

**Minutes**  
**Special State Board of Education Meeting**  
**Friday, February 15, 2019**

The Arkansas State Board of Education (State Board) met Friday, February 15, 2019, in the Arkansas Department of Education (Department) Auditorium. Chair Dr. Jay Barth called the meeting to order at 10:09 a.m.

Present: Dr. Jay Barth, Chair; Charisse Dean, Vice-Chair; Diane Zook; Ouida Newton; Brett Williamson; Susan Chambers; Dr. Fitz Hill; Dr. Sarah Moore; Kathy McFetridge; Randi House, 2018 Arkansas Teacher of the Year; and Johnny Key, Commissioner.

Absent: None

**Action Agenda A**

**A-1 Hearing on Open Enrollment Charter School Renewal: Covenant Keepers**

Director of Public Charter Schools Mr. Reginald Ballard said on January 15, 2019, the Charter Authorizing Panel met and accepted Covenant Keepers Charter School's voluntary non-renewal. On February 14, 2019, the State Board of Education voted to review the decision made by the panel.

Attorney Mary Claire Hyatt went over the hearing procedures for this action item. She said that a decision letter reviewing the Charter Authorizing Panel's decision and notifying the school that the Department approval was needed to pay outstanding debt was sent on January 16, 2019. Ms. Hyatt said that between January 16, 2019, and January 25, 2019, three counter withdrawals totaling \$167,472.93 were withdrawn from the Covenant Keepers operating account without the approval of the current operator or the local school board. The withdrawals were discovered when the business manager attempted to reconcile the January bank statements on February 8, 2019. Ms. Hyatt said the Department placed a hold on the Covenant Keepers' operating account on February 11, 2019, and on this day, Covenant Keepers notified the local school board of the unapproved withdrawals and requested a special school board meeting. She said the Department immediately received emails of resignation from all but one school board member. She said while Friendship, the current charter operator was trying to put together documentation the Department needed to help release funds for payroll due February 15, 2019, it was also discovered that prior to the freeze on the account, February 8, 2019, there was another counter withdrawal from the operating account in the amount of \$12,433 was made without approval of the current operator or local school board. Ms. Hyatt said that Covenant Keepers was left with \$15,461.41 in their operating account. Also, on January 14, 2019 and between February 2 and February 3, 2019, an unknown amount of inventory was taken from the Covenant Keepers' campus without the knowledge of the charter operator. The Charter unit began an inventory of the campus on February 7, 2019, upon receiving notice of the missing items. Ms. Hyatt said that there is an ongoing concern from the Department about state and federal purchase inventory items being removed from the campus without proper approval as well as a financial concern. The amount currently left in the operating account is only enough pay most of the payroll that is due; however, in the next week there is \$44,328.22 due which includes payroll, teacher retirement, taxes, foodservice, after school programs, and other items.

Ms. Hyatt provided the State Board members with handouts that included correspondence to the Department, school, and local school board as well as a breakdown of the upcoming expenses.

Commissioner Key said that it is the Department's recommendation and request that the State Board revoke the Covenant Keepers' charter so the Department can request an investigation by Legislative Audit.

Ms. McFetridge asked if the campus had been inventoried before. Mr. Ballard said that there was an inventory which the Department used as a starting point for the state inventory, the Charter unit has reconciled what the school had with what was notated.

Ms. Newton asked what the procedure is when there is not enough money in a school's operating account to the pay bills. Ms. Hyatt said that she is in the process of working with the bank to release funds to cover most of the payroll due for February 15, 2019. She said that if the charter is revoked, the Department can sell assets to pay debts, any additional money coming to the school would also be received by the Department to use for paying the remaining bills. However, if that amount is still not enough, the remaining invoices would not get paid.

Ms. Newton moved, seconded by Ms. Chambers to immediately revoke the Covenant Keepers' charter. There was a roll call vote. The motion passed unanimously.

#### **A-2 Consideration of Charter Authorizing Panel Decision on Open Enrollment Charter School Amendment: Covenant Keepers**

Director of Public Charter Schools Mr. Reginald Ballard said on February 14, 2019, representatives of Friendship Aspire Academy appeared before the Charter Authorizing Panel to request an amendment to their charter. The panel approved the request. The State Board may exercise a right of review and conduct a hearing on that determination at the State Board's next meeting.

Attorney Mary Claire Hyatt provided an overview for the procedures of this action item.

Ms. Zook asked for confirmation that Friendship would go from a K-5 school to a K-8 school and that they were asking to increase their maximum number of students. Mr. Ballard confirmed. Ms. Zook also asked if the school would be able to provide transportation for the new students and Mr. Ballard said that they would.

Commissioner Key said that families would still have a choice in schools and are not obligated to move to the Friendship charter school. He said that he spoke with Little Rock School District Superintendent Mr. Michael Poore and Mr. Poore is open to students coming back into the schools for which they are zoned. Commissioner Key said that they are also looking into the possibility that students may also be able to go to Exalt Academy or Little Rock Prep, both of whom has seats available.

Dr. Barth asked what the logistics of the transition would be for students. Ms. Hyatt provided the State Board members with a proposed transition plan document from Friendship. She said that the Charter unit would also provide support to those families who did not choose to attend Friendship. Ms. Zook asked if the transition plan include details regarding students receiving special education services and Ms. Hyatt confirmed.

Ms. Newton asked for an explanation of what the process was going to be over the next few days. Mr. Key asked a representative from Friendship to speak to that, but said that the following Monday is a holiday and that will give the Charter unit more time to work with the families being affected by this transition. Friendship Education Foundation Chief Operating Officer Mr. Joe Harris discussed the transition plan and said that it is their goal to make the students' transition as seamless as possible. Principal Lauren Chapman said the students will resume school on Tuesday. She also said that the students have been involved throughout this process because they were already looking into the possibility of a new school building for the next year and that the school staff is aware of the students' social and emotional needs during these times of change.

Dr. Barth asked if the Department would be on site to answer parent questions and concerns. Mr. Ballard said yes, Department staff will be on site to assist parents during this transition process and to let families know what their options are going forward.

Ms. Zook said that it is important to remember that the current staff of Covenant Keepers would still be serving those students. She asked if Friendship expanded to K-8, would they have enough building space. Mr. Harris said that they have a temporary location; however, they are in the process of looking for a new facility.

Mr. Key said that there are Department team members who will be available, in addition to school staff to aid the Spanish speaking families.

Friendship Superintendent Mr. Phong Tran said that he had a signed petition with approximately 500 signatures from the parents and community in support of opening the school under Friendship. Mr. Tran gave the signed document to the State Board members for their perusal. Ms. Hyatt clarified that the petition was not done just over the past week entirely, but began when they were at opening a 6-8 campus.

Ms. Dean moved, seconded by Ms. Zook to not review the Charter Authorizing Panel's decision. There was a roll call vote. The motion passed unanimously.

### **Adjournment**

Ms. Dean moved, seconded by Ms. Chambers, to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 10:41 a.m.

*Minutes recorded by Tiffany Donovan*

  
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Johnny Key, Commissioner

  
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Dr. Jay Barth, Chair