

STATE CHARTER SCHOOLS COMMISSION

MEETING MINUTES

June 30, 2021, 10:00 a.m.

SCSC Board Room

5th Floor, West Tower

Virtual Access: <https://global.gotomeeting.com/join/722377061>

Phone: +1 (646) 749-3122; Access Code: 722-377-061



Attendees: Commissioners: Buzz Brockway-Chairman; Tony Lowden; Jose Perez; Dr. Lina Millan and Mike Dudgeon. SCSC Staff: Lauren Holcomb – Executive Director; Morgan Felts – Chief Operations Officer; Kristen Easterbrook – Charter Development Manager; Kathy Schieber – Financial Analyst; Erin Wright – Associate General Counsel; Kiara Thompson – Program Coordinator; Erica Acha-Morfaw – Administrative and Communications Coordinator; and Elliot Race, Jae Yeon Jeong, and Claire Maloney – SCSC Graduate Interns.

I. Call to Order (Commissioner Tony Lowden)

- Commissioner Lowden called the meeting to order at 10:05 am.
- Commissioner Lowden completed a commissioner roll call. Chairman Buzz Brockway and Commissioner Lina Millan attended virtually. Commissioner Fitz Johnson and Vice Chairman Hunter Hill were absent. A quorum was formed.

II. Approval of SCSC Meeting Minutes (Commissioner Tony Lowden)

- Commissioner Lowden called for approval of the May 26, 2021 SCSC meeting minutes.
- **Commissioner Perez moved for approval of the minutes. Commissioner Dudgeon seconded the motion. The motion passed by unanimous vote. Commissioner Johnson and Vice Chairman Hill were not present.**

III. School COVID Update (Executive Director of SCSC)

- Executive Director Lauren Holcomb provided an update on the most recent public health guidance and reminded schools about the virtual waiver option. She highlighted that as the vaccine is rolling out, schools should all aim to be in-person. The deadline for the waiver is June 30th.

IV. Organizational Development (SCSC Charter Development Manager)

- Assessment Coordinator Training will be held virtually on July 26th from 9:00 am to 12:00 pm for coordinators at the school level.
- June 30th is the last day for school governing board members to complete their governance training hours for fiscal year 2021. The recorded training will be available on the website until July 1st. The governance training certifications applications will be sent out to all the schools later this week.
- Regarding the American Recovery Plan Resources, the State Charter Schools Foundation (SCSF) put together various resources for our schools to utilize federal recovery funds. Any schools that have questions how to leverage their ESSER funds for possible resources or

partnerships should contact the SCSF. Also, the Georgia Department of Education will be hosting open office hours on July 13th from 10:00 am to 11:00 am for schools that have questions about reporting requirements for ESSER funds.

V. Pre-Opening Schools (SCSC Charter Development Manager)

- The SCSC anticipated four new schools to open this fall but two schools have elected to defer their opening until Fall of 2022. The two remaining schools remain on track to open at their scheduled times.

VI. Petitions (SCSC Associate General Counsel)

- The SCSC has completed panel interviews of the five petitions that made it through to substantive review. SCSC expects to present the panels' recommendations to the board at the July meeting.

VII. Authorizer Standards (SCSC Director of Research & Evaluation)

- The SCSC jointly developed authorizer standards with the Georgia Department of Education.
- The SCSC aims to create quality authorizer standards to ensure that all authorizers are held to the best standards.
- Details regarding the authorizer standards were presented to the SCSC Commissioners.
- The SCSC hopes to finalize the standards in the summer and obtain approval from the board in the fall.
- Commissioner Lowden asked that since every school has different standards for locally approved charter schools, whether schools have been denied because they are using old templates. The Director of Research & Evaluation answered that denials do sometimes occur but the SCSC is more focused on content rather than technicalities of the template format.
- Executive Director Holcomb stressed that feedback from the schools regarding the authorizer standards are critical to their development. The deadline for written feedback is July 15th.

VIII. Accountability (SCSC Director of Research & Evaluation)

- Annually, the SCSC requires schools that did not meet the standards in any section of the CPF (academics, operations or finances) to present their plans for improvement to the SCSC Commissioners. Four schools presented their improvements in April and the four remaining schools presented their plans for improvements at this month's meeting.
- Ivy Preparatory Academy at Kirkwood presented regarding financial standards.
 - The school stated that it continues to fail regarding financial accountability because of its bond. The school is currently investing nearly 13% of its operating budget towards the bond's interest, which is holding the school back from investing in other resources. To counteract such issues, the school has contracted with a company to develop fundraising plans. The school is also the recipient of various grants that it hopes will help with the school's financial burdens.

- Commissioner Dudgeon asked how much principal is left on the school's bonds and how many years are left on the school's payments. The school noted that the bond is a 30-year bond and that it has paid \$2 million in interest, which has not reduced the principal.
- Commissioner Lowden and Executive Director Holcomb asked whether the school is pursuing another facility as it previously indicated. The school responded that it is looking but has not made any visits yet. The school noted it is hard to move facilities and not lose students. Executive Director Holcomb stated that she will connect the school with the GSCA facility resources center to assist the school in locating a new facility.
- Commissioner Lowden asked what percentage of the school's budget goes towards facility costs. The school stated 19% goes towards bond and facility costs. Commissioner Lowden asked the school to comment on its future plans. The school responded that it has solicited the help of a real estate broker who is actively looking for locations.
- International Academy of Smyrna presented regarding financial standards.
 - The school highlighted a list of steps it has taken to improve its finances, including improving fiscal policies, outsourcing bookkeeping, converting to a modified accrued basis, increasing unrestricted cash flow, and reaching an agreement with its bond holder that bond payments cannot exceed 15% of allocated revenue. The school stated that the bonds were its biggest challenge. Going forward, the school is actively looking for partners to share facility costs, considering selling the building and leasing it back, restructuring the bond, and seeking to increase enrollment to improve its debt situation. The school predicts enrolling 500 students in the next three years.
 - Commissioner Dudgeon asked about the size of the school's bond principal and whether the school possesses the right expertise to tackle the financial and legal side of its problems. The school answered that it has \$15 million left on the bond and that the school is only making interest payments with an annual pay of \$700,000 against the bond. The school is confident that it has the right people to resolve this issue.
 - Commissioner Lowden wanted to know the impact that this financial situation has had on the school's students. The school is confident that there were no negative impacts, and that the situation has had a positive impact due to the school actively engaging with its financial issues.
 - Commissioner Lowden asked about the school's recruitment process for its new school leader and her qualifications. The school highlighted that it went through a nationwide interview process with three finalists and found Dr. Peeler in the local district. Dr. Peeler was already coming up with plans for the school and has a solid background, which made the school confident in her capabilities.
 - Commissioner Dudgeon asked if the board has good representation. The school stated that a new board member is joining tomorrow who has financial expertise. The board acknowledged it still lacks legal expertise.
 - Executive Director Holcomb stated that she will connect the school with the GSCA facility resources center to assist the school in locating a new facility.
- Cirrus Charter Academy presented regarding operational and financial standards.

- In terms of operational compliance, the school has implemented effective leadership, a strategic plan of governance and an accreditation review with Cognia.
 - For academic performance, the school has hired a literacy coach with additional instructional resources and partnered with Grand Canyon University to improve the quality of its educators.
 - On the finance front, the school received \$464,000 from the federal government that was forgiven. The school also entered into a new bond agreement that reduced its monthly facility costs.
 - The school's personnel retention rate is nearing 79% and almost a 100% retention rate for students.
 - Commissioner Dudgeon asked how the extra money that the school received was spent. The school answered that the finances were used to raise teachers' salaries and improve the quality of the school's education program.
 - Commissioner Lowden asked the school's plan to get renewed in 2022. The school stated its teachers were trained to use virtual tools prior to March 2021. The school has also utilized Georgia Department of Education specialists and instructed teachers how to use scores so each student benefits. Finally, the school offered summer enrichment camp, will offer camps during other school breaks, and will offer before and after school activities.
 - Commissioner Lowden likes the area that the school is located in and states that the school is on the right track.
 - SCSC Director of Research & Evaluation asks what benchmark assessments the school uses. The school responded that it uses MAP and Fast ForWord. The school had about 2/3rds of students participate in Milestones this year.
 - Commissioner Lowden asked whether the school has received funds from Bibb County's E-SPLOST. The CFO will push to get an answer why the school has not received the funds.
- SAIL-School for Arts Infused Learning presented regarding financial standards.
 - The school began its presentation by highlighting the fact that its CPF score was previously around 15. However, after addressing faults, the school now has a score of 75 with 100 days' worth of cash on hand.
 - The school is currently working to refinance its debt.
 - Financial issues have not affected academics. Academic accomplishments were strong as students demonstrated decent growth even amidst the pandemic.
 - Commissioner Dudgeon inquired about the school's key strategies in improving its CPF score. The school answered that it started with a realistic budget and worked with committees that analyzed the school's financial situation regularly. The school also mentioned that it is working on an interest only loan.
 - Commissioner Lowden asked about the school's confidence in the capacity of its new board members. The school is very confident in the board members' ability because all members are involved in the community and have experience with local schools.

IX. Executive Session

- **Commissioner Dudgeon moved to enter Executive Session regarding staff performance evaluations. Commissioner Perez seconded the motion. The board approved to enter the**

Executive Session by unanimous vote. Commissioner Johnson and Vice Chairman Hill were not present to vote.

- The SCSC Commissioners moved from the board room to the SCSC conference room. Executive Director Lauren Holcomb and counsel from the Attorney General's office, Jennifer Colangelo, attended the Executive Session.
- No formal actions were taken at the end of the Executive Session.

X. Action Items (SCSC Chief Operations Officer)

- The FY22 SCSC operational budget was presented and a FY22 administrative withhold at 1.73% for operational schools and 0% for first year schools was recommended for approval.
 - **Commissioner Perez moved to approve the motion to set the FY22 administrative withhold at 1.73% for operational schools and 0% for first year schools. Commissioner Dudgeon seconded the motion. By a unanimous vote, the SCSC approved the motion to set the FY22 administrative withhold at 1.73% for operations schools and 0% for first year schools. Commissioner Johnson and Vice Chairman Hill were not present to vote.**
 - **Commissioner Perez moved to approve the motion to accept the staff recommendation to adopt the FY22 operational budget. Commissioner Dudgeon seconded the motion. By a unanimous vote, the SCSC approved the motion to accept the staff recommendation to adopt the FY22 operational budget. Commissioner Johnson and Vice Chairman Hill were not present to vote.**
- The SCSC staff also recommended approval of Ethos Classical Charter School's request to increase its enrollment limit.
 - **Commissioner Perez moved to approve Ethos Classical Charter School's request to increase its enrollment limit. Commissioner Dudgeon seconded the motion. By a unanimous vote, the SCSC approved the motion to approve Ethos Classical Charter School's request to increase its enrollment limit. Commissioner Johnson and Vice Chairman Hill were not present to vote.**

XI. Additional Items from Commissioners

XII. Public Comment

XIII. Adjourn

- Commissioner Lowden adjourned the meeting at 1:12 pm.