

MINUTES OF THE
UTAH STATE CHARTER SCHOOL BOARD MEETING

Thursday, March 2, 2023

USB E Board Rooms

250 East 500 South, Salt Lake City, UT 84111

www.youtube.com/utahscsb

Members Present:

Vice Chair Cynthia Phillips
Member Krystle Bassett
Member Stephanie Speicher
Member Michelle Smith
Member Erik Olson
Member Rabecca Cisneros

Staff Present:

Jennifer Lambert, Director SCSB
Liz Bunker
Joanne Castillo
William Evans
Marie Steffensen

Others Present:

AAG Kevin Olsen
USB E Liaison Joseph Kerry
Rachel Anderson, Fabian Van Cott
Michael Clark
Brad Wilkinson, Summit Academy
Joy Palmer, Board Clerk, Vanguard Academy
Debbie Llewelyn, Board Member, Vanguard Academy
Robert Stewart, Attorney
Grace Mitchell, Treasurer, Vanguard Academy
Brad Nelson, Board Member, Vanguard Academy
Charles Reynolds, Director, Vanguard Academy
Kimly Magnum, Founding Member, Vanguard Academy
Scott Kingston, Vice Chair, Vanguard Academy
Eric Freeman, Board Chair, Vanguard Academy
Darren Jenkins, Founding Member, Vanguard Academy
Daniel Jessop, Member, Vanguard Academy

MEETING BEGINS (10:05 AM)

Chair Bowles excused.

Member Speicher on Zoom.

Public Comment (10:09am)

Michelle Garcia, Vanguard Academy

Ann Kingston, Vanguard Academy

Victoria Stephens, Vanguard Academy

Breanna Jenkins, Vanguard Academy

Board Member Thought – Member Rabecca Cisneros (10:23am)

Member Cisneros introduced the Members to the stories of 3 young people who were a credit to their parents, schools, and communities. The first was a young man who worked at a Walmart working with elderly patrons with self-checkout technology. The second was a small group of young women at the school where Member Cisneros works who befriended a new student with particular care. At that same school, Member Cisneros spoke about an unlikely but powerful friendship between two students that set a great example for anyone observing. Member Cisneros also spoke about the honesty of the student body of Itineris and the quarterly letter writing projects that the students undertake to make each individual feel seen and valued.

Board Chair Report (10:30 AM)

Vice Chair Phillips identified 3 items that are happening with the Board. Vice Chair Phillips noted that the Board has continued to work with the National Charter School Institute and delineated some of the areas that will be covered in ongoing training. Vice Chair Phillips indicated that the SCSB Board and Staff submitted presentation proposals to the NACSA selection committee and hoped to present at the upcoming conference. Finally, Vice Chair Phillips indicated that the SCSB and USBE would work intentionally on an MOU.

Executive Director Report (10:34 AM)

Director Lambert highlighted the Thomas Edison Science Fair, Mountain View Montessori's unique way of celebrating their Read across America program, Utah Opera's visit to Ascent Academy, both Gateway Preparatory Academy's and The Ranches Academy's individual productions of The Lion King Jr., and the 5 National Merit Finalists from AMES.

Consent Calendar (10:27 AM)

Member Cisneros: "I will make a motion to approve the Consent Calendar also with a thanks for Ms. Castillo for making those changes for me."

Member Smith: "I second that."

Motion passes unanimously.

Reports by the Board Mentor, Interim Co-Director, and Interim Business Administrator (10:39 am)

Vice Chair Phillips identified why these reports were being given in open session.

Rachel Anderson, an attorney with Fabian Van Cott, began with her background in terms of area of practice. Ms. Anderson described the scope of her involvement with the board of Vanguard Academy in terms of how many board meetings she attended, who she met with, what she received from those she met with, and what she did and did not consider in her findings. Ms. Anderson noted that she did not do a deep dive into policies or contracts into which the school might be entering and restricted herself to more of a big picture role. She did share her impression that the board meetings were run well and appeared to be operating in accordance with the law. Ms. Anderson relayed the numerous statements made by the board members of Vanguard Academy expressing the desire to comply with laws in the areas identified by the SCSB. Reiterating that she did not take a deep dive into the procurement process, Ms. Anderson noted that the school's procurement policy was revised while she was there. Without the perspective of that deep dive, Ms. Anderson indicated that the new policy appeared robust in terms of future procurement plans specifically citing a procurement committee and the removal of conflicted members. Ms. Anderson identified the large number of meetings between board meetings as her chief concern. She indicated that those extraneous meetings complied with OPMA, and she relayed the school's explanations regarding why the high number of intermediate meetings were happening. Ms. Anderson suggested that the school board adopt a board meeting schedule that would better reflect the increased number of meetings anticipated. Ms. Anderson did state that she did not feel any malintent regarding the addition of multiple board meetings. Ms. Anderson indicated that she presented advice to the school board that she would give any board: the need for balance between the board members' policy-making responsibilities and the administration's operational responsibilities, and relaying examples from her practice that illustrated problems that occurred when there was no balance. Ms. Anderson stated that she was not involved enough to determine if the school's board and administration were adequately balancing their respective responsibilities. Ms. Anderson also provided additional materials and checklists to Vanguard that local and special service districts were required to submit to the state auditor and suggested that they might be useful tools for charter schools. She stated that she felt that the organization was running smoothly and that there was the desire to fix things. Vice Chair Phillips expressed her thanks. The Members had no questions for Ms. Anderson.

Michael Clark introduced himself to the Board, and he shared his background working with charter schools and with the SCSB. He emphasized that he did not listen to any of the media coverage or listen to any previous board meetings prior to his installation as Interim Co-Director at Vanguard Academy. Mr. Clark spoke about the school culture at Vanguard Academy and how it supported learning. He spoke first about the skill of the administration in creating a culture that fostered learning. He described the GPS individualized plans for students and how impressed he was with the student body. Mr. Clark concluded that the students would not have the same experience if they were not at Vanguard Academy. Mr. Clark spoke highly of the governing board, and he reminded the Members that he had been asked by the SCSB to focus on supporting

the academics at the school. Mr. Clark emphasized that he did not spend much time with the probation letter or examining the terms of the probation. After speaking about his perspective on one of the contracts in question, Mr. Clark relayed his overall impression that the school board wanted to be in compliance with Statute and Board Rule. Member Smith expressed her thanks for the participation of Ms. Anderson, Mr. Clark, and Mr. Wilkinson. Mr. Clark recommended that the SCSB continue to support Vanguard by keeping individuals like himself, Ms. Anderson, and Mr. Wilkinson in place at the school.

Brad Wilkinson of Summit Academy shared his history as a business administrator and with charter schools before sharing the scope of the work that he did with John Williams at Vanguard Academy. He indicated that his instructions were to support and help build efficiency in some of the processes at the school. Mr. Wilkinson indicated that he did read through the language of the financial deficiencies as noted by the SCSB, policies, and procedures. Mr. Wilkinson briefly described what he did, how he did it, and identified the areas where he supported the school the most. Mr. Wilkinson indicated that he did take a deep dive into the financials in terms of compliance to determine if Vanguard Academy was following general accounting principles, fiscal policies, and procedures with the caveat that only a sample of the financial data was examined. Mr. Wilkinson did state that he understood the SBSC's concerns regarding the RFP process and the conflict of interest, but he indicated that he was not too involved with the RFP process, though he did have several conversations with the administrative team regarding their handling of both the concerns and the process. Mr. Wilkinson relayed the fact that he was originally to be one of the scorers on the recent RFP process, but he decided to take a step back to see how the school followed their process. He concluded that there were some issues that still existed in the process, but improvements were being made, and the school was attempting to free themselves from any conflict. Mr. Wilkinson shared the SCSB's concerns about the conflicts of interest and the RFPs, and he indicated that current potential liabilities on their books were also a major concern reflecting practices that were not necessarily best practices. He specifically cited legal costs, the use of COVID relief monies (ERC monies) prior to the IRS finishing its audit process, and the practice of using reserves for the above costs as areas where best practices could be implemented. Mr. Wilkinson identified how he worked with Vanguard Academy to try to address some of these practices. He commented that he had an overall good experience, and he emphasized to the board of Vanguard Academy that how they communicate the transparency role of financial statements to stakeholders (to the board and to the public) as a place for more improvement. Vice Chair Phillips asked Mr. Wilkinson if he thought the SCSB's conflict of interest concerns and financial concerns could be resolved by processes alone as opposed to a shakeup of personnel. Mr. Wilkinson responded with a description of what good internal controls look like and concluded that, even with good policies in place, it might not catch everything. Vice Chair Phillips thanked Ms. Anderson, Mr. Clark, and Mr. Phillips for their work with Vanguard Academy, and she appreciated the way the school welcomed these individuals.

Probation Status, Compliance, Deficiencies and Remedies, Amendment Request – Vanguard Academy

Vice Chair Phillips indicated that the Board Members were privy to the responses given to the SCSB Staff by Vanguard Academy so that they could be aware of how the school perceived their

own progress and so the Board Members remained in the loop. She emphasized that, though the Board celebrates the steps being taken towards the resolution of deficiencies, progress towards resolution is not a resolution of a deficiency. Vice Chair Phillips cautioned the Board and Vanguard Academy against conflating progress with resolution, but she also stated that the Board remains hopeful that the deficiencies would be fully resolved. School Remediation Coordinator Liz Bunker indicated that Vanguard Academy has resolved one of the five deficiencies, but the school did not follow the path offered by the SCSB to remediate the remaining four deficiencies. Vanguard Academy proposed an alternative path. To ensure the success of this alternate path, Ms. Bunker suggested giving the school additional time to resolve the deficiencies. As such, Vanguard Academy requested an extension of their probation as allowable under R277-55(3). In keeping with their alternate path, the school's board was present to request two amendments to their charter agreement related to their proposal to remediate the deficiencies.

Joy Palmer – Curriculum Director
Debbie Llewelyn – Board Member
Daniel Jessop – Board Member
Scott Kingston - Board Vice Chair
Robert Stewart – Attorney with Foley & Lardner, Counsel for Vanguard Academy
Grace Mitchell – Board Treasurer
Eric Freeman – Board Chair
Brad Nelson – Board Member
Darren Jenkins - Board Member
Kimly Magnum - Founding Member
Charles Reynolds – Director

Recess at 11:42am to resolve technical issues
Meeting Resumed at 11:59am

Member Cisneros recused herself from the discussion regarding Vanguard Academy and requested to be excused for the remainder of the meeting. Vice Chair Phillips acknowledged her recusal and acquiesced to her request to be excused.

Vanguard Academy board chair Eric Freeman introduced the presentation identifying the ways in which the school has been successful and the actions the school has taken to address the deficiencies itemized by the SCSB. Each member of the Vanguard Academy board and leadership present at this Board Meeting participated in the presentation. New board members Brad Nelson and Debbie Llewelyn spoke about their experiences at Vanguard and their contributions to changes in existing processes.

Vice Chair Phillips identified what was being considered in the meeting, specifically the possibility of amending the charter of Vanguard Academy to accommodate some of the creative solutions described in the presentation, along with other possible suggestions from other Members, that could move the procurement-related deficiencies closer to resolution. Vice Chair

Phillips asked that the school continue working with SCSB Staff on the other outstanding deficiencies. Vice Chair Phillips asked AAG Olsen about the legality and ramifications of having a committee whose numbers comprise a school board quorum. AAG Olsen responded that it depended on what the school's governing documents permitted, but, as a public body, the meetings would need to be open and public. Vanguard Academy Member Llewelyn identified why that number was chosen, when they would meet, and that such meetings would be subject to OPMA standards. Vice Chair Phillips expressed her surprise that a quorum of a board was allowed to meet without the full board being present, she and requested clarification of AAG Olsen who reiterated that such standards would be subject to the governing document of a board. Member Smith asked about "rubber-meets-the-road" enrollment of students of color and other ways of measuring diversity in student backgrounds in terms of applications and enrollments. Vanguard Academy Director Charles Reynolds indicated that their current application did not collect that kind of data, and they typically did not receive that information until acceptance notifications are sent out and the respondents apply to enroll. Member Olson asked SCSB Executive Director Lambert if the Board Members had any restrictions in authorizing the proposed amendment requests while the school is on probation. Director Lambert indicated that, typically, the Board does not accept major changes to a charter agreement if the school is on probation. She then provided some background indicating that there had originally been more to the amendment request, but Staff asked that the request be pared down to what changes would directly address the concerns that warranted probation status. Director Lambert identified the specifics in the amendment proposals, how staff responded to the specifics in the proposed amendments, the timing of when the SCSB became aware of some of the proposed amendment elements, and how that timing did not allow staff to respond before this board meeting. Member Olson requested clarification confirming that there was nothing in Statute, Rule, or SCSB Bylaw that would prevent the SCSB from approving the proposed amendments. Director Lambert confirmed. Member Smith requested and received clarification on the number of deficiencies from School Remediation Coordinator Liz Bunker. Vice Chair Phillips outlined the issues on which the Board could make motions on and suggested that the motions on each issue be made separately. Director Lambert reminded the Board that some kind of action needed to be taken to address the probation extension request of the school.

Member Smith: "I'd like to move that the Board approve Vanguard Academy's request to amend their charter to include an articulation agreement with Endeavor Hall."

Member Olson: "I'll second that"

Discussion: none

Motion passes unanimously.

Member Smith: "I would like to move that this Board approve Vanguard Academy's amendment request for their charter to incorporate the procurement committee language"

Member Smith retracts the motion.

Member Smith: "I would like to move that this Board approve Vanguard Academy's charter amendment request to approve the changes to include a procurement committee and to amend the number of meetings per year in their bylaws."

Member Olson: "I'll second that."

Discussion: none

Motion passes unanimously.

Member Smith: "I would like to move that we approve Vanguard Academy's request for a six-month extension to their probation."

Member Olson: "Yes, I'll second that."

Discussion:

Vice Chair Phillips expressed appreciation for Vanguard's request for this extension and indicated that the SCSB was able to make another decision since they had yet to see if the new policies, procedures, and systems proved to resolve the deficiencies. Vice Chair Phillips stressed that the Board did want to see the school succeed in resolving the deficiencies, and the Board was granting the probation extension as an act of good will toward seeing those resolutions. Member Smith expressed appreciation for how the mentors were welcomed.

Motion passes unanimously.

MEETING RECESSES FOR LUNCH – 1:03 PM

MEETING RESUMES – 2:07 PM

Financial Report

School Performance Coordinator William Evans introduced the Financial Report and the new metrics used to measure portions of an LEA's financial health. The first metric was the Debt Service Coverage Ratio, and the second metric was Facility Costs. He described what these metrics measured and what the optimum value for these metrics should be. Dr. Evans requested that the Board be aware of the differences between the values when given as an average and when they are given as a median, noting that a few outliers did skew the averages. Director Lambert clarified that the financial impact from COVID was that there was a lot of funding available to schools that really needed that kind of assistance. Director Lambert also emphasized that the Annual Cash Flow metric was one that needed to be viewed over a period of time so that a more meaningful trend can be discerned. Dr. Evans pointed out an increase in this metric in the median value over the last 5 years and explained why this change was significant. Other metrics touched on include the Change in Net Position, Current Ratio, Unrestricted Days Cash On Hand, and Days Cash On Hand. Director Lambert identified where in UCAP the reports and outliers could be found should any of the members want to look at the data. Dr. Evans suggested that perhaps LEAs with so much Unrestricted Days Cash On Hand might want to look at investing in

their schools in new ways. Member Smith expressed interest in the outliers on either end of the metrics. Director Lambert stated that examining those outliers is part of the Staff's process to look at a school or LEA holistically to see what is happening and if there is anything concerning that might cause the SCSB staff concern.

Legislative Report

Vice Chair Phillips thanked Kim Frank from UCN and Royce Van Tassel from UAPCS for their work lobbying for charter schools during the legislative session. Vice Chair Phillips spoke about the increase in spending for education that the Legislature approved this year including an increase in the WPU equivalent given to LEAs for local priorities, a WPU increase, increase in WPU equivalent for teacher compensation, consideration for an increase in compensation for other school staff, a WPU equivalent for an equity pupil distribution, a WPU equivalent for at-risk enhancement, and a WPU equivalent for the option for any LEA to offer full-day kindergarten. Vice Chair Phillips indicated that SB65 is likely to pass and what that passage would mean for how the SCSB conducts its committees. She also indicated that SB55 (Sub1) was also likely to pass and how that bill would provide a process through which public school instructional material would be approved, and it requires vendors providing of digital content to give notice of any changes made to their content. Vice Chair Phillips mentioned HB 465 (Sub1) which changed the litmus test of what could be allowed in the school libraries. Additionally, a school fee amendment prohibiting most curricular fees is expected to pass. Vice Chair Phillips indicated that at least parts of SJR 3 to amend the State Constitution to change the earmark for income taxes is expected to pass and be sent to the voters, but the process continues to be difficult as education proponents have yet to support it.

Member Olson: "I move to adjourn."

Closed Session (1:25 pm)