts. One is for charter school board members to share best practices. The other is for charter school staff to discuss enrichment opportunities for students, like language and arts.
- c. Jose Cruz, Perspectives Charter School student: Chair Richmond introduced Jose as one of the Perspectives students who gave the Commissioners a tour of the campus. He did a fantastic job. Jose said that teachers and students at his school are like family. The school helps the students out. For example, during junior year, all students must apply for internships. This helps them learn about the application and interviewing process. Chair Richmond wished Jose luck as he applies to attend either Northwestern University or the University of Chicago.
- d. Steve Achtemeier, Prairie Crossing Charter School Board President: Congratulated the Commission on its choice of Jeanne Nowaczewski as Executive Director. Read aloud a *letter from the Lake County Federation of Teachers*, attached as Exhibit B. The letter said that Prairie Crossing provides hands-on learning with real life application. The teachers and staff work to develop curriculum that meets the needs of students. The school takes to heart all feedback from the public and the union. The union is impressed by how committed the school is to its teachers, students, and community. Board President Achtemeier said that the school just signed a three-year agreement with the union. Initially the school was concerned about the teachers joining the union, but it has turned out to be a good thing. Also, the school won the National Green Ribbon Award based on the facilities and how the school operates. The school just held its graduation, and students were invited to speak about what the school has meant to them. For example, the students discussed how trips have impacted them. Finally, the school may purchase adjoining land to create farm plots and a sustainable school yard. Chair Richmond thanked Board President Achtemeier for appearing in person to update the Commission.
- e. Jeanne Nowaczewski, Executive Director: As a point of personal privilege, wanted to introduce her two sons, Benjamin and Frank Joslin. Perspectives named this campus after her late husband, Rodney Joslin, who put substantial time and effort into the school.
- f. Benjamin Joslin, son of Rodney Joslin: Wanted to thank the Commission for everything that it is doing. Glad that the Commission is dedicated to the charter school cause and is continuing his father's dream. This summer, Benjamin will join the Peace Corps and travel to Africa to teach biology and raise HIV/AIDS awareness.

D. Section IV of the Agenda: Reports

1. Section IV A. Report of Chair of Commission.

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- a. The Chair wanted to convey information about the Perspectives campus. Perspectives originally started its school in a building on Michigan Avenue, but about five years later, the archdiocese purchased that building. Perspectives asked the Board of Education if it could build its new campus on a triangular tract that the Board owned. Perspectives paid for the construction and owns the building, but the Board of Education still owns the land, and has loaned it to Perspectives. The Board of Education also provided debt backing to Perspectives, an unusual but successful arrangement. The campus building has won architecture awards.
 - b. The Chair wanted to update the Commission on the status of the budget and outstanding bills. There were offers for philanthropic donations to INCS, particularly donations from three donors to pay overdue invoices presented for Commission business, including Executive Director Nowaczewski's compensation for consulting services during the interim period, and other, similar outstanding bills.
 - c. The Chair said that this is the first meeting with Jeanne Nowaczewski as Executive Director. The Commission will move from committee report meeting format to an Executive Director-led meeting format.
2. Section IV B. Report of Chair of the School Operations Committee. Commissioner Guzman gave an update on the transfer of Prairie Crossing and Southland charter schools from ISBE to the Commission. Both school boards have voted to execute the contracts designating the Commission as authorizer. The Commission will vote to approve these contracts today, so that as of July 1, the Commission will be the authorizer.
 3. Section IV C. Report of Chair of the Commission Operations Committee. Commissioner Jacoby deferred comments until the action items portion of the agenda. The committee will be more active in advocating for the Commission's legislative agenda in the near future.
 4. Section IV D. Report of Executive Director.
 - a. Section IV D1. Legislative Update. Jeanne Nowaczewski explained that the Illinois legislature did not pass either of the two bills of interest to the Commission. The first matter was a technical amendment of charter school law that would allow the Commission to be administratively housed under ISBE. The legislature was more interested in the pension and other financial matters, and the technical amendment was swept under the rug. Can be addressed during the November veto session. In the meantime, ISBE will continue to work with the Commission. The second matter was a bill that would have appropriated \$300,000 in general revenue to the Commission. That bill did not pass either. The Commission and its Operations Committee are going to work hard during the veto session to obtain passage of the technical amendment to the charter law.
 - i. Commissioner Swanstrom said that he testified to the House Appropriations Committee with Executive Director Nowaczewski and Jen Saba from ISBE. Wanted to complement Executive Director Nowaczewski and Jen Saba on their presentation.

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- b. Section IV D2. Legal Counsel Update.
 - i. Counsel to the Commission Lisa Scruggs gave an update on Freedom of Information Act ("FOIA") requests received by the Commission. FOIA is something the Commission, as a public entity, must comply with. The most recent appeal by Eunoia was followed by three FOIA requests. FOIA requests are part of being a public body; the idea is to enforce transparency. There are some exemptions, and the Commission will assert them to the extent that they apply. When the Commission decides not to release documents, the requester can appeal to the AG's office. CPS did appeal the Commission's denial to the AG. Counsel Scruggs has spoken to counsel at CPS and is hopeful that the Commission and CPS can work together on FOIA requests in the future.
 - ii. Counsel Scruggs also provided an update on the Amendment of the Administrative Rules. ISBE is amidst its public comment period on the Commission's proposed amendments, which ends July 16, 2012. CPS has made a number of comments on these proposed regulations to the ISBE Board.
- c. Section IV D3. Introduction of Interns. Jeanne Nowaczewski said that the Commission is lucky to have three summer interns.
 - i. Dashboards: Intern Aviva Rosman is a math teacher at Noble Street with a specialty in special education. Intern Rosman will be working with developing dashboards, example included in agenda book. Will be creating two timelines, one for sponsored schools, and the other for Commission activity.
 - ii. Website: Intern Lindley French is addressing the Commission's technological needs. She is a college student transferring to Northwestern as a junior in the fall. She is updating and supplementing the Commission's web site. Intern French said that she just posted information about the Commission-sponsored schools. That can be found under "other information" on the Commission's web site.
- d. Section IV E. Continuing Charter Education. Legal Intern Therese Edmiston said that she is enjoying the opportunity to learn about Illinois charter law and compare it to Texas charter law. Will discuss the report she prepared on fees that authorizers charge across the country, which is included in agenda book. There are 41 states that allow for charter authorizers. Across the nation there are 957 authorizers, most of which are school districts. Independent chartering boards (ICBs) like the Commission constitute only a small percentage of authorizers. 69% of the 41 states allow authorizers to charge administrative fees to support opening and monitoring of schools. The average fee is 2.6%, close to the Commission-authorized policy of 3%. The Commission's 3% fee policy also compares favorably to the policies of other recently-created ICBs in Nevada (1.5%), Indiana (2%), and Maine (3%).
 - i. Commissioner Valdez asked about the number of charter schools that the ICB in Indiana will sponsor. Intern Edmiston responded that it currently sponsors 3 charter schools but will sponsor 9 by 2013. Maine does not sponsor any schools yet but is expanding.

E. Section V of the Agenda: Action Items

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1. Item V A. Approve Contracts Transferring ISBE-Authorized Charter Schools to the Commission.
 - a. Commissioner Guzman asked Commissioners to examine the two contracts, one for each school, in the agenda book. The contracts provide a roadmap for the next 2-3 years. The only outstanding issue is the accountability agreement. Model charter school contracts do include accountability agreements, so the Commission will continue a discussion with the two schools and have accountability agreements ready to include by December.
 - b. Counsel Scruggs drew the Commission's attention to the portion of the contracts that discussed the Commission's 3% fee. Given that the contracts are likely to be multi-year contracts, the language tracks the statute, and says the Commission will charge up to 3%. Overall, the negotiations were successful and the resulting contracts are simple. The appendices are specific to individual schools. The red line version is the comparison to the contract the schools currently have with ISBE. The clean version is the proposed contract with the Commission.
 - c. Executive Director Nowaczewski said that after the Commission approves the contracts, ISBE will vote on whether or not to accept them at its July 21 board meeting. Commissioner Swanstrom asked whether ISBE is bound to approve the contracts, given that the transfer is required by law. Jen Saba said that she will make clear that the ISBE Board is only approving the transfer, not the substance of the contracts. The approval of the transfer at the July 21 meeting will trigger a timeline for ISBE to approve the substance of the contracts.
 - d. Commissioner Barton asked whether schools are allowed to change the terms of the contract. What about enrollment? Counsel Scruggs explained that the revised contracts removed some of the conditional language on the enrollment cap for one of the schools. The original contract with ISBE stated that if enrollment increased beyond 360, the charter school had to renegotiate funding with the district. The parties agreed that this step is not necessary. However, the cap was and remains 432. Executive Director Nowaczewski explained that the calculation for financial impact on the district was done at 432.
 - e. Commissioner Barton asked about the charter schools receiving local property tax support and other funds from the districts. Executive Director Nowaczewski clarified that the Commission's two schools do not receive from the districts the portion of local property tax to which they are entitled. Instead, ISBE takes this amount out of the districts' general state aid and provides it to the charter schools. Chair Richmond pointed out that the original question was about enrollment, and the cap has not changed. Also, the contracts do not modify the current distribution and payment of funds to the charter schools. Maybe the next "Continuing Charter Education" session should be about school finance.
 - i. Commissioner Swanstrom said he would like to have a session on finance and per capita tuition. At the Prairie Crossing meeting, concerns about the current funding system and possible alternate methods of funding charter schools were presented.
 - ii. Executive Director Nowaczewski said that she would do her best to provide a retreat or meeting devoted to charter school finance.
 - iii. Commissioner Valdez agreed that a retreat on finances is desirable for the Commission.
 - f. Commissioner Jacoby left the meeting at 4:30 p.m. due to transportation needs.

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MOTION: Commissioner Guzman moved that the Commission approve the contracts transferring the ISBE-authorized charter schools to the Commission. The motion was seconded by Commissioner Farmer.

g. Chair Richmond asked for a roll call vote on the motion. The vote proceeded as follows:

- i. Valdez: Yes
- ii. Guzman: Yes
- iii. Swanstrom: Yes
- iv. Farmer: Yes
- v. Rudolph: Yes
- vi. Barton: Yes
- vii. Van Pelt Watkins: Yes
- viii. Richmond: Yes

h. **The Chair tallied the votes as 8 ayes and 0 nays. The motion was approved as presented.**

2. Item V B. Approve Revised Budget & Work Plan for FY13. Chair Richmond said that the budget approved at the April meeting assumed an appropriation of \$300,000, philanthropic contributions, and fees from schools. The state did not appropriate general revenue to the Commission. It turns out that the 3% fee will generate \$275,000, more than assumed. The Commission prepared a new budget because the April version no longer represented reality. The spreadsheet included in the agenda book shows a menu of income and expenditures. The Commission can approve as presented, or can discuss items they think are questionable, and approve as modified or amended.

- a. Commissioner Van Pelt Watkins asked about the spreadsheet on the page prior to the proposed spreadsheet. Executive Director Nowaczewski replied that this is the budget approved in April, included for comparison. It is followed by the proposed budget and a narrative explaining each income or expense item.
- b. Commissioner Barton questioned the balance transfer at year end FY12.

MOTION: Commissioner Swanstrom moved that the Commission approve the budget as presented, and Commissioner Barton seconded the Motion.

- c. Executive Director Nowaczewski wanted to point out that there is some question as to whether the Commission will receive the second \$100,000 donation. The earliest the Commission could submit a proposal to the Joyce Foundation is December 2012, and the earliest the donation would be received is 2013. The Joyce Foundation says its new leadership is willing to meet with the Commission, but charter schools are not the first priority. Executive Director Nowaczewski also reached out to the Polk Foundation and McDougal, but both indicated that the Commission's proposal would not be successful. The full \$100,000 does not have to come from one donor.

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- d. Commissioner Swanstrom asked whether the Commission would revisit its expenditures if donations are not received. Executive Director Nowaczewski said yes. For example, the earlier version of the budget allowed the Commission to hire two staff members in the summer and a third in the winter. The new, proposed budget allows the Commission to hire one administrative assistant in February or March and not the two other employees. Also, the budget estimates eight appeals per year at a cost of \$4000 per appeal. However, the Commission could receive fewer appeals and that expense would drop. Continuing retention of legal counsel is another expense, and it will be discussed in executive session. Finally, some expenses that can be cut include the projected expenses for developing communications strategy and best practices, such as a final district rubric. However, the importance of these items will be expressed when talking to potential donors.
 - e. Commissioner Farmer mentioned that 26% TRS seems like a lot. Jen Saba said that ISBE appears to have over-calculated and will return some funds to the Commission.
 - f. Commissioner Valdez pointed out that in April, the Commission expected the 3% fee to yield a smaller amount, costing the two schools an average of \$207 per student. However, now that the Commission expects the 3% fee to bring in more, the fee will cost Southland \$431 per student, and Prairie Crossing \$290 per student. Executive Director Nowaczewski said that Intern Edmiston's research showed that no other state thinks of administrative fees in terms of money per student. Also, the Commission-sponsored charter schools receive more money per student than other schools in the state. In conversations with the schools about the fee, the schools did not talk about the fee in per-student terms. They expressed hope that the fee would be reduced as the Commission sponsors more schools, but are positive about working with the Commission and willing to pay the fee. Chair Richmond said he does not want anyone to get the impression that the two schools did not have reservations about the 3% fee. The schools considered this to be a large amount of money. However, they did not discuss in per-student terms.
 - g. Chair Richmond asked for a roll call vote on the motion on the table to adopt the budget as proposed. The votes were as follows:
 - i. Valdez: Yes
 - ii. Farmer: No
 - iii. Guzman: Yes
 - iv. Swanstrom: Yes
 - v. Rudolph: Yes
 - vi. Barton: Yes
 - vii. Van Pelt Watkins: Yes
 - viii. Richmond: Yes
 - h. **The Chair tallied the vote as 7 ayes and 1 no. The motion was approved as presented.**
3. Items V C and V D. Approve Retention of Counsel; Approve Extension of IGA.

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MOTION: Commissioner Guzman moved to move to Executive Session. Commissioner Valdez seconded the Motion. Chair Richmond called for a voice vote. The motion passed unanimously, with eight Commissioners present and voting, including Commissioner Barton via internet video.

- a. Whereupon, all meeting attendees except the Commissioners, Counsel Scruggs, and Executive Director Nowaczewski left the public meeting room.

MOTION: Motion to resume open session; seconded. Chair Richmond called for a voice vote. The motion passed unanimously, with eight Commissioners present and voting, including Commissioner Barton via internet video.

- b. Commissioner Rudolph left the meeting due to transportation needs.

MOTION: Commissioner Valdez moved to approve retention of counsel. Commissioner Swanstrom seconded the motion.

- c. The Chair asked for a roll call vote. The vote was taken as follows:
 - i. Valdez: Yes
 - ii. Farmer: Yes
 - iii. Guzman: Yes
 - iv. Swanstrom: Yes
 - v. Barton: Abstain
 - vi. Van Pelt Watkins: Yes
 - vii. Richmond: Yes
- d. **The Chair tallied the votes, finding 6 ayes, 0 nos, and 1 abstain. The retention of counsel was approved as presented.**
- e. Commissioner Van Pelt Watkins left the meeting due to transportation needs.

MOTION: Motion to approve the extension of the IGA for the Executive Director; seconded.

- f. The Chair asked for a roll call vote. The vote was taken as follows:
 - i. Valdez: Yes
 - ii. Farmer: Yes
 - iii. Guzman: Yes
 - iv. Barton: Yes
 - v. Swanstrom: Yes
 - vi. Richmond: Yes
- g. **The Chair tallied the votes, finding 6 ayes and zero nos. The motion was approved as presented.**

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4. Item V E. Approve Proposed Policy re: Expenditure Authority.

MOTION: Motion to approve the proposed policy regarding expenditure authority; seconded. Chair Richmond called for a voice vote. The motion passed unanimously, with six Commissioners present and voting, including Commissioner Barton via internet video.

5. Item V F. Approve Withdrawal of Eunoia Appeal.

- a. Executive Director Nowaczewski explained that after the interview on May 25, 2012, Eunoia Charter School withdrew its appeal of District 299's denial of its charter application.

MOTION: Commissioner Swanstrom moved to approve the withdrawal of the Eunoia appeal. Commissioner Valdez seconded the motion. Chair Richmond called for a voice vote. The motion passed unanimously, with six Commissioners present and voting, including Commissioner Barton via internet video.

6. Item V G. Approve Locations and Schedule of Meetings for First Half of FY13.

MOTION: Commissioner Barton moved to approve the locations and schedule of meetings for the first half of FY13. Commissioner Swanstrom seconded the motion. Chair Richmond called for a voice vote. The motion passed unanimously, with six Commissioners present and voting, including Commissioner Barton via internet video.

- a. Executive Director Nowaczewski noted that the July meeting will be cancelled per the proposed schedule of meetings. The next meeting is August 13, 2012.

F. Agenda Item VII: Announcements

1. Jen Saba announced that on Wednesday, June 20, the ISBE Board will consider the status of the school boards for the North Chicago and East St. Louis school districts. On Thursday, June 21, the ISBE Board will vote on a recommendation to remove those boards and appoint two independent commissions to represent the two school districts.
2. Commissioner Barton said that there are many corporate headquarters in Chicago, and most of them contract with attorneys for legal work. Many of these attorneys are willing to do pro bono work, especially for charter schools. Perhaps some corporate attorneys can help the Commission with pro bono legal work.

G. Agenda Item VIII: Information Items

1. VIII A. Illinois Policy Institute Report. Commissioner Barton asked the Commission to read the report. It makes the case for more charter schools downstate.

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2. VIII B. Desktop Reviews. Chair Richmond asked the Commission to review the desktop reviews, which provide information about the performance of each of the two Commission-sponsored schools.

H. Agenda Item IX: Adjourn

1. Chair Richmond asked for a motion to adjourn, unless there was other business.

MOTION: Commissioner Swanstrom moved to adjourn; Commissioner Valdez seconded. The Chair called for a voice vote. The motion passed unanimously, with six Commissioners present and voting, including Commissioner Barton via internet video.

2. Chair Richmond adjourned the meeting at 5:51 p.m. Draft Dated June 27, 2012.