

New Hampshire  
State Board of Education  
Minutes of the October 27, 2020 Charter School Retreat  
Meeting held in a virtual format due to the COVID-19 State of Emergency

**AGENDA ITEM I. CALL TO ORDER**

The Charter School Retreat convened at 9:00 a.m. in a virtual format due to the COVID-19 state of emergency. Drew Cline presided as Chair.

Members present: Drew Cline, Chair, Helen Honorow, Ann Lane, Kate Cassady, Cindy Chagnon, Phil Nazzaro, and Sally Griffin. Also present were Tal Bayer, Head of Kreiva Academy; James Fricchione, Trustee from Windham Academy; Walter Cartwright, Board Chairman of Windham Academy, Matt Southerton, President of the New Hampshire Alliance for Public Charter Schools and from the Department, Caitlin Davis, Director, Division of Educator and Analytic Resources, Nate Greene, Administrator, Bureau of Educational Opportunities and Jane Waterhouse, Charter School Administrator.

**AGENDA ITEM II. PRESENTATIONS/REPORTS/UPDATES**

Tal Bayer and Jim Fricchione gave a joint presentation to describe challenges that startups face. Kreiva Academy and Windham Academy have both been in operation for three years.

Mr. Fricchione described that Windham Academy currently teaches kindergarten to fifth grade, but will grow up one grade per year to eighth grade. They enroll over 250 students from 18 districts. They have a staff of 35 and 12 classrooms. They are well thought of in the community. They are developing a 24,000 square foot facility. Windham has been very successful.

Mr. Bayer said that Kreiva serves grades sixth through twelve. They have 145 students enrolled, from 17 districts. The enrollment is about 20% higher than last year. There are wait lists in all high school grades. The middle school level has been challenging. Kreiva has 19 full-time staff members and two AmeriCorps volunteers. They are an urban-based school. Half of the students receive free and reduced lunch. 30% of the students have individual education plans (IEPs) or 504 plans. 80% of the students when asked why they considered Kreiva answered that it was due to struggles in their traditional school in academics or social/emotional issues. They have many lesbian, gay, bisexual, and transgender (LGBTQ) students and Kreiva provides a safe place for their education.

Jim Fricchione mentioned that Windham Academy believes that diversity of their board is essential, and members need to have good business skills in the startup phase. It has helped to have a treasurer with financial skills and a chairman who runs a business.

Mr. Bayer said that the startup board may differ from the subsequent boards. Kreiva's startup board had visionaries but struggled with running the school as a business because they didn't have the business acumen to understand cash flow. Business expertise is critical for success.

Tal Bayer mentioned that availability is an issue. Finding a quality, low-cost building in an ideal location is difficult. This sometimes forces charter schools to make less than ideal decisions regarding facilities. Board expertise is helpful in making good decisions. Kreiva is leasing their building. The annual cost of the lease would almost be enough to buy a facility in three years. It would help to have a board member that understood the lease negotiation process or someone with expertise to provide input.

Mr. Fricchione mentioned that he believes there is a regulation that if a school building or property of the school is being sold, that the resident charter school gets first right of purchase.

Mr. Bayer stated that Kreiva, Windham, and Capital City started under the U.S. Department of Education's Charter School Program State Educational Agencies (CPS) Grant, which was approximately \$669,000. Each school received \$223,000 to open. It was difficult to open with one-third of the grant. The grant has grown in three years to \$1.5 million due to the cost of opening a school.

Mr. Fricchione mentioned that because of the deficit in funding, schools can get into lease or loan structures that are not advantageous to the school and pull funding away from other needs.

Tal Bayer shared that Kreiva secured a second grant from the Barr Foundation which helped the school get started. Startups have a difficult time with funds starting in April. Kreiva has to delay payments to landlords and vendors in June and July, in order to keep employees paid, which is critical. Landlords and vendors have been accommodating when the situation is explained, but the deficit is being pushed down the road and it is difficult to catch up. The difficult period comes sooner each year. Kreiva tried to obtain a line of credit but this is difficult to do without a history. Sometimes a loan can be obtained.

Mr. Fricchione stated that at Windham academy, several of the trustees helped with lines of credit from their own homes, but not every charter school is able to do that. He suggested that perhaps the state could back a fund that charter schools can borrow from and pay back in September.

Mr. Bayer continued the presentation with a description of the struggle that goes on in his school through May, June, July, and August. They do catch back up as long as they continue to grow. COVID-19 has had an impact on recruiting in some schools. Kreiva projected hitting 155, but opened at 139 and are now at

148. They are in the process of renegotiating terms with the landlord but at the cost of space. Space impacts growth. Windham has been successful and so has Kreiva, though not without a struggle. Gate City had challenges. These struggles remove the school's focus on education in order to focus on funding. It also forces schools to operate with a barebones staff who can be forced to fill more than one role. This in turn causes struggles with retention. All of these issues impact academic performance, sustainability, and viability in the long term.

Mr. Fricchione summarized that because of all the issues that Tal Bayer mentioned, it takes the focus and revenue away from increasing staff, students, and resources. If there was a better structure, revenue, or distribution of funds in the beginning, funds would be saved in the long run and applied to the needs of the school.

Mr. Bayer discussed that the charter schools are still eligible for the CSP Grant, which would alleviate many of the issues they have had.

Jim Fricchione spoke about board composition, and believes that a diversity of skill sets is needed on all boards in education, but also in business, and should be required as part of the application process. He suggested it that some board members could mentor other charter schools.

Mr. Bayer shared some ideas about finances. Perhaps payments could be staged differently and released at different times, so that some funds could be used to retain or attract quality teachers and staff. Also, charter schools need access to financial capital to bridge the gaps they face in summer. Kreiva underreports their free and reduced lunches due to the fact that they don't actually provide the lunches and parents aren't required to notify them that their children are eligible.

Tal Bayer mentioned issues with the free and reduced lunch program, and said that title funding is based on the reported number which is lower than the actual number of students on the free and reduced lunch program.

Mr. Fricchione remarked that the Windham Academy pursued the district model but failed, and perhaps the model can be tweaked, so that more of the traditional schools would use that model. It's something he would like to discuss further at a later date. Mr. Bayer concluded the presentation with the hope that they had the audience was able to understand some of the challenges that startup charters deal with. Chairman Cline called for any questions.

A woman asked if Chairman Cline or one of the presenters would send everyone a copy of the presentation. Mr. Bayer replied that they would. Chairman Cline called for any further questions. Helen Honorow asked whether the Board would have a chance to discuss the presentation and perhaps take action. Chairman Cline replied affirmatively, and went on to thank Jim Fricchione and Tal Bayer for their informative presentation.

A woman asked whether the presenters had had any success in acquiring services for their special education students. Tal Bayer replied that every situation is different but that for Kreiva it did not work to have districts send resources, provide services, or bus the students. Kreiva provided the services themselves. Negotiations with sending districts are not always equitable. Whenever they add teachers, they lose 15% of their salary, so it costs more money for more special education students. The amount varies among charter schools, depending on how they negotiate.

Jim Fricchione gave an example. Windham hired a special education director from a local district, who explained that the districts want to spend less and give less, which causes difficulty getting proper funding to benefit the students. At times it requires the help of attorneys and the Department. This impacts the well-being of kids who need help.

Mr. Bayer replied that he showed the district their breakdown of students, where 90% came from that district but the district wanted to stick with the 85% number. It's difficult to assess which students from which district need the most services, but districts try to save money.

A female board member asked if Mr. Bayer had done research for any grants or had he written one in the three years that Kreiva has been open. Tal Bayer replied that he secured \$250,000 from the Barr Foundation. He also secured a \$500,000 grant from the Barr Foundation. So the school has received an additional \$250,000 per year for the last three years but the Barr grant will expire this year and the school will no longer receive those funds. They have also applied to local banks and community organizations, but have not been awarded those funds. It is a challenge to apply for grants, and requires having the time and resources to do it. Tal Bayer ends up running the school and writing grants.

Mr. Fricchione said that every charter school should be aware of New Hampshire Health and Education Facilities Authority (HEFA) loan program. They give low or no-interest short-term cash flow loans. The Windham Academy has used them. A female board member asked why they did not put any money away in a rainy day fund when they started up. Tal Bayer replied that the school opened with less than they needed but they still needed to staff and reach enrollment numbers. Also the board members were not aware of the timing of the payments the school would receive. There was no capacity to put away money.

The board member replied that they would have to cut back on staff and the director would have to work seven days a week. Tal Bayer replied that it is difficult to cut back on staff even more than has already been done. Mr. Fricchione mentioned that there is deficit spending from the beginning and that it takes years to get out of it.

Tal Bayer was concerned about the cost to educational success and the number of charter schools that might not make it due to funding restrictions. He felt that COVID-19 would cause an impact to charter schools statewide, depending on what happens during the winter. Many families have not returned and decided to homeschool.

### **AGENDA ITEM III. NH ALLIANCE FOR PUBLIC CHARTER SCHOOLS PRESENTATION**

The President of the New Hampshire Alliance for Public Charter Schools, Matt Southerton, introduced himself. He has worked with New Hampshire public charter schools since late 2004, as the community of public schools has grown from about 200-plus students to approximately 3,400 in the brick-and-mortar schools. He stated that the New Hampshire charter school community is not a traditional charter school community, and that each charter school is very independent, consistent with the New Hampshire way of doing things.

Matt Southerton gave a brief history of the New Hampshire charter schools, citing the number of improvements that the state legislature has made over the years, since the law was written in 1995. He discussed the pilot program, which consisted of a 10-year period where the State Board of Education could authorize up to 20 public charter schools. He said that subsequently, in 2011 the Board of Education that ability was made permanent via Senate Bill (SB) 82. He further stated that adequacy aid became an issue in 2006, and some charter schools closed, while money was directed through the local school district.

He recounted that the legislature took action, and after passing House Bill (HB) 75, state adequacy aid passed through the New Hampshire Department of Education. He continued on to say that in 2011, HB-505 made charter schools eligible for lease aid, and that most charter schools in New Hampshire lease their facilities. He stated that in the latest state budget all charter schools were allowed up to \$30,000 toward lease expense, or invest that money into teachers and programs.

Matt Southerton said that when the charter school law was passed, charter schools could not incur long-term debt, so if they had funding for a mortgage, they were prohibited from purchasing a building. He feels that the Holy Grail is to finance facilities and maintain cost control during operation. Leasing space causes charter schools to spend a lot more money overall. He continued on to say that special education concerns charter schools and the district, and that SB-330 laid out a process for districts and charter schools to follow for special education. HB-55 included charter school students in extracurricular activities that were offered to public schools and home schools.

Matt Southerton said he was told the Board would be looking at administrative rules and potential changes to the law. He identified some issues,

including that the law was originally written for a single authorizer. There were some logic errors that were fixed over the years in a hodge-podge manner. He included an example. He stated that there is confusing over the pre-opening timeline. He feels that the Board is probably looking for a way to have greater control over charter school applicants, in order to have more assurances of what will happen in the future.

Another issue that Mr. Southerton identified is a loss of historical memory. As people leave, will other issues crop up and people don't remember what has happened in the past? He believes a charter authorizer contract should be considered for newly authorized charter schools. Under current law, locally authorized charter schools are still required to have a contract with the authorizer, or the local district. In the past, state authorized charter schools were not required to have a contract. An authorizer contract, which is already in use in the U.S., would give mutual accountability. A pre-authorization checklist could be added for items required by law and any other items that the Board feels are beneficial.

Mr. Southerton believes there should be a framework that is mapped out in law to ensure complaints and due process are delivered efficiently. He gave some examples. He believes the law regarding the right of first refusal for unused public buildings should be changed so that charter schools can lease or purchase them. He mentioned that districts are concerned that charter schools might poach in-district students, so admission preference was in the original law, which applied to locally authorized charter schools. He believes that all charter schools are open enrollment. State charter schools have an easier approval process and receive more funding. Local charter schools receive more local support and teachers have more control. He believes the issue needs to be addressed soon and transportation to outside districts needs to be struck because charter schools cannot afford to bus students. Mr. Southerton also stated that selecting students based on aptitude is outdated and causes confusion, and recommends revision or removal.

Mr. Southerton made a recommendation to bring in an outside authority, who could review current law for best practices, work with stakeholders, and make recommendations. They could also authorize contracts and provide training. A female board member requested that Mr. Southerton mail his presentation to all the board members, and he replied that he would do so.

Another female board member asked Mr. Southerton if he was not suggesting that school districts shouldn't have to provide transportation for their own students. Matt Southerton replied in the negative, and apologized for being unclear and stated that the line in the law should simply be struck.

The female questioner mentioned that they encourage charter schools to help people outside the district on their own, and wanted to know if Mr. Southerton was suggesting that that be done away with. Mr. Southerton replied that Lionel

Tracy had suggested that, and it was recommended to every charter school and it is encouraged.

Chairman Cline thanked Mr. Southerton for his presentation and invited him to comment further on the rules. Mr. Southerton replied that he believes that all the policies should be passed prior to a charter school opening and would give the Board a mechanism of control. Chairman Cline remarked that it's a gray area because it's not spelled out in the rules that a checklist needs to be completed.

A female board member mentioned that a school often can't obtain a lease until they have a charter. Chairman Cline said that the way to address this would be to grant a charter but not allow the doors to open till the checklist is completed. There is generally a period of time where that could be completed because schools don't open their doors immediately.

Chairman Cline stated that Ms. Lane had asked a question of Matt Southerland in chat, as she was having difficulty with audio. The question was, "Is there ever any legal dispute over absolute admission preference?" Mr. Southerland replied that he is not aware of that, and that it might come into play if the enrollment was full and a student wanted the spot, but he doesn't think he has run into that problem, nor would he want to run into it. He wants charter schools to be high performing and believes that state authorized charter schools should be open enrollment because they received funds from the state.

Board members thanked Mr. Southerland. The Chairman called for a short break.

#### **AGENDA ITEM IV. DEPARTMENT STAFF CHARTER SCHOOL APPLICATION PROCESS PRESENTATION**

Nate remarked that Angela mailed four PDF documents to the Board members. He shared slides pertaining to charter school history. Nate remarked that Jane has more historical knowledge because she is the charter school representative for the Department.

Jane stated that there are 31 state-approved charter schools, 29 of which are open and running presently. Heartwood is not yet to open and received a one-year extension from the Board. She showed a map of charter schools in the state, divided up into regions.

Jane remarked that the pilot program allowed the State Board of Education to authorize up to 20 charter schools over a 10-year period. New Hampshire received a \$7.1 million federal grant to evaluate the formation of charter schools, and 14 were authorized between 2003 and 2007, two of which subsequently closed. The State Board or legislature enacted a moratorium on charter school start-ups, which is being looked into by Michelle Gauthier.

Jane went on to say that in 2010 New Hampshire received a \$10.8 million federal grant to establish high-quality public charter schools, which was used to open 19 schools, while 3 schools closed. Following that, 3 schools were approved, and 2 were opened.

Nate began with the first category of four, "Starting a Charter School." There has been internal discussion to identify challenges related to the implementation of the charter school program by the Department, not including issues and challenges related to special education. Nate displayed a 12-page document, showing all the statutes related to starting a charter school. The administrative, or the ED-318 rules are reflective of the initial rules proposal brought to the Board in August. Words in bold are additional content added by the Department.

Nate continued on to say that one issue that needs to be addressed is the vagueness within specific charters. Under RSA 194.b3, under the list of information that must be included within a charter, letter G is academic and other learnings and objectives. If a charter school has not met their goals and objectives from their charter and their accountability plan, they are not eligible to be renewed for a new term. Many of the objectives are fluffy and very difficult to measure. It's important to be able to measure the specific goals and objectives of charter schools, as it relates to their mission and vision, because charter schools are set up for different reasons and not all of their missions are the same. The objectives need to be measurable so it can be determined during their renewal period, whether the charter school has met their goal.

Nate said that Jane has gone through existing charters to find the sections that relate to their mission and vision. He used the example of ASB, which is a STEM focused program, and has measurable goals in their charter, unlike some other schools that have very vague goals. Charter schools are meant to be innovative and meet a specific need for students. They need to be able to show progress towards meeting their mission, and the missions need to be stated in concrete language.

Ms. Cassidy remarked that she remembers a woman from the Department of Education, who sat down at a Board meeting with questions about measuring the mission, goals, and successes of the school. She did this the first year and then every three years after, and also during the renewal process.

Nate explained that they continue to do that, as part of the renewal process. It is left up to each charter school during their annual report. But during each process, the schools are not pulling goals and objectives from their charter, but rather what they came up with that year for the school. Yearly goals and objectives change, but the original goals from the charter remain the same.

Ms. Chagnon commented that schools that deal with at-risk children can't bring the students up to academic standards levels on the state testing. She wondered what measures schools can do that make goals more realistic.

Nate replied that each individual charter school currently is able to decide what metrics should be within their charter. They must create an accountability plan which should be used as part of reviewing the annual report and renewal process to determine whether the school is meeting their mission and vision.

Mr. Nazzaro wanted to reinforce that he believes the idea of having goals is fantastic. He thinks providing some oversight to charter schools help them transition into achievable and measurable goals would be a huge step forward in order to hold them accountable for their charter.

Nate mentioned that Jane has worked with schools, and asked them how they're doing at meeting their mission, but the schools aren't sure how to measure that. Sometimes they need help with identifying measurable goals and then tracking progress.

A female shared that there was a school in the southern part of the state that admitted their math scores were not very good and they have trouble with the math program, but that did not tie to any goal. She believes that no matter what a charter school is trying to address, there should still be measurable goals, and wanted to know if this issue would be further addressed in the accountability piece.

This was affirmed by Nate, but he said there are two pieces to that. Every charter school must participate in the state assessment system and academic performance on state assessments is a big part of the accountability system. However, charter schools were set up to address specific needs, so it's also important to see whether they are following the mission they were created for. If a school doesn't have measureable goals, it's only possible to look at the academic information, so other pieces could be missing. The female speaker believed that it is important for charter schools to look at each individual student, to determine whether they are each making progress.

Nate continued the discussion by saying that a problem could arise if there are more public school authorized charter schools, since the original statutes were written with the intent that charter schools were going to be authorized by local school districts. And the State Board authorization process came in as a secondary piece to the statutes, which came about because there were no public school districts authorizing charter schools, so a second avenue was needed to get charter schools authorized in the state.

Nate discussed the relationship between the charter schools and local school Boards. It's difficult to apply the same standards to charter schools that are authorized by the State Board. He believes it might be a good idea to sit down

with the full RSA-194b to look at the statutes referring to the relationship between a charter school and a public school district, and make sure that the statutes don't only apply to certain charter schools. The process for a local public school district to start a charter school is more extensive than that for a State Board authorized charter school, which definitely deters people from wanting to create a charter school that will be authorized by the local public school district.

Nate said that they have had many conversations with superintendents about the charter school grant, and whether the funds would be able to support superintendents or local school districts who might want to start a charter school. He believes that in the present environment some districts might look at running some instructional models through a charter school like process. However, one of the largest barriers within the statute to doing that is the extensive process and the timeline. So if the Department or Board wanted to change and streamline the process, it would have to be done through changes to legislation. It takes over a year, from start to finish, once the approval process has begun. The State Board process tends to be faster and easier.

Nate was not advocating for either process, but was simply pointing out the differences between them. A female Board member asked Nate to clarify that the only way to streamline the process is a legislative action. Nate replied yes, and scrolled down to 3b of the application process, which describes specific dates within the statute, which must be changed by the legislature because they are in the law. He read section B, which says, for the local process, "Proposed applications and contracts to establish a charter public school shall be presented by July 1 of the year preceding intended operation." July 1st is when they must have their application in to the school Board of the local district.

Nate said that in section C, it says, "By September 15th of the given year, the school Board will complete its review of the proposed application." The school Board can suggest amendments and additions. The third date is December 31st, which is the deadline for the State Board to review the application. The contract is then developed between the Board of trustees for the charter school applicant and the local school Board. It becomes part of a warrant article that then goes to the town meeting in March. The specific language of the warrant article is also in the statute. In E, the State Board has the responsibility to submit two copies of the approved contract to the clerk of the school district, and then the specific language goes onto a warrant article, and then the town votes on it.

Nate continued on to say that any local applicant is bound by the specific dates, which are in there because of the later requirement that the charter school contract be a warrant article at the town meeting, which is generally in March. If the warrant article is approved, the charter is approved, and the school is able to start operations the fall of the following school year.

Nate discussed that the State Board process is much simpler and doesn't

have the same date requirements or multiple governing bodies overseeing the process. Ms. Griffin wondered why there are two different processes. Nate said part of the reason is funding. A local Board authorized charter school receives funding through the local district, and the state authorized schools receive their funding through state adequacy payments from the state. A charter school that applies to a local school Board needs to have a separate contract negotiated with that Board. The contract requirement doesn't exist with the State Board.

Ms. Griffin cited some issues with charter schools and renewals, asking for a breakdown of locally authorized and state authorized schools. Nate believes there is only one locally authorized charter school. All the other charter schools are State Board authorized. Several people agreed. Ms. Griffin asked if the Pace Charter School is under State Board jurisdiction. A woman stated that she believes they did a presentation Sunday. Several people agreed. Ms. Griffin wondered whether a locally authorized school needs renewals from the State Board.

Nate replied that that is unclear and that the statute needs more clarity between the two types of charter schools. Should the process be universal or should they be accountable only to their local school district? The statute on renewal is very short, stating that a charter school can renew its charter in the same manner in which it was formed.

Ms. Griffin discussed that it must be easier to do with the state because Next in Derry is for Derry students and they operate in the middle school in Derry, but they chose to go the state route. Mr. Nazzaro said that Pace was initially state approved, and the following year they were locally approved. And they came to the state for renewal. A woman stated that they have both. A woman asked for an explanation of the funding difference between the State Board and the locally authorized.

Caitlin explained the funding difference as being who is fiscally responsible for paying for the charter. If a student comes from a different district, the state provides funding for that student, in accordance with RSA-194b, which in the current year is \$7,188 per student. If Pace were enrolling a Pembroke child, Pembroke is responsible for paying 80% of the average cost per pupil. Pembroke also is allowed to include that student in their enrollment numbers, and would receive \$3,709 per student.

A man replied to Sally's question, stating that when the original charter school law was passed, only local districts were allowed to authorize charters. The legislature subsequently passed another law to allow the State Board of Ed to authorize them. There may have been reluctance from local Boards because they have to fund the charter schools, but the local district is not responsible to fund a state created charter school. The fiscal committee won't approve the startup grant money, so charter schools can apply but don't receive federal charter school

startup money until the money is released.

Nate pointed out that there are places that a school can deviate away from the public school process. The local school Board can deny the charter applicant, but the State Board can review and approve it. At that point it becomes a State Board process. Chairman Cline stated that any school Board can vote to convert a school to a charter school, although it hasn't happened because the teachers in the school also have to vote in favor of it.

A woman remarked that if a local school Board denies an application, there will be a difficult relationship with the charter school later on if it's approved by the state. Chairman Cline replied that maybe the local district doesn't have the budget to fund the charter school. Adversarial relationships have improved a lot in the last decade. Sometimes administrators are happy to have a charter school in the area.

A woman wanted to point out that Pembroke received a large grant to start Pace. A number of districts have asked if there is funding to start a charter school, which I've been told there isn't. Caitlin believes a lot of people are confused as to what resources are available from the state. The state only provides adequacy and there are no other resources at the DOE.

Chairman Cline said that if a charter school applied for a different grant or found a wealthy backer could start up without federal startup funds, but that is rare and the startup money is what all of them rely on to get going in New Hampshire.

Ms. Chagnon stated that having been on a local Board, she has experienced the whole process. She remembers that when charters were first brought up, they were looked at as extreme competition, and that they were saying that public schools were not adequate. Much of this was due to a fear of the unknown. Currently people hopefully look at them as wonderful supplements and alternatives. Now charters have proven their value and she believes the idea is evolving. She talked to many people last year when the federal was turned down about how wonderful it would be if they could do more like Pace, and do more for the kids that are not doing well in the public schools, and how good it would be for the schools to have seed schools with labs. People who were opposed to charters were willing to listen. She hopes they keep evolving like that.

A woman remarked that she doesn't understand why the money was shut down and she believes there is a big gap. The Chairman mentioned that he doesn't want to be distracted by other issues, but thinks it's a shame and believes it can complement what is offered in the district. Grant money could be used to start district schools.

A woman commented that Bedford turned down an application, and she believes it was because of the fear of what funding looks like. Federal money has been turned down three times that would have had a positive impact on public

school districts.

Nate said that because the statute has two different approval processes, it causes confusion. A separate statute requires a charter school representative to attend local school Board meetings to present on the budget and progress, and applies to all charter schools. Nate believes legislation should be examined and cleaned up.

A woman remarked that there is already a template for that from charter schools that have been successful.

Chairman Cline asked if there were any more questions, and then there was a lunch break.

#### **AGENDA ITEM V. DEPARTMENT STAFF CHARTER SCHOOL REPORTING (ACCOUNTABILITY) PRESENTATION**

Nate began the presentation by describing four things that charter schools are required to do under statute. The first one is the annual report, which is submitted to the State Board. The State Board received the annual reports from all the charter schools this past month. The new template and outline were used for the first time this year, and in the future the Board would like to convert the template into a digital format so that information can be accepted through electronic systems. Also the Department would be able to pull information to add in.

Every charter school must have their first year program audited by the Department, and every three years afterwards they must receive a program audit. The Board is not currently doing three-year program audits.

Charter schools are also required to submit financial reports as part of their annual report. The statute, in 194 B-10, says, "Each chartered public school shall provide one copy of its annual report to the State Board. This report shall also be available to any person who expressly requests it." Nate believes it makes sense for state-authorized charter schools to submit to the State Board. The substance of the report is stated in the rules, not in the statute.

Another statute addresses the financial reporting, "A chartered public school shall provide, at its own expense, an annual financial audit and report to the State Board and the school Board, complying with any current format and content requirements imposed upon a public school. The report shall include the number of pupils served by the school, and their respective tuition rates, and a discussion of progress made towards the achievement of the school's academic and other goals, set forth in its charter."

There is a discussion required in the report of progress made towards the

achievement of the school's academic and other goals. Nate believes it makes more sense to include that information as part of an accountability report or annual report. He thinks it progress toward goals are best separated from financial audits. Nate said that the annual report from the schools already discusses the progress the school is making. The Department believes the language could be cleaned up, so that academic progress is kept separate from a financial audit report.

Number three is about program audits. A chartered public school is subject to a first-year program audit, and then once every three years thereafter. The program audit is not mentioned in the rules. Nate believes this needs to be defined, as to what is the process by which the department should go about doing a first-year program audit and a three-year program audit? It is required, but the rules don't spell out what it is, how to do it, timelines or deadlines, or what we're looking at, specifically.

Nate complimented Jane on creating a process for the first-year program audit, which was an internally created process. He thinks it should be expanded upon in the rules, so the Department can fall back on it, if a charter school asks why the information is requested.

A woman asked Nate if it is mentioned in the renewal process. Nate said he believes it is never mentioned again. The woman asked if it is required during the renewal process. Nate answered that no, the report appears to him like an audit of whether the charter school is following their charter and the law. The annual report and accountability report are more about the progress the charter school is making toward its mission. Nate does not want the statute to be vague, and believes that administrative rules can provide the clarity that is needed.

The woman asked whether a contract would only exist if approved by the local district. Nate replied in the affirmative. Nate described a couple more reporting requirements, that annual and periodic reports be provided to the parent or guardian of each pupil. Charter schools are asked to make this information on their websites. Also, a representative of the chartered public school shall attend and be prepared to report at and answer questions during relevant portions of the annual school district budget process. Nate believes that this does not apply to state-authorized charter schools, since they are not usually involved in the local school budget process.

A woman remarked when the local district approves their special education funding, it would apply. Nate thought that perhaps what a charter be involved in, regarding the local budget process ought to be clarified a little more. He continued on to describe 194-B3, the requirement for the accountability plan, which is part of the application process. They must have an outline of the proposed accountability plan, which clarifies expectations for evaluating the school's program, which must be ready to implement prior to opening day. Nate believes the rules could be expanded on to provide more definition and clarity as to what a good accountability

plan should look like and where it should go.

A woman asked Nate whether anyone submits an accountability plan. Nate replied that the Board doesn't have the statutory authority to require one. He believes a date should be set to submit a plan, so the Board could help the schools develop a robust plan. He also thinks a template would be useful, but there is no requirement that a school use the template. It might be helpful to list in the rules some items that should be in an accountability plan. He believes schools may not want to use a template if the Board was to produce one.

Ms. Chagnon mentioned that former superintendents previously made a template. Ms. Honorow said that it was called a dashBoard. The woman asked if it was still available. Caitlin replied that the dashBoard was never completed. Not all metrics were included in it and it was not a feasible tool. Another woman asked whether the school that had completed an accountability plan might be able to provide a template. Nate replied that there isn't a requirement for locally authorized charter schools to submit items.

A woman asked if the three-year audits and accountability plan are not being requested from schools. Nate replied that Jane has started implementing the first-year program audit. Prior to that, there was not enough staff to fulfill the requirements. The three-year audit hasn't been done due to lack of resources. Also, the three-year audit is not defined by the statute. The Board does request an annual report and audit of financials. There needs to be clarity on the type of program audit that is required.

Chairman Cline commented that a template for the program audit and accountability report would be good developments. He wants to consult with Chris on the way the statute is worded for a legal opinion on whether the Board can create the template. He would like to work on an outline for a template in the meantime.

Nate said he would appreciate more clarity in the law as to what type of accountability is required. Chairman Cline doesn't think the accountability plan is useful only if it can be followed up on. Ms. Cassady mentioned that when she created an accountability plan and then created and audited it annually. She believes that should be done in every charter school. She believes that is good business management.

Chairman Cline thought that perhaps the accountability plan should be for the trustees within the charter school. Ms. Cassady believed it should be coming with their application or five-year review, and they should audit their operations manager. Chairman Cline thought that an attorney should be consulted. Ms. Cassady would like to have charter schools do a presentation to the State Board to show their progress at two and a half years. Ms. Chagnon asked if this was already what was being requested, and whether further detail is needed.

Nate went on to 194-B16 on renewal, “By the end of its final contract year, the chartered public school shall meet or exceed the objective academic test results or standards and goals, as set forth in its application. If the school does not meet these results, or standards and goals, it shall not be eligible for renewal of its charter.” The statute creates a process by which a charter school may not be eligible for renewal. The statute isn’t clear on the process as to how anyone can know that the standards and goals have not been met. Nate explained that there should be some kind of reporting mechanism.

Nate displayed a slide, illustrating the four pieces of reporting that exist in statute, the annual report, the first-year and three-year program audit, financial reports, and accountability plan. He wondered which items should be used to determine charter school renewals, to be fair.

Chairman Cline mentioned that the schools fill out a renewal application and submit a packet. Jane adds test scores, and the budget is reviewed. The schools show that they’ve met the terms of their charter. Ms. Honorow wasn’t sure that had even been done because when the dashBoard existed, 194 B16-6 was ignored and there would be a recommendation from the people doing the review, even when there were academic goals. When a school was struggling, the Board wasn’t aware of it until the end. She believes the Board should be more involved in reviews.

Chairman Cline believed there isn’t enough clarity on accountability, and that there should be a mechanism that allows the Board to hold charter schools accountable, and that there should be due process rights for any consequences. His point was that he doesn’t understand what the legislative intent was, or what the consequences should be. The Board needs to go back to the legislature and say, “This has to be clarified.” He doesn’t want to hold schools accountable and then have a determination that the Board has no legal authority to do that.

Ms. Chagnon would like accountability to the State Board because many organizations are very small. She believes accountability is needed beyond the Board of trustees. She went on to ask if the Board was going to ask the legislature to change the statute.

Chairman Cline replied that the Board is flagging this process as something to send to the legislature for clarity. Ms. Chagnon commented that the changes should be not only for clarity but also to make it more relevant. Nate said that at the end when the schools realize they need to report out, they try to fit the results into a goal. The Chairman did not want to have a system where schools could write their reports after the fact. Schools need to be held to the terms of their charter.

A woman pointed out that schools should have a strong business manager.

They should not be backtracking. Another woman wanted to ask whether the Joint Legislative Committee for Academic Rules (JLCAR) gives advisory opinions. Chairman Cline didn't think so. The woman wondered if the Board could find out whether they could do something within the statute as it is. Chairman Cline decided to ask an attorney. Ms. Chagnon thought that when Jane or anyone is working with a charter, they should not write in goals that are too difficult to achieve.

Nate said that sometimes new charter schools write goals that are too nebulous and cannot be measured. The bar needs to not be set too high but also needs to be measurable. Chairman Cline has had experiences with charter schools that have set lofty goals and set them up for problems in five years. If schools focus more on academic growth, that's a more manageable and realistic goal that would not set up schools for as much failure.

A woman said that would be in alignment with public schools, which have to meet adequate yearly progress in five years' time, if they are accepting federal money. Chairman Cline replied that that was under No Child Left Behind, which is no longer in effect. Nate said the system in place is very similar but different language is used. The bottom 5% of schools are identified as CSI, TSI, and ATS schools, of which CSI are the lowest performing. That is separate from charter school accountability, but a charter school can still be identified as a CSI school under the state assessment requirements, and there are a number of charter schools that have been identified in the bottom 5%. The consequences are that CSI schools receive a grant that must be used to transform within the school, in an effort to raise test scores.

A woman asked whether the consequences if they are in the bottom 5% are the same whether they are a public or charter school. Nate replied affirmatively. The woman wanted to know whether those schools would be closed. Nate replied that no, they would not be closed. The woman wanted to know whether the Board could close a charter school that fails to meet its accountability.

Chairman Cline replied that yes, if they state in their charter that they would meet the goals and they don't meet the goals, they can be non-renewed or shut down. This differs from not meeting the state's determination of adequate yearly progress. He stated that Amanda had posted in chat that JLCAR does not give legal advice to agencies.

Nate went on to say that in the administrative rule spells out what needs to be in the annual report, which is one of the four items. The annual report that was sent to the Board members last month was based on the requirements that are spelled out in the rule itself. It was easy to create the template from the defined information. It is helpful to have the information spelled out in a rule so that something consistent can be built.

Chairman Cline mentioned the renewal applications, and how burdensome

they are. They fill out the annual report, which consumes administrative time. They also must fill out the audit and the three-year progress report. An accountability system should align with the other items that are required, even if it means changing some requirements. It would be a good idea to tie the reports together to be sure they are all measuring things that would trigger red flags. It would give the Board consistency in monitoring without placing undue burdens on the schools.

Nate mentioned that the renewal process consumes much of Jane's time. He stated that accountability and renewal are related. The current rule states that the first renewal the application shall consist of the school's fourth-year annual report, with a cover letter. If the annual report is robust enough, then that is the renewal, because there will be four years of annual reports from the school with all of the pertinent information. Many of the other parts may be needed, but it may be able to be integrated into the annual report.

Chairman Cline thought that blending the application requirements with the annual report requirements is a good idea, to reduce the paperwork burden. Some administrators have mentioned they spent months doing the renewal reports, and that should not be the case. Ms. Lane asked Nate about the previous slide under accountability where it listed bullying and restraints. It was not included in the last report, and she wanted to know if there was a separate report on those items, and whether charter schools were included in that.

Nate replied that charter schools have to do the same reporting at the same time as the traditional public schools. If a school already submitted the information in another format, they don't need to resubmit it. Ms. Lane said that would be valuable information if they are struggling in other areas and also have many incidents. Nate agreed.

Nate stated that if the Board wanted to make the report more robust, it should look at what additional elements the Board would want to see in the annual report to evaluate how a charter school is doing. At the present time these items in the renewal process and also as part of the accountability plans.

Chairman Cline wanted to know if anyone else had any thoughts or ideas to contribute. Ms. Chagnon remembers that the dashBoard was an attempt to have things being inputted constantly by the school, to make it easier for charter schools to update, so it would not be overwhelming at the end of the year.

A woman mentioned that on the annual report there should be a place to indicate quarterly how a school is doing with funding, for the sake of transparency. If they are struggling as much as the gentleman from Kreiva indicated, that is not serving kids. It would be better to know about it sooner than later.

Chairman Cline mentioned brainstorming and talking to staff, and perhaps

some other charter school folks about how to keep an eye on funding and finances. Perhaps the Board or other experienced people could do a seminar or training. What has been done at Windham Academy financially is maybe unique in the state. They are well financed and they really know how to do that aspect of a school. The Chairman suggested that maybe they could help the staff, and get a couple of other charter school people together, and devise a coaching system, or a webinar, about how to think about fundraising. Here is how to approach it, so we have some sort of educational component at the beginning. The Board would have the ability to check in with them and hold them accountable. If there is a red flag on finances, some intervention could be given, in a constructive, helpful way.

A woman asked if there is anyone in the Department that wears that kind of hat, maybe someone that serves another function. The Chairman believed that the experts could be brought from outside the department. The woman said that someone from the Department could learn from Windham in a mentorship capacity, and then be a resource within the Department.

Caitlin explained that one of her many hats is overseeing the Office of School Finance. The one employee in that office does not have the capacity to do the things that are in the regular job description in addition to this type of work. She would love to be able to do that work. She believes a mentorship program would be phenomenal, and that one employee is not enough to do the work. Maybe the Board could ask the legislature for additional support at the Department of Education, through a contract or an additional employee.

Ms. Honorow mentioned that part of the requirements of reviewing a charter school is having taken what you have learned and gone out on the road? It is stated somewhere in the statute that that is an expectation of charter schools. She wondered if the Board could partner with Matt and his organization, to come up with 12 topics for the year and have one topic per month at the building or on Zoom to address fundraising and the spreading out of payments.

Caitlin said that Jane does a monthly call for charter schools and goes over various topics that she believes charter schools can benefit from. Also there is a charter school conference in August with external speakers. This year some spoke on financial reporting.

Helen mentioned that some schools have people with skills that might help other schools, such as finance, and perhaps they could share that on a Zoom call. Caitlin replied that many of the schools that need help have not attended calls. Mr. Nazzaro said that when the state is there, the schools don't feel they are able to speak as freely as when they are able to reach out to a peer.

Chairman Cline said he's thinking about a multiple level approach due to financial constraints. There are a vast number of resources out there from people who run charter schools. The Department could facilitate a list of things that new

charter school applicants need to be educated on. He thinks having best practices toolkits available for new charter schools is a good idea, so there is less of a burden on the Department. Ms. Chagnon said she thought Matt Southerland may want to help.

A woman mentioned that associations provide support for the traditional districts. The associations cost money but provide a variety of support. She gave some examples of people who have benefitted from associations. The Chairman thinks that Matt's organization covers several important areas in one group. A lot of help is available, but toolkits would help people right away.

Nate had a list of many things they would like to do for the charter schools, including items in the current discussion, but there is a capacity and resource problem right now. Oftentimes there is a fee attached to working with outside groups, so having a grant would add to capacity to be able to do that type of work. Nate thinks that if a charter school is years behind in giving financial reporting, there should be a mechanism that can be used to strongly encourage charter schools to turn them in. Charter schools oftentimes struggle with financial management. It is difficult to provide oversight without being able to view their financial documents.

Chairman Cline asked if Nate believes the Board needs to go to the legislature regarding that area or whether they can use a rule for it. Nate thinks there are multiple ways to address it but that the issue needs to be pointed out. Many charter schools are multiple years behind in reporting but there is no mechanism to compel them to turn the documents in on time. Ms. Chagnon asked what would happen to a public school that did not turn in the documents, and that there should be equality between regular public and charter schools and consequences for either not turning in documents. The Chairman mentioned that consequences are more serious if federal money is involved.

A woman asked the Chairman if schools were fined. Chairman Cline replied that he cannot recall. Nate mentioned that for public schools there is social pressure to report because without the information, the local tax rates cannot be set. Nate said that some charter schools are two years behind. He will get together with Jane and they will provide a report to the Board on everything that is outstanding for charter schools. Chairman Cline said if there are no financial reports, the Board cannot see if the school is healthy. Nate replied that public funding requires transparency.

#### **AGENDA ITEM VI. DEPARTMENT STAFF CHARTER SCHOOL RENEWAL PROCESS PRESENTATION**

Nate began the presentation by saying that he and Jane have been working to simplify the renewal process because it has been a large burden on charter schools and it is a lengthy process. Most of this burden comes from

administrative rule and not statute. The statute is one single paragraph, 194 B-3 which says a school's charter may be renewed in the same manner that a new public charter school is formed, except that the renewal term shall be for a period of five years. There is no discussion of the process. The renewal process is lengthy and extensive as described in the rules.

There is a full application with a lot of questions on it. The Board staff does a site visit, and interviews teachers, Board members, students, parents, and community members. The charter school invites public comment for anyone that lives within the catchment area. Because it is within administrative rules, if the staff would like to change the process, it is easier to do. It would be nice to shrink the process.

The next item in Nate's presentation was renewal, simplifying the process while keeping schools accountable and doing it on an ongoing basis, as part of a process that will build up to renewal, rather than something that needs to be done all at once.

A woman commented that, yes, it is a very long process. Nate said that any information the Board wished to collect from charter schools became part of the renewal process. Chairman Cline believes the process should be rolled back so that administrator don't need to spend months working on the renewal application. Ms. Honorow wondered if they could have some longitudinal examination, since most charters change over the years, to see what the school looks like over the five-year period. Chairman Cline agreed with that idea.

Nate ended his presentation by recommending that a work study be done to create a better process. Chairman Cline asked if anyone wanted to add anything about renewal.

## **AGENDA ITEM VII. DEPARTMENT STAFF CHARTER SCHOOL REVOCATION PRESENTATION**

Nate began this presentation, remarking that revocation is a hot topic, in terms of process and procedure. With charter revocation, unlike renewal, there is much in the statute and not as much in the rules, and it is lacking in the process and procedure pieces. The State Board can receive written requests from parents to revoke a charter school. A charter can be revoked for multiple reasons. The State Board retains the authority to immediately revoke a charter, where students might be harmed. Nate believes some specific definitions are needed from legal counsel as to what conditions in a charter school rise to the level of meeting these cases, so that the State Board would start the process of identifying a school that may be in danger, and beginning the remedial plan, and moving towards revocation.

Nate displayed highlighted reasons for revocation within the statute. A

charter can be revoked if the school commits a material violation of any conditions, standards, or procedures set forth in its charter application and contract; the school fails to meet generally accepted standards for fiscal management; the school significantly violates the law; or the school makes a material misrepresentation in its application or contract application. Nothing contained in that section shall prevent the State Board from immediately revoking a school's charter in circumstances posing extraordinary risk of harm to pupils.

Nate believes that further definition may be needed as to terminology. For example, he asked, what would come under the category of extraordinary risk of harm to pupils? How can the example of the school failing to meet generally accepted standards for fiscal management be identified? What is the process and procedure for examining a charter school? The rules need to be expanded on because the rules simply refer back to the statute and there is not much of a process described.

Ms. Honorow mentioned that one of the problems is when the Board has decided that a charter school may be on their way but a remediation plan will be done first, and she wanted to know what that plan should entail. Nate replied that there is nothing in the statute or rules that spells that out. In the particular RSA, the State Board may place a chartered public school on probationary status for up to one year, specific to implementing a remedial plan which can then lead to the revocation of a charter. It is not separate from the revocation process. The State Board wants to be able to place schools on probation but not directly tie it to loss of the charter, but right now it's only tied to the revocation of a charter.

Chairman Cline commented on the generally accepted standards for fiscal management portion. He said that generally accepted accounting principles are not mentioned. Generally accepted standards for fiscal management is pretty vague, but "generally accepted," is something to anchor it onto, such as practices with money that you would not generally accept as a good standard for a nonprofit. The Chairman feels that if the rule is too specific, it allows areas where someone does not meet the specific item but might do something damaging.

Ms. Honorow mentioned one school that the Board came up with a remediation plan for, had violations relating to complaints from parents that things were being done in secret, and that the organizational structure of the school had changed but wasn't clear. She asked if everything falls under 2-A. Nate replied that C states, "If the school significantly violates the law." Ms. Honorow was more concerned about where there are a number of complaints arising, relating to the organizational structure, as set forth in their application and she wondered how that is defined in the statute. Finances and breaking the law are easy to define, as well as insolvency. Should there be more instances where the Board can implement a remediation plan?

Chairman Cline replied that it is a gray area where the law doesn't cover

every possibility. However, in A, “If the school commits a material violation of any of the standards in its charter application and contract.” The charter should be treated as a legally binding, signed contract. He believes that needs to be addressed so that contracts are being signed either in addition to or as part of the charter. The legislature anticipated that the accountability measures would be incorporated into the charter, and perhaps the Board has not been doing that.

The Chairman believes that part of the charter template should be some legal provisions that say you will abide by best practices for financing. You will do X, Y and Z for management. Changes to structure or management will follow these processes. Some of these triggers can be incorporated into every charter, without writing a whole separate list of rules, and that can serve as accountability metrics. That method may not be the best way but it would cover everybody. If they don't live up to the terms of the charter, the Board can revoke it.

Ms. Chagnon wanted to be sure that the Board doesn't make a problem in one school control what happens in another school. Sometimes schools plan to do things that end up being impractical, and she is concerned that schools might be locked into their original plans. Chairman Cline agreed that they should not be locked in but it would be beneficial to have a list of best practices that are broadly written. He thought that perhaps certain provisions should be put into every charter that would be accountability triggers. Ms. Chagnon replied that it is difficult to make broad statements for every charter school.

Nate suggested that perhaps the financial reporting piece could be made a bit tougher. If a school has not done an audited financial report in two or three years, it could be argued that is not meeting generally accepted standards for fiscal management. Chairman Cline replied that is also violating the law. Nate replied that maybe specific definitions are not needed but processes or checks on schools might be. The Chairman liked the idea of rolling the accountability measures into the annual reports. Any red flags will be visible if the reporting is honest and will be looked into. He asked if anyone else had other thoughts on writing rules.

A woman suggested a solution that every day the financials are late, the schools should be fined \$1,000. She mentioned that on the application there are due dates, mention of things being signed, and she wondered if anything can be put into the application. Chairman Cline, in responding to Ms. Honorow's point mentioned that there are problems dealing with gray areas that aren't spelled out in a rule. He felt that part of the problem is that the Board's oversight was not spelled out, but some of the things that parents flagged as problems weren't part of the provisions. He believes that a process needs to be spelled out but also related to certain triggers. There may be areas where practices and rules are needed, in order to trigger additional oversight. A woman remarked that the rules need to be tightened up.

A woman asked who controls the finances, the Department or the

legislature? Nate replied that it is spelled out in the statute. The woman wanted to know if there was any way to attach funding to compliance. Caitlin mentioned that it would have to actually be part of the law. There are certain instances where funding must be held back if a school is in violation. She gave an example regarding DOE-25s. She made an attempt last year to get legislation introduced to include charter schools in data recording and DOE-25s, but it did not get any further, due to COVID-19.

A woman asked what the process is to move forward legislation. Caitlin replied that if the State Board wanted to, they would need to have a legislator put in a request for that. Chairman Cline believes there is a December deadline for filling LSRs. He would like to bring to the November meeting a draft of some possible legislative changes for discussion, so the Board can make a recommendation to the legislature for laws they would like to see changed. Ms. Chagnon mentioned that she would like to make any suggestion they make a bipartisan issue. She also asked a question about number 5, where it says the Board can immediately revoke a charter in circumstances imposing extraordinary harm. She wanted to know whether this only refers to physical harm. If no education is going on, isn't this harming children? Chairman Cline thought that it is vague on purpose.

Ms. Chagnon stated that some schools could fit into that because they are being harmed when nothing is happening for the students. Chairman Cline believes it could refer to many different types of harm. Ms. Chagnon mentioned cases where the Board knows a school is not functioning properly and they could look at the harm description a little more broadly. Chairman Cline reminded everyone that the words used were "extraordinary harm," so it would need to be something extreme, and that lawyers would need to determine the meaning.

Nate noted that at the top it says, "Written petition to the State Board to revoke a school's charter may be requested by the parent of any pupil." It might be beneficial to a parent or school district to spell out how to send in a written petition, if they desire to do so and that they need to identify one of the conditions spelled out in the statute. The Chairman replied that assuring they understand the criteria is important.

Ms. Honorow asked if the Board would prioritize the things that need to be done soonest, if they are unable to complete everything by the November meeting. Chairman Cline thought that should be done in open discussion later in the meeting. Ms. Chagnon asked whether the special education piece is part of the process or is a separate thing. The Chairman thought that would best be done in another discussion, and that it came in so recently that there wasn't time to incorporate it into the agenda.

Ms. Honorow asked if that could be a topic for one of the upcoming meetings. She had not yet read the report but thinks it needs to be addressed.

Chairman Cline mentioned that the agenda had been set up today for the Board to learn and discuss because there are so many rules to go over. He thought that another retreat set for next month would be necessary to be able to delve into all the issues. A woman replied that more than two retreats would be needed and the Chairman thought they might.

Chairman Cline didn't believe a lot of rule drafting would be done in the current meeting. It would be appropriate for another retreat, and other issues could be taken up as well. Ms. Chagnon remarked that funding is difficult, so these types of issues tend to have contentious debate. Chairman Cline did not want to rush through things. Ms. Honorow mentioned a presenter saying that a student was identified in the district school, and when the child arrived at the charter school, they were no longer identified. She found that greatly concerning, and thought it was potentially illegal. She wanted to get the ball rolling and possibly have a presenter and then spot issues and decide what to have for a retreat.

Nate remarked that any real changes would probably have to be legislative because the special education relationship between charter schools and districts is spelled out in the statute, not the rules. It's a very common issue that comes up often, and common practice doesn't always agree with the statute. A woman thought it might be a great opportunity to develop a report to present to the legislature so they can see the hurdles in charter schools and that funding is critical.

There was a break.

### **AGENDA ITEM VIII. BOARD DISCUSSION**

Chairman Cline started an open-Board discussion. He reminded everyone what had been discussed so far, and thought the Board should discuss each one, starting with the application process. Ms. Honorow asked if financing could be included in the discussion. The Chairman stated that other issues were woven through the categories that had been discussed, including finance. A woman mentioned that Caitlin was working on a form that goes with applications and renewals. Ms. Chagnon said that she didn't think the Board should worry about the applications, unless a huge amount of charters were going to go before local school Boards. She thought perhaps the Board should move on to the State Board application.

Chairman Cline thought the Board would need another retreat to write the rules out because there are problems in the law complicating things, such as requiring that a state-chartered school report to its local district annually, which was an oversight left in from the original law. Because of this, he believed the Board needed to look at all the rules. He would like to have staff take a look at that. He mentioned that in finance, under applications, there are things the Board can address.

A woman didn't believe that discussion had to do with the application, but that they were discussing the summer scramble. She asked Nate if the way they get payments is statutory. Nate replied yes, that it is statutory and that that has not been looked at yet, during the meeting. Ms. Honorow said they called it a summer float fund. The woman wondered how they would get credit. The Chairman explained that the schedule that was brought up is part of the state budget and there is a calendar for doing it.

Ms. Honorow was hoping it was something easy, but it doesn't seem to be. The Chairman explained that the state fiscal year ends and the new year begins in the summer. Payments are structured with the state fiscal year. It really can't be addressed without more information. Ms. Honorow replied that that is where charter schools have different issues than a traditional public school, which does not need to pay rent over the summer. Chairman Cline thought that perhaps the Board should say that it's a serious problem and the Board would recommend a different schedule for payments for charter schools, but he believes they need more info first.

Caitlin mentioned that the payment schedule is set up the way it is because of the cash flow for the State of New Hampshire. The state disperses a lot more money for district schools than charters, but both payments are issued throughout the year. Another reason the payments are dispersed throughout the year is due to changes in enrollment, which is less of a factor since charters have become more established, but fluctuated greatly five years ago. They distribute cash to the schools several times a year so that the schools have a consistent cash flow with the ability to adjust for changes in population.

Caitlin went on to say that the differentiated aid payment is calculated once a year and there is no ability to change the time or recalculate it. Ms. Honorow thought the payment schedule should be on the pre-opening checklist. Caitlin said that the law is confusing and ambiguous, but the payment schedule is clear. Ms. Honorow didn't think that asking people to read would get much further than highlighting it in the preopening checklist. Caitlin said the payment schedule is on the form they sign each time. The Chairman thought it wasn't that they didn't know the payment schedule, but that they didn't anticipate being so short of money at the end of the year and they have to pay staff throughout the year.

Caitlin mentioned that because there is no charter school startup grant or funding for charter schools to start up, they are starting on a deficit. Someone mentioned that Board chairs are using their own funds to finance the startup costs because the students need equipment, but the Board can't pay them any extra. Charter schools need startup money to deal with that, and then sustainability is not as much of an issue.

Chairman Cline stated that there is not much the Board can do about the

state funding but they can make sure that schools are as prepared as they can be to manage finances well. He thought perhaps the rules could have a section stating that the school's Board must have someone with finance experience, someone with business management experience, and someone with fundraising experience. That is currently not a requirement but the Chairman believes the Board should seriously think about that. Jim recommended making that a requirement because otherwise they are more likely to fail.

He discussed that the funding is not up to the Board but writing rules that will make the charter schools as financially capable as possible would be good to focus on, and would better prepare the schools to raise their own money. Ms. Honorow mentioned a class at Plymouth State College on school financing. Lisa recommended that anyone in a charter or starting a new school take that class.

Chairman Cline said he had emailed Lisa yesterday about her presentation, and what it meant for an administrator to have a certification. Ms. Honorow said there are certificates in business management and Lisa thought there should be a certified person. Ms. Honorow believed that the founding Board might have some of those people, but lose them when they get their operational Board, so it would make sense to give them helpful ideas on a recipe for success.

Ms. Chagnon wondered whether "shall have" or "should have" was a better way to word it. Chairman Cline said that he is inclined to make it "shall" for the Board. A few years back there was a school who had no business experience on their Board and the Board had no ability to require that of them. They did put one business person on the Board but that was not enough. He does not want to give a charter to a nonprofit that doesn't have someone with management, business, and finance experience. He believes that will set them up for failure. He believes that they should be required to have a person with business management experience, fundraising experience, and someone with financial management experience. Those are separate talents. The Chairman didn't think requiring three positions to be management focused is excessive.

Ms. Honorow mentioned that currently eight members are required on charter school Boards. Chairman Cline thought that it was six, seven, or eight. A woman mentioned that retired superintendents make great Board members. Mr. Nazzaro mentioned that there should be another retreat for robust conversations and wondered how the next meeting should be set up for that. He suggested taking the information from today and make a list of known challenges and ways that those gaps are covered. The Chairman replied that he had thought of the same format. He will have the staff work on separating it into sections, law and rules. He also wanted to have the special education component in the next retreat. He mentioned a National Alliance for Charter Schools that tracks all the state charter school laws, the changes every year, which laws are strong or weak. Chairman Cline would like to have them give a presentation on where New Hampshire's laws are in relation to other states with strong laws.

Mr. Nazzaro said he would like to look at both the RSAs and administrative rules because he finds it confusing. Chairman Cline said that there will be issues where the law is vague, so clarity is needed. There will be problems where they missed things like putting reporting requirements in the state approved charter. That needs to be cleaned up. There will be other areas that are a weakness, where it's gray or causing problems, and based on experience the Board will recommend changing from X to Y. The Chairman thought that Matt's initial bite and Nate looking at it, the Board can come up with some problem laws to take up at the next retreat. The whole Board can try to decide how they want to change those or make a recommendation to the legislature.

The Chairman didn't believe it could all be done at one meeting, but the issues could be prioritized. He loved Ms. Chagnon's suggestion of having members of two different parties to sponsor the bill. Ms. Honorow thought it was a good idea also. Chairman Cline thought that would be a big task but it could be worked on at the next meeting, along with beginning rule drafts. The law discussion needs to be very specific. The rules can be sketched out.

Ms. Chagnon said that one of the problems with turning down the grant was that so many of the Democrats felt that there were no regulations on charters. She believed that if the Board shows that they truly want to have a good system, it will go a distance to help people understand the importance of this and that the Board is not ignoring public schools. Chairman Cline replied that he ran into a legislator who had no idea about the number of accountability measures in place for charter schools; she thought there was nothing. There is a deficit of understanding of what is already required of charter schools. Ms. Chagnon mentioned there will be a Board meeting with Democrats to explain to them about charter schools, and she hopes it will help.

Ms. Honorow said that she thinks there are some issues with the fiscal committee looking at what happened with the funds when they disappeared, but that doesn't necessarily relate to accountability. She brought up the preopening checklist and mentioned issues about a lot of the components. She wondered if the Board needs additional authority to create a checklist. She wanted to discuss what can be done about issues with charters while waiting for legislation. There was a situation with a charter school where the discussions were very difficult. She mentioned that a checklist that is very clear would help. She believes the charter is their contract, but if the Board can help the charters and take off some of the pressure. They can beef up the annual report and start with the preopening checklist. She would like to move in that direction.

Chairman Cline agreed that that is a good way to think about it. If the Board were just to follow the timeline, that keeps everyone on track and building upon accountability measures. He said that means the Board would be addressing the application process first. He wanted to make sure that the Board gets to the gray

area for accountability. He liked the idea of doing the checklist and fixing some of the accountability components in the front end. He thought that the gray area for accountability is where the Board has had problems with a couple of schools. If that could be clarified in rules it would be helpful. Chairman Cline said he thinks the Board can write rules that are consistent with existing law. Legal changes can be requested later.

Ms. Chagnon discussed dates that might be appropriate for the next retreat. Chairman Cline asked if everyone would be available the week before Thanksgiving. Ms. Lane mentioned an issue with a lack of communication with parents in charter schools, to make them feel that they are part of the school. Parents are required to be involved in the charter school, according to the current laws. She would like to know how they can beef up the consequences for failure to follow through on the requirements.

Chairman Cline answered that the Board will have to look at where the law matches up with rule. The rules may need to be clarified in the initial charter to make sure parental involvement is written into the charter and in the accountability section one of the requirements could be to explain what sort of parental involvement is happening. If a complaint is received from a parent, rules are needed for how to settle those disputes.

Ms. Lane said that it should be in the policies and procedures. Ms. Chagnon said it's not just about having parents on the Board, but the parents should be able to access what is going on, including the finances, and should have their voices heard. Ms. Honorow agreed with Ann and had brought up the same concern when charter revocation was discussed. She believes it would be great if revocation didn't need to be threatened in order to address those situations. Ms. Lane replied that if a school is late with finance reports, it doesn't mention any consequences.

Chairman Cline stated that the attorney will be involved in the next meeting to help with guidance. He thinks some sticks should go along with the rules. Nate pointed out that contained in the charter school RSAs there is a section discussing the duties of the State Board of Education, and its relationship with the legislative oversight committee on charter schools, a joint committee. It mentions that one of the duties of the State Board is to form one or more working committees to look at recommendations relative to charter schools, and that those recommendations be provided to the oversight committee on charter schools.

Nate went on to say that at some point it might be good to involve that particular legislative committee with recommendations, especially legislative recommendations. They probably would want to be involved. Chairman Cline agreed. Ms. Cassidy said Barbara hasn't contacted her, but she has tried. Chairman Cline replied that that was why he was wondering, and asked if that committee hadn't been meeting regularly? Nate mentioned that he and Caitlin had attended one meeting. Ann asked Nate if he did it on Zoom. Nate said no, it was

before March. Caitlin said the meeting had the contact for someone who hadn't been on the State Board since 2004. Caitlin didn't think it had met since she and Nate attended. One of the concerns with the legislature was it hadn't met since 2012, previous to the meeting in March.

Chairman Cline replied that while he would love to work with that, he believed a better approach is to do the next retreat, and maybe have a three-member charter school subcommittee of the Board. They could contact the legislative committee and keep an eye on the laws, and keep the rest of the Board updated on recommendations for changes.

Chairman Cline asked Ms. Honorow about the success process, which was a term she had used. The success sequence is an idea that in life, if you finish school, get a job, get married, then have kids, in that order, you are setting yourself up for success in life in a better way than if you did those things out of order. He said he believed that might be a useful way to think about some of the charter school requirements, by making sure they are setting them up for success by recommending some best practices and steps to take in a certain order. That could be good for the preopening checklist.

Chairman Cline suggested the week of the 16th through 20th of November for the next retreat. There was discussion of what date was best for everyone. The 19th was tentatively decided upon. Chairman Cline mentioned that he, Nate, and Caitlin should get together and organize the points and topics for the meeting, so they can get into the meeting right away.

Ms. Cassady thought it would be helpful to get copies of the PowerPoint presentations from the meeting. Chairman Cline said he would try to have the presenters send them. The Chairman asked if anyone else had any comment. Ms. Honorow asked if the retreat would be on Zoom. Chairman Cline replied affirmatively. Ms. Honorow said she thought Jane had been asked to take the renewals and flag the things that were problematic, that she had not had time to analyze the data from the charters. She asked if the Board could also look at and move on schools that had not turned things in.

Ms. Chagnon asked if the State Board meeting would also be held on Zoom. There was a discussion about software and licenses for meetings. Chairman Cline mentioned that using Zoom for a webinar for members of the public is a more expensive license. A woman complimented the Chairman on the meeting content and attendees.

#### **AGENDA ITEM IX. ADJOURNMENT**

Chairman Cline adjourned the meeting.