

TO REVOKE THE CHARTER OF
COVENANT KEEPERS CHARTER SCHOOL

A P P E A R A N C E S

BOARD OF EDUCATION:

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Ms. Lori Freno	ADE General Counsel
Ms. Courtney Salas-Ford	ADE Deputy General Counsel
Ms. Jennifer Davis	ADE Staff Attorney

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6 MS. BOYD, you are recognized to introduce this
7 item this morning.

8 MS. BOYD: Thank you, Madam Chair. Alexandra
9 Boyd, director of the Charter Unit for the ADE.

10 On Wednesday, April 19, 2017, the Charter
11 Authorizing Panel met and voted to revoke the charter
12 of Covenant Keepers College Preparatory Charter
13 School, effective June 30, 2017, with a vote of 6-to-
14 1. On Thursday, May 11th the State Board of
15 Education voted to review the decision made by the
16 Panel, and that's why we're here today.

17 I want to ask Ms. Jennifer Davis to come forward
18 and make you all aware of the possible actions you
19 can take and how the hearing procedures should go
20 today.

21 CHAIRPERSON REITH: Thank you, Ms. Boyd.

6 revocation. After that, you can ask any questions.

7 There is no opposition time. You can ask any
8 questions of the applicant; you can ask any questions
9 of the Department that you may have. At the
10 conclusion of that, if there is any public comment,
11 you can take public comment prior to your vote.
12 Public comment is 3 minutes per person and we can
13 check closer to that time if anybody is signed up.

14 At the conclusion, your options will be that you
15 may either affirm the decision of the Department to
16 revoke the school, you can take other lawful action,
17 or you can request additional information from either
18 the Department or the school. If you do request
19 additional information, just know that you will need
20 to have an additional hearing.

21 CHAIRPERSON REITH: Thank you, Ms. Davis.

CHAIRPERSON REITH: Thank you.

Then with that, to our applicant Covenant Keepers, you are recognized for your 20 minutes. And if every individual offering testimony could kindly say your name and title for the purpose of the record prior to commencement of your remarks. Thank you.

DR. MCKENZIE: Good morning. Sarah McKenzie, Office for Education Policy. And if we could pull up the PowerPoint --

MR. WILLIAMSON: Madam Chair?

CHAIRPERSON REITH: Yes.

MR. WILLIAMSON: Can we get this monitor up here to come on?

CHAIRPERSON REITH: Yeah, it's not even on, this TV monitor over here.

COMMISSIONER KEY: Do you want to pause until we

6 patience as we get everything set-up here.

7 DR. McKENZIE: Did you want me to wait till
8 that's working?

9 CHAIRPERSON REITH: If you could just give us
10 another moment.

11 DR. McKENZIE: You bet.

12 CHAIRPERSON REITH: They're checking the monitor
13 right now. I'll give you a cue when we're ready.

14 Oh, it looks like we are. Perfect, wonderful.

15 DR. McKENZIE: Perfect.

16 CHAIRPERSON REITH: We're ready to start, if you
17 are.

18 DR. McKENZIE: Sarah McKenzie, Office for
19 Education Policy, and I'm here to talk about Covenant
20 Keepers' academic performance. I'm going to be going

21 over proficiency and growth as requested by the

doesn't address the fact that students may be starting from different performance levels and it's sort of a blunt level, kids -- a blunt measure. Students are either proficient or not proficient; it doesn't account for all the variation in between. This includes the concordant scores. Covenant Keepers is the dark line and the comparison schools are the other lines. You can see that the performance has been relatively similar over time and this is overall ELA and math together. In 2015-16, Covenant Keepers was higher than two of the schools and lower than Mabelvale.

This is the actual percent proficient broken out by grade level, so you can see there's a big drop-off when we switch assessments. But overall ELA, Covenant Keepers is sometimes outperforming the other

2008-09 to 2015-16, you can see the actual scores there. Sometimes they've been underperforming, particularly in the first three years of the charter, but mostly similar performance over time. Again, this is by grade, 6th, 7th and 8th; mostly similar performance in the last three years, with the exception of 8th grade which has been a little bit lower. There was lower performance overall in the first three years.

So in summary for proficiency, scores are improving. ELA 6th and 8th grade are relatively strong, Math 6th and 7th grade are relatively strong, and scores overall are increasing.

Now we're going to talk about growth. You guys know the longitudinal student growth measure which reflects how much did you grow compared to how much

6 students at the school grew more than expected; 11
7 they're negative, students at the school on average
8 grew less than expected. The state transforms this
9 into a school growth score by, at least in prior
10 years, using 80.85 times that school value-added. So
11 you're looking at numbers around 80 as an average for
12 the state.

13 This is all middle schools in the state and
14 their growth scores indexed against the free-and-
15 reduced lunch. Covenant Keepers is over there on the
16 right-hand side with that green dot. They had 98%
17 free-and-reduced lunch and a growth score of 80, so
18 about the state average for 15-16. The three orange
19 squares represent the other similar schools. You can
20 see there are some schools with very high growth, but

6 the scores are on the left-hand side, which
7 represents negative growth, compared to how much is
8 on the right-hand side which represents positive
9 growth. You can see that the Little Rock schools had
10 very high growth in 2015, which is that middle bar
11 that goes over to the right-hand side. But, in
12 general, Covenant Keepers has fewer bars moving over
13 to the left-hand side which shows negative growth by
14 grade level for ELA.

15 This is the same information for math. You can
16 see that Covenant Keepers started at zero, dropped
17 down in '15, and went back up in '16, although
18 they're still slightly below the state average.

19 Again, this is by grade for math. Covenant Keepers
20 shows expected growth, except 6th grade in 14-15 and
21 8th grade in 15-16. So there's these pockets of low

6 MR. ASKEW: I'm Jess Askew; I'm counsel for
7 Covenant Keepers. What I'd like to do is address the
8 corrective information, Dr. Hill, that you and a
9 couple of others asked for when we were here last
10 time on this matter.

11 With regard to governance and board membership,
12 we have set forth in item 2(a)(3) board minutes and
13 board composition. It is important to note that
14 there are two boards. One is the school board for
15 Covenant Keepers School. Ernest Sanders here is the
16 representative from that school board with us today.
17 There's another board for the City of Fire Community
18 Development, Incorporated. Dr. Tatum is not and has
19 not for the last five years, as best I can tell
20 according to the records we have provided, been on
21 either board. So one of the corrective measures is

6 date in April of 2017. In item 4(a) the school has
7 provided data from APSCN dated May 22nd showing that
8 for Period 9 the school had a positive fund balance
9 of \$121,000 for this year; Period 10 the school had a
10 positive fund balance of \$123,000 for this current
11 year.

12 Now we've produced audits since 2009. They're
13 clean; we have no questions from Legislative Audit.

14 We have an issue about the overpayment for
15 growth funding were the school has paid back this
16 year \$212,000, and that's been done.

17 We have questions about salaries. The
18 information on salaries is there. Mr. Sanders can
19 answer any questions from the board's perspective
20 about the salary increase that Dr. Tatum got in 2016,
21 after going five years without a salary increase.

6 just reported today.

7 There's no reason to revoke this charter. I've
8 got 1000, 2000 pages worth of documents, and you do
9 too, from the staff, and I have looked through that
10 trying to guess what else could be coming at this
11 school this morning that might threaten its charter.
12 That's not the way this process should work. I
13 should not have to be up here guessing what I have to
14 deal with and respond to, and neither should this
15 school which is doing good work and was renewed a
16 year ago. A lot of that information stretches back
17 to 2009, 2012. We got a renewal in 2016 against the
18 history of all that information. So why are we
19 looking past that? This board had the chance to
20 review that decision a year ago and decided
21 unanimously not to. I don't think you can reopen

6 don't have them. Well, we've got them here today.

7 And why do we have them here today? Because we heard

8 when we read that anonymous note from May 23rd that

9 somebody wanted them. Well, we have them now. The

10 back-story there is the Department wrote a letter

11 November of 2016 saying, "We're coming out to do a

12 financial assistance review," and did, and at that

13 time said, "Give us all your credit card receipts."

14 Well, what was available was June of 2016 and the

15 rest weren't there handy to give to the Department;

16 so the school gave them what was available. After

17 that, nobody from the Department went back to Dr.

18 Tatum or anyone else at this school and said, "You

19 owe us a whole bunch of credit card receipts or

20 credit card bills. Where is it?" The school is and

21 always has been transparent. So I can't guess what

6 know what to do with the request for academic review.
7 I don't -- you know, I don't question the need to
8 look at the academics of a school that's in academic
9 distress; that's reasonable. This school is in a
10 program with School Improvement. They met in
11 January; they're going to meet again next month on
12 this question. That's fine. But how that morphed at
13 the Panel into questions about salary and who's on
14 what board -- that process got off the rails and that
15 Panel voted to revoke the charter on something that
16 had nothing to do with the academic progress of this
17 school. And now we're here today fighting for the
18 charter and I don't know why. I don't know how we
19 got here, after this school was renewed a year ago
20 and has done good things for academics for these
21 kids. These children need this option. The families

6 listened to the video I could hear Annette Barnes and
7 Dr. Saunders clearly. They had grave concerns about
8 our growth, where we were going, and wanted to see --
9 per Dr. Saunders, "Growth should turn into
10 proficiency." So at that point we went back, we made
11 changes, and Dr. Sarah McKenzie spoke about that
12 growth and proficiency today.

13 Also, we came before the March 21st Board and it
14 was unanimously approved; all of you-all said that
15 our charter would be renewed for three years. So I
16 just wanted to get up and pretty much refresh and to
17 ask again how did we get here from a little over a
18 year ago.

19 CHAIRPERSON REITH: Thank you, Dr. Tatum.

20 I believe there's still four minutes, a little
21 over four minutes if you all have --

6 Thank you.

7 Mr. Askew, do you-all want to make a statement,
8 again, with additional time? There's no opposition
9 but I don't want to deny you-all your time if there's
10 any final framing statements.

11 MR. ASKEW: No.

12 CHAIRPERSON REITH: Then thank you for that.

13 MR. ASKEW: Thank you.

14 CHAIRPERSON REITH: So concluding the
15 presentation period of this hearing, we will now
16 proceed into questions from our Board.

17 Ms. Davis, there is no public comment signed up?

18 MS. DAVIS: No.

19 CHAIRPERSON REITH: Thank you for confirming.

20 So with that, I am anticipating a fair amount of

21 questions from this board. And in other occasions as

6 sworn in we would just take the opportunity to do so.
7 But any individuals, both of the audience or also of
8 the Department, can be called on for questions.

9 So with that, Ms. Newton, I think we're going to
10 begin at your end today and go around as I shared
11 with at least one question per person until we get
12 through our questions. So, Ms. Newton, you're
13 recognized.

14 MS. NEWTON: You mentioned Mr. Sanders, the
15 board representative. Could I talk with him, please?

16 Mr. Sanders, I'm curious about what -- how much
17 oversight and what financial information that you
18 receive each month and -- how much information are
19 you getting every month as far as financials?

20 MR. SANDERS: It's very extensive. It should be

21 minutes. We have our accountant who comes to

6 MS. NEWTON: -- any details about that?

7 MR. SANDERS: Yes, ma'am.

8 MS. NEWTON: Can you give me an example maybe?

9 MR. SANDERS: Well, I would have to bring -- I
10 don't -- if you don't mind, our accountant is here
11 and he -- if he can show you exactly what it is that
12 we receive.

13 MS. NEWTON: Okay.

14 MR. SANDERS: I just --

15 MS. NEWTON: Is there a certain amount that a
16 payment is made that you have to approve past an
17 amount?

18 MR. SANDERS: Yes, \$10,000.

19 MS. NEWTON: Okay.

20 MR. SANDERS: He's got all the paperwork, so

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CHAIRPERSON REITH: Okay.

MR. HAMILTON: Yes, ma'am.

CHAIRPERSON REITH: Thank you, Mr. Hamilton.
You may proceed.

MR. HAMILTON: Excellent. Excellent. Good
question. Every month what we try to do is to
empower the board to be able to see all the
transactions that go through Covenant Keepers each
month. So each month we give them a packet that
looks similar to this. And some of the things that
are on their board report, which has all the -- a
summary of revenue and expenditures, a bank
reconciliation which shows all outstanding checks,
revenues, cash balance at the end of the period. So
in addition to that we give them a summary of revenue

6 MS. NEWTON: Okay. And they have to give
7 approval for large amount purchases; is that correct?

8 MR. HAMILTON: Yes, ma'am. That's my
9 understanding as well.

10 MS. NEWTON: Okay. I just -- and I may have
11 missed something but I haven't found anything like
12 that in the board minutes. Would that be recorded in
13 the minutes?

14 MR. HAMILTON: It should be.

15 MS. NEWTON: Okay.

16 MR. HAMILTON: Now I am not treasurer --

17 MS. NEWTON: Okay.

18 MR. HAMILTON: -- but that's the intent, is that
19 it should be recorded there.

20 MS. NEWTON: Okay.

21 MR. HAMILTON: Yes, ma'am.

6 think that board governance is key when you have
7 charter schools, and I also think that it's very
8 important as you select a board you take those types
9 of things into consideration. And based on my
10 experience with Covenant Keepers I feel that their
11 knowledge base is adequate enough to ask the right
12 questions, meaning they'll see something that doesn't
13 look like it should and they'll say, "Okay, I see
14 that salaries are" -- I'm just using an example, this
15 is not actual -- but, "I see salaries are \$10,000
16 more than what we budgeted. Can you give us a little
17 insight on what's driving that?" So based on that,
18 Dr. Tatum, Ms. Hill, and myself will get together and
19 get them a response. I do think that they're
20 engaged. I will say that some are more engaged than

6 the regular meeting that caused this hearing to occur
7 it seemed that there were at least a few
8 misunderstandings in certain pieces of data or there
9 was absence of data in ultimately what might have led
10 the Panel to the decision that they made. And I
11 think the Panel does a very good job of looking at
12 data and bringing judgment to bear when they render
13 an opinion. Since additional data has now been
14 provided since we last met as a board, of course the
15 Panel wouldn't have come back together to review
16 their decision. But I'm curious if the data that was
17 produced between their decision and now, if it would
18 cause the Panel to make a different decision. And I
19 don't know who could speak to that because it gets a
20 little bit back to the question of how did we get to
21 this point and have we resolved it

6 that probably doesn't help you much, but I think
7 that's the process that we have -- and certainly
8 would look to my legal team to affirm or correct
9 anything that I just stated.

10 CHAIRPERSON REITH: Ms. Davis.

11 MS. DAVIS: No. I mean, I think that that's
12 correct. I mean, if you have specific questions
13 about any of the specific data then we can address
14 those. But I don't think that it would be fair to
15 the panel members or the applicant or really anybody
16 involved to say -- to kind of rehear that again
17 outside of the formal procedure. So if you have a
18 specific question then anybody at the Department --
19 we will be glad to address that as best that we can.

20 MS. CHAMBERS: Okay. Let me see if I can get --

21 ... I have another question?

6 information in regards to?

7 MS. DAVIS: You know, without actually polling
8 all the members I can't say. But based on the
9 information that I have that there wasn't necessarily
10 anything different in the academic information, that
11 they felt like they had the academic information
12 enough to make their decision at that time.

13 MS. CHAMBERS: Thank you. I'm going to work on
14 another question.

15 CHAIRPERSON REITH: Thank you. And, Ms.
16 Chambers, you can ask -- if I'm correct, Ms. Davis --
17 questions of individual members of the Charter
18 Authorizing Panel; so if there's a question tied that
19 might -- tied to the specific expertise of somebody,
20 for example. Thank you, Ms. Chambers.

21 Dr. Barth

6 the red type and the black type. I just didn't
7 got a handle on what was in there but I didn't know
8 where all that came from.

9 MS. BOYD: Right. I think I can help. So on --
10 this information comes from -- it stems from the
11 Technical Assistance letter that was sent to Covenant
12 Keepers on November 14th, which was followed up by a
13 visit from my self, Cindy Smith, and Alisa Moore, on
14 Wednesday, November 16th.

15 So the bulleted items you see towards the bottom
16 are bullets that were actually in a letter for
17 information that we requested. And then the rest of
18 the text is information provided from Ms. Alisa Moore
19 as a follow-up into what was received and what was
20 not received.

21 So that's what that is and that's where that

question about City of Fire and its financial health.
Because elsewhere in the materials there is the sense
that any financial challenges facing the school are
not to be kind of -- as much of a concern because
City of Fire will kind of take care of that gap. And
so I need some clarity about the exact nature of the
relationship between City of Fire and the school and,
you know, kind of how -- what is the line of credit,
in essence, for the school with City of Fire. I
mean, we're told we shouldn't be concerned about some
negative numbers for the school because City of Fire
will kind of fill that hole. But I'm left with
confusion about exactly at what point we should be
worried, because we really don't know the agreement
between the two and we also don't know the financial
health of City of Fire because we don't have their

6 you're still referring to these covenant keepers
7 notes dated May 23rd --

8 DR. BARTH: Uh-huh.

9 MR. ASKEW: -- which is the same document that I
10 referred to.

11 DR. BARTH: Uh-huh.

12 MR. ASKEW: And I appreciate your putting a face
13 with the document. I think you're referring to under
14 Student Growth Repayment, that final bulleted item
15 where Dr. Tatum said that a source of funds for this
16 repayment was through a grant from City of Fire
17 Community Development.

18 DR. BARTH: Exactly. We're on the first page,
19 about two-thirds of the way down.

20 MR. ASKEW: Yes. Yes. Okay. So you referenced

21 a line of credit. There was no line of credit

received. Do you know anything about that.

MR. ASKEW: Well, that's just like all the rest of this. Dr. Tatum, as I understand it -- and she can speak to this -- received a letter November 14th, on-site visit November 16th. She gave the Department people who were there everything she had at the time, and after that nobody from the Department said, "Hey, Dr. Tatum, you still owe us X, Y and Z." And then we get this, you know, document from May 23rd saying that this is a big problem within the Department, according to some people. Well, nobody from the Department told Dr. Tatum that. Dr. Tatum gave everything, saying, "Okay, this is what I have." And it's just like these credit card things; if somebody had followed up in December, January, February, March, April, earlier in May, and said, "Dr. Tatum,

6 MR. ASKEW: All right. So the first part of
7 your question, the negative financial position of the
8 school, there is no evidence of negative financial
9 position. I think we have shown that the
10 Department's conclusion in April, I believe, was
11 wrong and that there is a \$123,000 positive fund
12 balance as of today. So that's the first point.

13 Second, you know, charter schools don't have tax
14 bases and don't have tax revenues and don't have the
15 ability to raise money the way traditional brick-and-
16 mortar school districts can, and charter schools rely
17 on the ability to raise money. And there are times
18 -- and I'm on the board of eSTEM and I can tell you
19 there have been times when we have wondered how are
20 we going to do this, how are we going to do that, and

21 it requires raising money. The private sector

6 the financial cliff is that anyone would be concerned
7 about. But if there is a financial cliff then, you
8 know, there are people who are willing to support
9 charter schools -- and thank God for that.

10 DR. BARTH: But I think what's different about
11 this case than eSTEM is that on eSTEM, you know, when
12 we see -- we can ask a direct question because it is
13 that board that is making the fiscal decisions that
14 are driving this -- eSTEM's financial health. Here,
15 we have another organization in between and it gets
16 difficult to know exactly where the lines are.

17 MR. ASKEW: Actually, that's not true. Because
18 eSTEM has what is called a charter management
19 organization, which until a month ago I was the chair
20 of -- I guess I'm still the chair of -- but that was
21 the only board that I was on; I was not on the school

6 that's one of the ways that people who are boot-
7 strapping themselves into the public school business
8 figure out how to do it.

9 DR. BARTH: Okay. Thanks.

10 MR. ASKEW: They're starting from scratch; there
11 are zero dollars in the bank account. And in fact, a
12 charter school may not get paid for months after it
13 actually is employing people, renting space, and
14 educating children. We've had those issues across
15 all the charter schools for a decade now.

16 DR. BARTH: Okay. Thanks. I'll come back to
17 some other topics later.

18 CHAIRPERSON REITH: Thank you, Mr. Askew. Thank
19 you, Dr. Barth.

20 Ms. Zook.

21 MS. ZOOK: Yes. Since the decision by the Board

6 Dr. Wilde if he's in the room.

7 MS. BOYD: Okay.

8 MR. HARVEY: Dr. Wilde is not in the room but --

9 MS. ZOOK: That's okay.

10 MR. HARVEY: And I haven't been sworn in, so --

11 CHAIRPERSON REITH: Thank you. I'll swear you
12 in at this time. Do you swear or affirm that the
13 testimony you're about to give shall be the truth,
14 the whole truth, and nothing but the truth?

15 MR. HARVEY: Yes.

16 CHAIRPERSON REITH: And if you could kindly
17 state your name and title before answering.

18 MR. HARVEY: Elbert Harvey, coordinator for
19 School Improvement.

20 CHAIRPERSON REITH: Thank you.

21 MS. ZOOK: Okay. Back to the questions on the

6 been raised at all.

7 MS. ZOOK: Okay. Because, you know, I'm always
8 the one that wants the teachers to come to school and
9 the students and I did notice that they have done a
10 great job with that. Both their teachers and their
11 students are actually coming to school, so that
12 increases our probability that people will learn.

13 My next question is a next question, so I'll
14 stop there.

15 CHAIRPERSON REITH: Thank you, Ms. Zook. Thank
16 you, Mr. Harvey.

17 Ms. Dean.

18 Dr. Hill.

19 DR. HILL: Is it appropriate for us to ask
20 questions amongst us or it just goes to them? I

21 from the board historically, that's what I'm

6 CHAIRPERSON REITH: -- sort of a framed motion

7 --

8 DR. HILL: No.

9 CHAIRPERSON REITH: -- or is this more --

10 DR. HILL: No, huh-uh, I'm just saying
11 historically.

12 CHAIRPERSON REITH: -- of framing to get some
13 historical reference? Then I -- that shouldn't be a
14 problem, Dr. Hill. Please proceed.

15 DR. HILL: No. I guess -- and I'm looking to
16 Ms. -- my experts on test scores and -- Ms. Zook and
17 Ms. Newton, who are our teachers. I want to make
18 sure I stay in my lane because that's not my
19 expertise. And I just wanted to know -- and you
20 wasn't on the board last year either with me.

21 MS. NEWTON: (Shaking head from side to side.)

6 across the lines of other peer institutions that we
7 have a concern on academics? And I think it's
8 important for us as a board to make sure that we get
9 that clarified before we go to anything else because
10 -- you know, because -- and then if there's another
11 issue then let's put the scope on that. But since --
12 in academic distress, which we want to make sure that
13 we are answering the questions on that -- which I
14 think speaks back to what the original meeting was
15 about -- and I want to make sure that we close --
16 we've answered all questions along that line. And
17 last year when you granted that were these financial
18 issues a concern in the last meeting, I mean, when we
19 gave them three years, and what has changed? That's
20 -- as I sit here, that's my question to the Board.

6 most recent 45-day report, because I didn't. Their
7 attendance has improved. There are a number of
8 students scoring low; obviously we were concerned
9 because it's in academic distress, but we also get
10 good information that there is this growth. You
11 know, sometimes it's in these two grades and
12 sometimes it's a different two grades and sometimes
13 it's math and sometimes it's language arts. And I
14 think therein lies the problem when you have a 6-8
15 school, is because you -- all the 7th graders weren't
16 there in 6th; none of the 5th or 4th or 3rd graders
17 were there; some of the 8th graders came because they
18 just weren't making it at another school. So you
19 don't have -- you know, you're not looking at the
20 exact same kids. And, you know, these are the kind
21 of things that we try to work our way through and

6 terms -- because we have three different tests, you
7 know, we were waiting and hoping that their tests
8 last year compared to this year we could get a better
9 feel for that. But I think that was one reason.
10 Even the legislature and the Department said let's
11 pause on the reassigning people to academic distress
12 or relabeling new people, because when you go from
13 one test to another, as good as the concordance is --
14 and they are good -- it's still three different
15 tests. And so that's why we're looking as much at
16 growth as we are just the summative tests.

17 DR. HILL: And I guess historically -- I don't
18 mean to ask two questions, but I guess historically
19 I'm asking that if we evaluated that last year as a
20 board, which I was not a member of, and we felt that

6 the review process. But Ms. Boyd can speak to that.

7 MS. BOYD: Thank you, Madam Chair. Yeah, I
8 think I can help here. In the past if a school is on
9 the intervention list for academics, the Panel and
10 the State Board have not granted a renewal for more
11 than three years. As Ms. Reith said, they can ask
12 for up to 20 years of renewal. But in the past, when
13 they're on the intervention list the Panel and the
14 Board have not approved anything more than three
15 years because traditionally that's about how much
16 time it takes to show a difference in test scores.

17 DR. HILL: All right. So we made that decision
18 based on a three-year analysis that they would come
19 back before the Board. So --

20 CHAIRPERSON REITH: Yes, Dr. Barth.

6 DR. BARTH: Academic data. And we thought it
7 was prudent to see where we were with that next
8 snapshot before making a decision. But there was a
9 consensus that it was more prudent to give the school
10 that chance rather than taking action at that point.

11 DR. HILL: So based on that information, Ms.
12 Zook, and what you just said, academically then --
13 but you have been pleased with the progress
14 academically, I mean, based on OEP?

15 MS. ZOOK: They're going in the right direction.
16 I wouldn't say "pleased."

17 DR. HILL: Right.

18 MS. ZOOK: I'll be happy when everybody is not
19 in academic distress, but, yes, they -- yes.

20 DR. HILL: I mean, the improvement.

21 MS. ZOOK: I have not had Dr. Wilde on his team

6 just do want to make sure we get all of the questions
7 out there because I do think that that might help
8 elucidate.

9 DR. HILL: I'm done.

10 CHAIRPERSON REITH: And actually I'll take my
11 turn with the questions and I think it piggybacks in
12 part with you, Mr. Hill. One voice that we haven't
13 heard on this specific issue that I think gets to
14 actually both of your comments has been Ms. Barnes,
15 in that she was actually absent on the day that the
16 Charter Authorizing Panel met. And, Ms. Barnes, I
17 don't know if you were sworn in -- and if not, I
18 would appreciate the opportunity to do so.

19 MS. BARNES: I wasn't intending to be, to be
20 honest.

21 CHAIRPERSON REITH: But thank you for allowing

6 speak a little bit to Dr. Hill's question. Over the
7 course of this last year I know the question was
8 posed in terms of red flags, but would you be able to
9 offer us a broader analysis? Have we seen the type
10 of growth that might've been expected? Are there any
11 additional pieces of information that if you had been
12 there on the day of the Charter Authorizing Panel
13 that might've helped inform this conversation?

14 MS. BARNES: Oh, very deep. So let me start by
15 saying I heard Mrs. Chambers' question and I also
16 heard what Dr. Hill was asking. And as you know, for
17 a matter of record, I was not here in March nor was I
18 here in April. However, I was the person who made
19 the motion back, according to what you all are
20 discussing, for three years. However, prior to that
21 I made the motion for two and I did that in order to

6 have Mrs. White's testimony and Mr. Harvey has just
7 spoken to you.

8 So in reference to academics, which is what we
9 were asked to review at the time, the Charter has
10 shown growth. The Charter has student proficiency
11 and performance that was extremely low, just like we
12 have some in traditional schools. And when you have
13 that you have to pay attention to growth because
14 performance may not ever reach the bar that you're
15 looking for.

16 So with respect to all of that, I cannot tell
17 you what I would have done on that day. No, I cannot
18 because I don't know. I do know that when I made the
19 motion I made it with respect to the fact that the
20 Charter does serve a specific population. I did not

6 far as academics I would say the same thing that Mr.
7 Harvey stated; the growth is there and, you know, as
8 to whether it will continue that's what we watch for
9 anywhere. So there you have it. That's where I am
10 with that as far as academics. Yeah.

11 CHAIRPERSON REITH: Thank you, Ms. Barnes.

12 So we'll proceed with the second round of
13 questions and see how far we get. But, Ms. Newton,
14 if you have a second question please proceed.

15 Thank you, Ms. Barnes.

16 MS. NEWTON: I know that a -- and I wasn't on
17 the Board last year but -- and I know that a Charter
18 can be called in at any time if there are other
19 things that come to light. You know, even if they
20 are on academic distress you're still concerned.

21 Okay. That doesn't mean you're not -- you still have

6 auditor's report; that wasn't from -- I mean, that
7 was from what was done there. And then this year --
8 I can't remember the exact amount but you were saying
9 there was around \$122,000 in the bank right now. But
10 I look and I don't -- I admit I don't -- Mr.
11 Williamson, I don't understand all this, so you're
12 going to have -- somebody is going to have to help me
13 out, and I'll get somebody from the Department to
14 help me a little bit here. There was \$342,824 from
15 -- it says Miscellaneous Revenue from Local Sources.
16 Am I right? Is that how I'm reading that amount? So
17 without that income would there have also been a
18 negative balance? And so maybe, Ms. Smith or Ms.
19 Moore, help me out a little bit there and tell me
20 what am I looking at, I guess.

21 CHAIRPERSON BEITH: Good morning. If you could

6 Fiscal Services and Support.

7 CHAIRPERSON REITH: Thank you.

8 MS. NEWTON: Just tell me about the negative --
9 this is an official audit report; it's not something
10 that y'all did. Right?

11 MS. MOORE: Yes, that's correct.

12 MS. NEWTON: And it shows a negative balance.
13 And then the \$122,000 that they approximately have
14 right now -- and then this revenue is from outside
15 sources. So without that they would also have a
16 negative balance?

17 MS. MOORE: That is correct.

18 CHAIRPERSON REITH: If you could kindly speak
19 into the microphone -- I apologize, thank you -- for
20 the purpose of both live-streaming and the record.

21 Thank you.

6 that we had in looking at some of the material was
7 exactly what you had asked about, and that was
8 miscellaneous revenue, because we could not tell
9 exactly what was coming in; it just said receipts and
10 things of that nature. So that is a correct
11 assumption, that without that, possibly that is where
12 they would be today.

13 MS. NEWTON: Okay. Well, what -- because I'm
14 admitting I don't understand a lot of this. What
15 jumps out at you that -- from looking at this that I
16 should be concerned about?

17 MS. MOORE: During the meeting in November, when
18 we went for the assistance, we met with Dr. Tatum and
19 Ms. Hill. And some of the things that we looked at
20 -- I know we had requested information from May and
21 June; that is common practice to go back a month or

6 were coding things in order to assist them. And we
7 requested several documents that had the appearance
8 -- not saying it was or wasn't, but when you look at
9 something from a financial standpoint it gave the
10 appearance that maybe there was cash-flow issues;
11 "red flags" is what we call it. And it may not have
12 been, but we could not determine that based upon not
13 receiving the information.

14 We did -- one of the concerns that was voiced
15 was that a new law -- Act 989 of 2011 specifically
16 stated that schools had to initiate and authorize
17 amounts before they could be electronically
18 transferred or drawn down out of a bank account.
19 When looking at the bank account for Covenant Keepers
20 the notification was that they had a large amount of

6 could pay at the time maybe -- a \$5,000 payment, for
7 instance, or a \$30,000 payment I know for the student
8 growth repayment. But then you would see an amount
9 coming in miscellaneous income. And with documents
10 that may have -- those questions may have been
11 answered. Cindy and I were there; we did ask things
12 just based upon a financial review to also assist
13 them when Ms. Boyd's unit was going in; that was
14 assistance that we did offer. To my knowledge, Cindy
15 and I had asked several times and were asked had we
16 received those documents, which we did not receive,
17 in order to determine one way or the other if they
18 needed additional assistance or if that was the case
19 that there was cash-flow issues or not. So those are
20 just facts that we couldn't determine based upon the
21 documents that we didn't have

6 we contacted him and asked him if he could help us,
7 and I guess he had talked to Dr. Tatum and she said
8 that we were asking for too much information in a too
9 short period of time. So we were trying to give them
10 plenty of time but in January we still had not
11 received the documentation from November.

12 MS. NEWTON: So, Ms. Boyd, you did try to reach
13 out to get the information?

14 MS. BOYD: Yes, ma'am, via telephone.

15 MS. NEWTON: And, Mr. Rogers, you tried to reach
16 out and get information also?

17 MS. BOYD: Ms. Newton, we -- Mr. Rogers and I
18 were both on the phone call with Dr. Tatum on one
19 occasion.

20 MS. NEWTON: Okay.

21 CHAIRPERSON BEITH: And, Mr. Rogers, as you

6 kindly state your name and title for the record.

7 MR. ROGERS: Greg Rogers, assistant
8 commissioner.

9 MS. NEWTON: So you did try to reach out and
10 gather all the information that --

11 MR. ROGERS: I sent a couple of emails to Dr.
12 Tatum during that time trying to get the information.
13 Yes.

14 MS. NEWTON: Did they have a response that you
15 got back or --

16 MR. ROGERS: That it was a lot of information
17 and they were -- had some other things going on at
18 the Charter but they would work on it.

19 MS. NEWTON: Okay. Thank you. I have other
20 questions but I'll wait.

21 CHAIRPERSON BEITH: Thank you, Ms. Newton

6 years, or is this something that you've run into with
7 that Charter all of the years? I know Mr. Rogers
8 hasn't been here that whole time but he's got the
9 records for that.

10 MS. SMITH: The first red flag for us was the
11 negative \$110,000 unrestricted fund balance, the
12 closing. They had not closed negative in prior
13 years, so we would not have actually started looking
14 for reasons.

15 MS. ZOOK: So that was in June?

16 MS. SMITH: That was the red flag, yes.

17 MS. ZOOK: June of 2016, or December --

18 MS. SMITH: Yes, ma'am.

19 MS. ZOOK: June of 2016?

20 MS. SMITH: June, yes. So --

21 MS. ZOOK: Which was after we had renewed for

6 Chairman.

7 CHAIRPERSON REITH: Thank you, Ms. Zook.

8 Mr. Williamson?

9 And thank you to all of you.

10 MR. WILLIAMSON: Not right now.

11 CHAIRPERSON REITH: Okay. Thank you, Mr.

12 Williamson.

13 Ms. Chambers.

14 MS. CHAMBERS: I appreciate the group that's
15 still at the mic because I think this -- maybe you
16 can help me with this; it's unfortunately tied back
17 to my last question that I didn't ask very well. So
18 I do feel like that the school responded well to the
19 specific questions that we asked. But as I went
20 through the data that they provided I didn't feel

21 did it had -- I didn't see enough red flags to tie

6 there's a lack of cooperation in the school providing
7 some of the information that you asked for when you
8 did or they didn't have it at the time. I'm trying
9 to figure out if it's cooperation or availability of
10 data. And I don't want to put you in a position of
11 judgment there, but I do want to know if you've seen
12 the data since we have gathered this last round to
13 address the questions that you had at the time?

14 MS. MOORE: The information that we requested
15 regarding the reconciliation of items, what I
16 would've expected to see is a form showing me an
17 amount and where it was coded; why it was coded that
18 way; signed off with proper approval, probably by Dr.
19 Tatum and whomever, maybe her bookkeeper Ms. Hill or
20 maybe Mr. Hamilton. In order to reconcile the

21 amounts that we were seeing flow from the electronic

6 We were told that Mr. Hamilton was unavailable but he
7 would be back the following week. I have not seen
8 documents to that effect. A document was given to us
9 -- what we had requested was proof of reconciliation;
10 what we received was a document that I think is part
11 of the material provided that is a completely blank
12 coding sheet that maybe is used for petty cash, maybe
13 is used for attaching to an invoice; I don't know.
14 But that did not prove that there was proper
15 reconciliation, proper approval to initiate those
16 amounts that were being coded to the APSCN or
17 eFinance system and how they were being charged for
18 the amount they were being charged. And that's all
19 that we had requested, and I have not seen any
20 documents.

6 to us was seeing the payments for the even amounts
7 back to American Express and us wanting to know the
8 reconciliation process. If they paid \$5,000, what
9 was it going to? You know, did they purchase food?
10 If they did, who was it for; was it for the students,
11 was it for the teachers? If they went on a trip, who
12 went on the trip? Was it professional development?
13 Was it something that Dr. Tatum had instructed a
14 teacher to go on? You know, we need the detailed
15 information of how the money is being spent, and that
16 was the red flag for us because we never -- we
17 requested that documentation and we didn't see it.
18 So we can't prove or disprove -- you know, we're not
19 making any accusations; we're just saying we can't
20 prove or disprove any of the questions that we have.

21 DR. BARTH: And those were exactly the questions

6 MS. SMITH: Right.

7 DR. BARTH: Obviously, and we're not going to go
8 step-by-step through that. But I just wondered if
9 there was kind of a more systematic issue.

10 MS. SMITH: Typically in a school district if
11 you have a credit card you're going to have -- each
12 line of charging you're going to have coding written
13 out to the side of it so that you'll know what it was
14 charged to. And then behind that credit card you're
15 going to have the receipts so that you can prove who
16 spent what and everything is going to be signed off
17 and approved, so --

18 DR. BARTH: I know that's how my expense
19 accounts would look like. So, okay.

20 MS. ZOOK: Is this the document that was

6 MS. ZOOK: Okay. Thank you.

7 MS. SMITH: That was the actual credit card
8 document --

9 MS. ZOOK: Thank you.

10 MS. SMITH: -- that we're talking about.

11 MS. ZOOK: Thank you.

12 CHAIRPERSON REITH: And if we might ask --

13 DR. BARTH: Mr. Rogers, do you have anything on
14 that? Do you have anything to add on that piece?

15 MR. ROGERS: No.

16 DR. BARTH: I thought I was reading your body
17 language to say you had something to add. Okay.

18 CHAIRPERSON REITH: And if I might add a
19 question though, maybe anticipating a question from
20 Ms. Zook, did we see this in previous years? I know
21 we said that there wasn't a negative balance that

6 school district. You know, until we start seeing a
7 declining or a negative balance or audit issues, you
8 know, we're not going to just go in and start digging
9 and finding out the details.

10 CHAIRPERSON REITH: Thank you.

11 Ms. Zook, do you have additional questions?

12 MS. ZOOK: I guess this would be for perhaps Ms.
13 Tatum and the members of the school board.

14 CHAIRPERSON REITH: Then, Ms. Zook, if I can
15 just make sure -- Dr. Hill and Ms. Dean, do you-all
16 have any questions for the financial team before they
17 sit down?

18 And I apologize, Ms. Zook, I just wanted to --

19 MS. ZOOK: No. That's perfectly fine.

20 CHAIRPERSON REITH: -- make sure we don't have

6 anything factual?

7 MS. MOORE: No.

8 DR. HILL: Okay.

9 MS. MOORE: No. We just asked questions --

10 DR. HILL: All right. So, I mean --

11 MS. MOORE: -- to assist.

12 DR. HILL: So, you haven't seen anything that
13 you would -- would be factual that's inappropriate?

14 MS. MOORE: Well, we -- no, we have not --

15 DR. HILL: Okay.

16 MS. MOORE: -- received any documents to such.

17 DR. HILL: All right. So --

18 MS. MOORE: We just have questions that --

19 DR. HILL: Right.

20 MS. MOORE: -- are unanswered.

21 DR. HILL: I understand. Then on the negative

6 school. So I'm saying did the -- and maybe I need to
7 talk to somebody from the school, because if there's
8 a negative cash-flow balance did the enrollment drop?

9 CHAIRPERSON REITH: Mr. Rogers, if you could
10 speak a little to that in that process.

11 DR. HILL: Because that --

12 MR. ROGERS: We're not -- we're not -- we
13 weren't saying there's a negative cash-flow.

14 DR. HILL: Okay.

15 MR. ROGERS: At no point were we saying that in
16 their checking account they might not have had any
17 money in it. What we're saying is they ended 2016
18 with a negative balance; that means they had more
19 expenditures than revenues for that year. Whether
20 the cash was negative -- the bank was negative at
21 that time I don't know.

6 they didn't have any money in their bank. We looked
7 at 2016 and they ended negative.

8 CHAIRPERSON REITH: And if I could just have you
9 correct, Mr. Rogers, while you're there, this issue
10 of the funding following the kids. My understanding
11 is that happens at the beginning of the year. So if
12 a child were to leave -- because if we're talking
13 about end-of-the-year balances -- correct? -- then
14 the money isn't taken back, is it?

15 MR. ROGERS: No.

16 CHAIRPERSON REITH: Okay. So the money -- so
17 declining enrollment, that's more of an issue at the
18 beginning of the school year. Is that correct?

19 MR. ROGERS: Yeah. Declining -- yes. Declining
20 enrollment would've been paid for a school district

21 that had a deficit in this year. Declining

6 CHAIRPERSON REITH: -- I just wanted to be able
7 -- because it sounded like that's where your question
8 --

9 DR. HILL: I was always a negative cash-flow
10 balance in private school.

11 CHAIRPERSON REITH: So with our kids it's for
12 the full year.

13 Yes, Ms. Dean.

14 MS. DEAN: Mr. Rogers, I'm just trying to get
15 clear. So the negative balance at the end of 2016,
16 does that have anything to do with what's in the
17 notes about them not having the information because
18 they were currently being audited?

19 MR. ROGERS: No. That shouldn't have had
20 anything to do with it.

21 MS. DEAN: All right.

6 that you started out with the hopes of eventually
7 being 6-12 and then you, you know, altered that
8 because of the circumstance. How often do you and
9 your board analyze what your contract, your charter,
10 is and how it needs to be adjusted? And is that then
11 reported to -- or if you do it, is that then reported
12 and worked out with the Charter Office? Because if
13 it doesn't require an amendment -- if it requires an
14 amendment I know you have to come back, you know,
15 before the Charter Panel and then us. But like the
16 testing and the ACT scores and the college prep and
17 all that, when you realized that the students who
18 needed you most who chose your school were not
19 necessarily children that you might know that about
20 them by 6th or 7th or 8th grade, you could, you know,

6 past renewal we changed our mission and vision
7 because the shift of our school changed from college
8 prep from the beginning of the original. So now
9 we're going into actually just really be working with
10 a diverse population.

11 So to your point, those are the goals that when
12 you walk into our war room there are actually
13 plastered year-to-year goals, as well as a three-year
14 goal that we want to meet. So we have those
15 discussions with our board once a month and it's even
16 in our 45-day plan as well.

17 MS. ZOOK: Thank you.

18 CHAIRPERSON REITH: Thank you, Ms. Zook.

19 Ms. Dean.

20 MS. DEAN: I don't have any questions right now.

21 CHAIRPERSON REITH: Dr. Hill

(BREAK: 11:20-11:34 A.M.)

CHAIRPERSON REITH: We'll reconvene. Thank you, all. During the break Covenant Keepers asked for the opportunity for rebuttal to some of the financial questions, and it seemed very appropriate given the nature of the questions. And so Mr. Askew will introduce some individuals that can speak to some of the questions that have been posed in regards to the negative balance.

MR. ASKEW: Yes. Thank you very much and I appreciate the opportunity to go ahead and deal with this issue. Scott McRae, who has been sworn, would like to address that point.

CHAIRPERSON REITH: Thank you, Mr. Askew.

And, Mr. McRae, when you come to the mic, if you

6 balances, ending legal balances. In FY '09, their
7 legal balance ended at \$122,000; in 2010, it ended at
8 \$13,000; in 2011 it ended at \$42,000; in FY '12,
9 \$65,000; FY '13 \$89,000; FY '14 \$80,000; FY '15
10 \$108,000. So they have never since the beginning,
11 the inception of their charter school, had a negative
12 balance.

13 Now when you go to FY '16, last year, they -- at
14 June 30th they had a legal balance of \$160,000. On
15 July 20th, into the next school year, they received
16 notification from ADE that they had been overpaid on
17 student growth, and that's where the issue comes in.
18 They had to send back \$212,000 and that's what caused
19 their balance to go negative. So what we did at the
20 beginning of this year, we met with them -- first

21 we met with ADE and we determined what their

6 \$59,000 balance which is in line with their ending
7 balances from previous years.

8 So, you know, the -- I just want to point out
9 the only reason that the charter school ended
10 negative was ADE sent them too much money during the
11 school year and the charter school was just not aware
12 of that. But again they did send back the money and
13 they worked very hard this year to lower their
14 expenses to increase their revenue to get that
15 balance to a positive number by the end of the school
16 year.

17 There was also some conversation on
18 miscellaneous revenue coming in from local sources.
19 And I just did a little study throughout the state a
20 few days ago and every school district in this state

miscellaneous revenue from local sources:

6 CHAIRPERSON REITH: -- and record please.

7 And, Ms. Davis, if you can just kindly confirm,
8 is that appropriate protocol?

9 MR. ASKEW: Okay.

10 MS. DAVIS: Yeah. We don't really do cross-
11 examination or direct questioning in this hearing.
12 If you have specific questions or things that you
13 would like to be addressed then we can address those,
14 either the Department or individuals for the
15 applicant. But we don't offer any kind of cross-
16 examination or direct questioning or anything of that
17 nature.

18 CHAIRPERSON REITH: Thank you, Ms. Davis.

19 MR. ASKEW: This is in the nature of making sure
20 that everybody understands what the situation is. As
21 I understand it, the

6 are nodding heads.)

7 CHAIRPERSON REITH: Yes? Okay. Then --

8 MR. ASKEW: I won't do a lawyer questioning; I'm
9 going to ask for more explanation.

10 CHAIRPERSON REITH: If you could -- yes. If you
11 could maybe frame it -- instead of cross-examination,
12 kindly just say "these are the issues I'm going to
13 ask Mr. McRae to respond to." That would be helpful.
14 Thank you.

15 MR. ASKEW: So here's the -- here's what I'd
16 like an explanation of. We have a negative fund
17 balance June 30, 2016 on the books. The notification
18 from ADE came after that, July 16th of 2016. Why did
19 that reflect on the June 30th books? That's the
20 explanation I'm asking for.

6 June 30th, and then over the next three months the
7 charter school was notified obviously of the
8 overpayment and they were able to correct that in
9 their books. So that's why they -- the -- as of
10 September 15th of that year, when the books finally
11 closed for good, that's why they showed the negative
12 balance. Does that make sense?

13 MS. ZOOK: Could we --

14 CHAIRPERSON REITH: Yes. Any follow-up
15 questions? Yes, Ms. Zook.

16 MS. ZOOK: Could we ask their CPA to address
17 this with them? Because he's the one that prepares
18 the financial statements that the board gets; he's
19 the one that makes sure everything is in the right
20 category. Is he still here?

21 CHAIRPERSON REITH: And as he's coming down, Ms.

6 don't know what category to put it in, you know, all
7 those things that accountants need for filing the
8 end-of-the-year reports and all that? What kinds of
9 things did you run into when you -- how long have you
10 been the CPA for this school?

11 MR. HAMILTON: I have been working with Covenant
12 Keepers in some capacity for about I would say -- I
13 want to say four to five years.

14 MS. ZOOK: Okay.

15 MR. HAMILTON: Yes, ma'am.

16 MS. ZOOK: So how has this particular year
17 compared to last year's or how have you helped them
18 correct this? I don't think it would've been
19 intentionally a casual approach to keeping books, but
20 it appears casual.

21 MR. HAMILTON: Right. I think --

6 reconcile the cash, and if you go back historically
7 the cash is always reconciled every month. And so
8 the process is the American Express card is coded
9 based on approvals from Ms. Hill, Dr. Tatum, and
10 every approval has a corresponding receipt that backs
11 up to the charge; then each item on the American
12 Express card is coded. Then based on that coding
13 she'll send me a spreadsheet that says, okay,
14 American Express code to 66100, and then there may be
15 some NSLA coding there, and she'll give me a detailed
16 breakdown of what that American Express bill is for.
17 Then once we do that we reconcile her payments that
18 she's saying the coding is for compared to what
19 actually came through the bank account. So if those
20 two don't match I'll give Ms. Hill a call and say,

6 MR. HAMILTON: I can't -- I can't speak on the
7 records that are actually maintained at Covenant
8 Keepers. I work out of another office.

9 MS. ZOOK: Okay.

10 MR. HAMILTON: But I can say that I'm
11 comfortable with the documentation that comes to me
12 every month and I'm comfortable with the coding; so
13 we have an understanding of what the coding should be
14 and then we'll bump it up against what is being
15 provided to us. And so if there's something that's
16 out of whack there then we'll question that. But
17 we're not looking at every transaction that goes
18 through there; we count on Covenant [sic] to have all
19 those documents, you know, on-site.

20 MS. ZOOK: Right.

21 CHAIRPERSON DEITH: If I could do an add-on

6 explanation?

7 MR. HAMILTON: I think that when you do the
8 coding you'll have -- the payments, the American
9 Express payments are very rarely even numbers, the
10 ones that I've seen. But when she may code some --
11 send the coding over, she'll send some of the coding
12 over and it may just be based on a split that
13 actually was an even number transaction. So the
14 actual coding itself -- when you look at the actual
15 American Express payment I don't see many of them
16 that come through in totality that says, you know,
17 \$3,500. I'll see one that says -- it may say \$3,505;
18 there may be another one that's another amount,
19 multiple times in the month. But I'm not seeing
20 those even dollars come through to that extent.

21 CHAIRPERSON BEITH: So would you say that --

6 flow issues. But the last time I checked the
7 American Express balance was approximately -- don't
8 hold me to this -- about \$4,000, the most recent one.
9 So to me there's not an accumulation of outstanding
10 debt potentially there.

11 CHAIRPERSON REITH: But were the concerns of the
12 Department at all validated -- valid in regards to
13 these online payments reflecting cash-flow?

14 MR. HAMILTON: Well, I would kind of echo what
15 Mr. McRae said. I don't think the American Express
16 is impacting the cash-flow. I think that the journal
17 entry that we recorded to end out the school year is
18 what contributed to the negative fund balance. So
19 from a cash-flow perspective I don't think the
20 American Express payments were causing the issue

21 I'm just repeating what he just said, but

6 MS. ZOOK: There apparently is someone online
7 watching that keeps -- I don't know if he's filling
8 up your email box like he is mine, but I don't know
9 if that's even appropriate if a person is wanting to
10 make public comment but they're not here to do so.
11 Can somebody give me guidance on that?

12 CHAIRPERSON REITH: Ms. Davis. And thank you,
13 Ms. Zook.

14 MS. DAVIS: And I'm sorry, I just put a piece of
15 gum in my mouth.

16 MS. ZOOK: That's okay.

17 MS. DAVIS: So, I'm sorry. You know, the public
18 comments that you receive here today or any that has
19 been written we would give them to you. If you've
20 received them in your inbox it's just no different

6 MS. DAVIS: Right. I would imagine --

7 CHAIRPERSON REITH: Just our discretion; right?

8 MS. DAVIS: Yeah. I would imagine you probably
9 get lots of comments, not just about this hearing.

10 MS. ZOOK: Right.

11 MS. DAVIS: But you probably get lots of
12 comments to your email personally and it would just
13 be at that point -- because we can't really take
14 those as public -- official public comments.

15 MS. ZOOK: Okay. That's the question I had.

16 CHAIRPERSON REITH: Thank you, Ms. Zook.

17 So with that, we will proceed with the next
18 round of questions until they've been concluded and
19 we're ready for a motion.

20 So Ms. Newton, any additional questions?

21 MS. NEWTON: I had some questions I think that

6 And I didn't know -- because I don't have information
7 background if they were vendors or employees. What's
8 the policy that -- of your local district doing that?

9 DR. TATUM: Well, the policy is that we can't do
10 anything over \$10,000 unless it goes through our
11 board and we have a disbursement officer there.
12 Also, ADE did bring to Mrs. Hill's attention about
13 the mass amount of handwritten checks, so we wanted
14 to rectify that moving forward, and I believe that
15 has been. So that's pretty much the policy at
16 Covenant Keepers.

17 MS. NEWTON: Okay. What about the checks that
18 were written to specific individuals a couple of
19 times a month? What is --

20 DR. TATUM: Specific individuals a couple of

6 DR. TATUM: Okay.

7 MS. NEWTON: -- what those were.

8 DR. TATUM: And again I would have to look
9 specifically at that \$500, \$600, whatever they are,
10 to see who they were actually written to, and I can
11 actually give you an explanation. I'm not really
12 sure when it's a couple of times a month. If it was
13 a teacher, I know that we had gone on a trip and we
14 had to do a certain amount per diem as far as travel,
15 eating, things of that nature. So it could be that
16 that you give into consideration for a couple of
17 times a month. I'm not sure. I would just really
18 have to look at it to see what that couple of times a
19 month --

20 MS. NEWTON: Okay.

21 DR. TATUM: -- was all about

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MS. HILL: Marquita Hill.

CHAIRPERSON REITH: -- and your title for the record.

MS. HILL: Marquita Hill; I'm the executive assistant. The twice a month even amounts, those are for vendors, what we call AP payroll. So that's what that is.

MS. NEWTON: Okay. So, Ms. Davis, help me out a little bit here. I'm not -- I don't understand the difference between a vendor and employee, because it looks like to me if it's a regular -- I don't understand, so you help me out.

MS. DAVIS: Okay. I'm going to defer to Ms. Moore and Ms. Smith to give you some more information on that. And then if there's any other questions

6 they may or may not be issued a 1099. And then some
7 of them are not issued W-2s at all and they may or
8 may not be issued a 1099.

9 MS. NEWTON: So, again, help me out because I'm
10 starting to hear IRS. Is that what I'm hearing?

11 MS. SMITH: We don't know. I mean, we don't
12 know because we don't know what these things -- they
13 don't have any documentation or description for what
14 the checks are when we pull the APSCN reports.

15 MS. NEWTON: So we don't know?

16 MS. SMITH: We don't know.

17 MS. NEWTON: So you don't know. Okay.

18 MR. ASKEW: Can there be some specificity here?

19 CHAIRPERSON REITH: Mr. Askew, if you could
20 kindly come to the mic.

6 MR. ASKEW: If there's going to be evidence,
7 let's have evidence.

8 MS. NEWTON: Okay.

9 CHAIRPERSON REITH: Well, I do think that's part
10 of the issue here is trying to understand more about
11 that specific line item and I think that's part of
12 the inquiry. And I don't want to speak for Ms.
13 Newton; I'll let her elaborate on that. But, Ms.
14 Davis.

15 MS. DAVIS: And I'll let them give more
16 information. They know with more specificity the
17 information that you're asking. But I just would
18 like to remind you guys that, again, this is not like
19 an objection period and things of that nature, and so
20 we really just need to focus on the fact that if you

6 now the questions are coming from diverse natures, I
7 think it's acknowledging that all of this relates to
8 each other.

9 So, Ms. Newton.

10 MS. NEWTON: So, I mean, do you want to give a
11 specific example, I mean, if you have some right
12 there in front of you?

13 MS. SMITH: I can give a couple, if you'd like.

14 MS. NEWTON: Okay.

15 MS. SMITH: We have Rosalind Washington [ps];
16 she's listed as an employee on the website. In APSCN
17 she is not listed as an employee, so she is not
18 getting a W-2. And in 2016 she was paid \$21,228.03
19 and in APSCN -- now this is their information -- it
20 says "No 1099."

21 MS. NEWTON: Okay. All right.

6 be things that would cause your department a little
7 concern, great concern? Help me out.

8 MS. SMITH: We would want to know why that
9 they're listed as an employee on the website and not
10 receiving a W-2 and why an employee that is receiving
11 a W-2 is also receiving vendor checks. If you're
12 receiving money that's not a reimbursement, it has to
13 go through the W-2 process. You can't receive a 1099
14 and a W-2.

15 MS. NEWTON: Okay. Say that again just because
16 I didn't catch that.

17 MS. SMITH: If you're an employee -- you know,
18 like I'm an employee of ADE, so I receive a W-2 for
19 my payroll.

20 MS. NEWTON: Okay.

MS. SMITH: Is it possible to have any additional

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CHAIRPERSON REITH: Yes, Mr. Williamson.

MR. WILLIAMSON: And 1099s are typically awarded to independent contractors.

MS. SMITH: A vendor, yes.

MR. WILLIAMSON: And they are responsible for all of the taxes.

MS. SMITH: All taxes.

MR. WILLIAMSON: Right. I mean, so it's not like they're circumventing the IRS or the DFA from getting their tax; it's just that vendor, if you will, or contract employee is responsible for paying --

MS. SMITH: Right. But they should not be listed --

MR. WILLIAMSON: -- all of it, not half of it.

6 job and the other one is, you know, a contract labor
7 doing -- mowing the grass? I mean, I don't know what
8 it could be. But would that be uncommon?

9 MS. SMITH: I have never seen that myself.
10 Typically, if you're doing two jobs you're going to
11 have two contracts. You know, like if you have a
12 teacher that is also a bus driver they're going to
13 have a certified --

14 MR. WILLIAMSON: That's why I was trying to get
15 away from --

16 MS. SMITH: Right.

17 MR. WILLIAMSON: -- direct school stuff, you
18 know.

19 MS. SMITH: Right.

20 MR. WILLIAMSON: Say they had to go, you know,

6 district that work gates or do other things like for
7 the athletic department; that is turned in and that
8 is also run through their W-2. You know, any other
9 person -- if -- you know, if you did it for a
10 district you would get a vendor check. Right.

11 MR. WILLIAMSON: I get a W-2 salary in my
12 current position and I'm also 1099'd, so I have more
13 than one role in my position. And so that's why I
14 was just curious.

15 MS. SMITH: Right.

16 MR. WILLIAMSON: You know, Dr. Tatum may --

17 MS. SMITH: And the issue that we have with
18 this, some of them are not receiving 1099s.

19 MR. WILLIAMSON: Right.

20 MS. SMITH: They are actually --

6

inquiry?

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MS. NEWTON: Not related to that, that question.

8

CHAIRPERSON REITH: Okay. Thank you, Ms.

9

Newton.

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Would anyone like to recognize --

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MR. WILLIAMSON: Yes, I would.

12

CHAIRPERSON REITH: Yes, please.

13

MR. HAMILTON: I just want to -- she did a great

14

job on explaining --

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CHAIRPERSON REITH: If you could come to the

16

mic, sir.

17

MR. HAMILTON: Oh, I'm sorry. I'm sorry.

18

CHAIRPERSON REITH: And state your name again

19

for the record.

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MR. HAMILTON: Deron Hamilton, CPA. She did a

6 everyone that received a vendor check for the year;
7 we bumped that up against the 1099 list, and then in
8 addition to that we gave everybody over \$600 a 1099.
9 So the two individuals -- she's absolutely correct;
10 they may not have seen that because they weren't
11 coded in APSCN to receive a 1099, but we actually
12 prepared one for them and sent that into the IRS.
13 And I think the other thing, as the gentleman was
14 saying here, she's correct, in my opinion; but
15 sometimes when you have to pay someone and they're
16 not set up as -- on the employee side, in my opinion
17 it's better to at least record the revenue so that
18 that person is responsible for every dollar that the
19 school paid. And so, yes, ideally, you want to
20 include all that revenue on the W-2. But what was

6 MR. WILLIAMSON: -- that the school has --

7 MR. HAMILTON: It does.

8 MR. WILLIAMSON: -- because it puts it all off
9 on the contract labor.

10 MR. HAMILTON: It does.

11 MR. WILLIAMSON: Right.

12 MR. HAMILTON: It does.

13 CHAIRPERSON REITH: Thank you.

14 Ms. Smith.

15 Thank you, Mr. Hamilton.

16 Ms. Smith.

17 MS. SMITH: The only concern that we have with
18 that is if they are a 1099 employee and they're a
19 vendor then why are they listed as a contracted
20 employee on the website, I mean, because it has their

21 ... it has their contract amount. So, you

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Okay.

And then I do have to ask, because again there's not an official rebuttal so it's more -- but would anyone like to hear from Ms. Tatum?

MR. WILLIAMSON: I would.

CHAIRPERSON REITH: Yes. Then, Ms. Tatum, yes, you can be recognized.

DR. TATUM: As regarding the website, it's updated at certain points according to ADE. And on there it doesn't say -- it just asks us to put a salary schedule, employees, things of that nature out there. So it doesn't necessarily say contracted services, purchase services, and all of that. So we'll just have to do better; you know, just wanted to make that clear. On a checklist that we receive

6 McKenzie is the right person. So in your
7 presentation -- and thank you for being here -- your
8 presentation, the first part obviously focused on
9 proficiency and I think you rightly suggested that
10 proficiency is not the whole story. Right? That we
11 also have to look at growth. It is though the -- how
12 we gauge at least under the current system of
13 analysis the success or failure of a district.
14 Correct?

15 DR. McKENZIE: Yes, that's correct.

16 DR. BARTH: Right. And so I think we just need
17 to -- I think you were making the best case obviously
18 for what's going on in Covenant Keepers. But I do
19 think it's important for us to be reminded that, you
20 know, while the new post-ESSA world is going to

6 guys can make a good decision.

7 DR. BARTH: Right.

8 DR. McKENZIE: Proficiency had improved a little
9 bit. It has been difficult with the past three years
10 of transition. And the same thing with the growth
11 data, it's been a lot more variable than I would like
12 to see. So I was just presenting you with the best
13 information that I have available.

14 DR. BARTH: Yeah. And thank you. And on the
15 growth issue -- and this is really -- you're more of
16 a statistician than I am. But when you have a
17 dramatic dip -- and there was a significant dip in
18 the overall performance in the school in --

19 MS. ZOOK: '15.

20 DR. BARTH: -- '14-15. Correct? That was the

6 DR. BARTH: Okay. So when you have something of
7 a trough and then you are trying to evaluate growth
8 based on that, is it possible that when you have
9 those ups and downs that growth measures start to get
10 a little tricky? Just walk me through -- should we
11 be concerned about -- is it -- is the most recent
12 growth numbers, are they actually inflated by the
13 fact that the year before there was a particularly
14 challenging year at the school?

15 DR. MCKENZIE: Growth models are always tricky.
16 This one is based on individual student performance
17 over their entire test score history. So I wouldn't
18 expect that the prior year performance of the school
19 as a whole would have an outcome that would inflate
20 the growth data of students for the next year, just

6 students that you're looking at over that time, are
7 those only the students who were at the school all
8 three years?

9 DR. McKENZIE: No. This was not a cohort level
10 analysis; this was all public data. So growth data
11 includes -- so proficiency data includes any student
12 who was at the school on or before October 1st, which
13 is our traditional definition of attending a school.
14 And the growth data includes any student who had a
15 prior year's score somewhere in the state and was
16 there on or before October 1st. So they could be --
17 kids who just came in for that one year were still
18 included in the growth model.

19 DR. BARTH: Okay. All right. Thank you.

20 DR. McKENZIE: You're welcome.

6 that. I've been very transparent about academic
7 distress and sharing where we are, what we're doing.
8 And one thing that the team really put together that
9 was so creative and so helpful this year was Eagle
10 Chat Nights. And during those nights we share our
11 position moving forward, testing, all of those
12 things, so there has not been a level of concern.
13 Parents are still coming and they're coming -- not
14 that academic distress is not important; our parents
15 now are seeking something different from within, and
16 so that's usually the cry when they come to us and
17 it's not the academic piece. Not that it's not
18 important, but they're looking for a complete package
19 of that.

20 MS. DEAN: And you haven't had any withdrawal of

6 governing board. It was just a meeting that I wanted
7 to go to with City Director to just really talk about
8 what's going on. So it has really shaken Southwest
9 Little Rock.

10 MS. DEAN: Okay. Thank you.

11 CHAIRPERSON REITH: Thank you, Ms. Dean.

12 Dr. Hill.

13 DR. HILL: Is this the time for general comments
14 to our board? I mean --

15 CHAIRPERSON REITH: So dialogue?

16 DR. HILL: Yes.

17 CHAIRPERSON REITH: If we could -- and let me
18 just do -- I think Ms. Newton had some more
19 questions.

20 DR. HILL: Okay.

21 CHAIRPERSON REITH: And Ms. Tatum actually

6 my question, Ms. Tatum, and then, Ms. Newton, any
7 opportunity and if anyone else has any additional
8 opportunities.

9 And this may precede the revocation, although
10 I'm definitely interested in the period since the
11 revocation. Since the conversation here is around
12 academic growth -- right --

13 DR. TATUM: Yes, ma'am.

14 CHAIRPERSON REITH: -- and we have talked about
15 financials, can you talk about investment into
16 academic growth? What sort of things have you done
17 over the last few years? Because you even have
18 talked about how your charter has changed, right,
19 acknowledging this isn't college prep; we're talking
20 about serving all children. Can you talk about

21 if you've been investing in student

6 really talking about those things when we have
7 leadership team meetings and things of that nature.
8 I tell you, Ms. Sharesa White with the School
9 Improvement Office -- I get chill bumps speaking
10 about her. She has really, really been our anchor
11 this past year. Dr. Wilde has just been amazing as
12 well. So I really believe they have given us that
13 stretch of focus that we didn't have because we had
14 so many other things that we were trying to do in the
15 wraparound services. So we've had to look at
16 assessment. We're really helping our teachers look
17 at data and really desegregating that. One of my
18 professional growth plans was to really learn TESS
19 and I wanted to use TESS as being credentialed. I
20 really wanted to use TESS in a way that I could

6 have to say going back and looking at leadership,
7 really making some changes, some shift there, so
8 honestly I could be the loudest voice in the
9 building. And, Ms. Jones.

10 MS. JONES: Jenna Jones, internal school
11 improvement specialist and data coordinator for
12 Covenant Keepers. Something that really shifted in
13 the building this year was becoming more of a PLC-
14 minded school. Whenever our teachers got together we
15 really trained them to look at the data from
16 assessments going on in their classrooms with the
17 help of Sharesa White, looking at working together to
18 look at the units that we have with Engage New York
19 and Expeditionary Learning for ELA and math. And to
20 work with the teachers to develop the pre-tests that

6 teachers really shifted the culture of teachers at
7 the school. And as Dr. Tatum spoke about making sure
8 that our teachers have additional TESS training in
9 such a way that they feel comfortable with being
10 observed in their classrooms and they want to show
11 off what they've learned through the training that
12 we've provided them has made a difference and has
13 made it much more transparent in the building. And
14 that culture of teachers asking other teachers, "Hey,
15 I want you to come and see me teach this lesson,"
16 that's made a big impact on our teacher culture.

17 CHAIRPERSON REITH: Thank you.

18 Any additional questions while she's up there?
19 Otherwise, Ms. Newton, please, I know you have some
20 additional ones. Thank you.

21 MS. NEWTON: I think I'm not sure if this is

6 you.

7 MS. NEWTON: That's okay.

8 DR. TATUM: So much information.

9 MR. ASKEW: If I may, Dr. Tatum --

10 CHAIRPERSON REITH: If you could speak into the
11 mic and --

12 MR. ASKEW: Dr. Tatum won't tell you this but --

13 CHAIRPERSON REITH: If you can again speak into
14 the mic. Thank you.

15 MR. ASKEW: Dr. Tatum won't tell you this but
16 I'm going to tell this on her. Her grandson has been
17 at Children's Hospital since Friday night, and Dr.
18 Tatum was there until about 2:30 this morning and has
19 been there the entire weekend. So please excuse if
20 she answered the wrong question.

6 board members that are -- there was four, I think,
7 out of the six that are leaving. Is that correct?

8 DR. TATUM: Yes, ma'am. And that is due to
9 having conversations about their longevity on the
10 board and really feeling like their time is up.
11 They've gone on to other business ventures and really
12 wanted to just step down and see how we could do as
13 far as some other board members coming on with a
14 little more expertise.

15 MS. NEWTON: And I'm not -- again, I want to
16 tell you how much I don't know, so I'd like for you
17 to help me out. How do you -- what's the procedure
18 for getting replacements for those board members?

19 DR. TATUM: They are appointed. And usually our
20 other board members search out and get those

6 just a little bit about the staff that was leaving.
7 Do you have any core teachers that are not coming
8 back next year?

9 DR. TATUM: We have two positions only.

10 MS. NEWTON: Okay. And what are those?

11 DR. TATUM: Science and -- oh, and the math.
12 Science and math.

13 MS. NEWTON: Which math teacher? I can -- I'm
14 remembering some of the ones that I saw.

15 DR. TATUM: The 6th grade, taller lady walking
16 the hall on your left, I believe.

17 MS. NEWTON: Okay.

18 DR. TATUM: And then the science which was
19 around on the block. She was 7th and 8th grade.

20 MS. NEWTON: Okay. All right. Okay.

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MS. NEWTON: Yes.

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CHAIRPERSON REITH: -- all of us --

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MS. NEWTON: Absolutely. Absolutely.

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I think that's all for now.

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CHAIRPERSON REITH: Thank you, Ms. Newton.

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Mr. Williamson.

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Ms. Chambers.

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MS. CHAMBERS: I'm sorry, Dr. Tatum, would you

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mind going to the mic one more time? So this morning

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has been very helpful in terms of teasing out a lot

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of good information, a lot of fact. But as best I

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can tell there haven't been any specific red flags,

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even on the academic performance; things you want to

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do better, things you need to do better, but no red

6 education perspective. But the question is: if your
7 charter were not revoked, do you have any suggestions
8 or reflections on what you and your administration
9 would do differently as we go forward so that we are
10 -- because this almost feels like a relationship
11 issue; it almost feels like we've backed up. There
12 are two sides to this and we've just -- we've got
13 this void between us. So if you were to offer your
14 ideas on how we would do this differently going
15 forward, do you have any specific suggestions?

16 DR. TATUM: I would say that I felt demeaned,
17 attacked. I stood for hours on just governance when
18 I was supposed to be here on academic distress. When
19 Ms. Boyd, Ms. Cindy, and I think Alisa was in our
20 office it was right before Thanksgiving break. Mr.

6 Keepers' part as well. However, I feel the
7 Department wasn't there to be a cheerleader -- and
8 their Charter Authorizing board's panel. So since
9 leaving that meeting I'm a little concerned for other
10 charters when they come through. They need a
11 checklist; they need to kind of have something, Ms.
12 Chambers, to say we're not going to scurry off on
13 whether you're Googled and you come upon something.
14 I mean, it's just a lot. So for Covenant Keepers
15 I've taken it all in. Scott Smith, APSRC, he'll
16 never be able to get rid of me. He is the best,
17 along with his team. So we do have some financial
18 things for reporting and that, we have to clean that
19 up because our goal has always been to be
20 transparent. As far as the academic piece, I heard

6 Facebook, he committed -- he was doing some things.
7 I talked to one of those parents -- those are the
8 kind of kids we get -- that reached out and wanted
9 some help. And then the time that she wanted him to
10 come to our school transportation didn't go there; so
11 therefore, her money and time working two jobs
12 wouldn't allow her to get to our school. So guess
13 what, I feel responsible for that. I also feel
14 that's the reason I'm there in 72209, to help try to
15 bridge some of these things that are so difficult.
16 Hopefully I answered your question.

17 CHAIRPERSON REITH: Thank you, Ms. Chambers.

18 Dr. Barth.

19 DR. BARTH: No. I have some response when we
20 get to general discussion.

CHAIRPERSON REITH: Ms. Zook, Ms. Dean, and Dr.

6 that we can at least start off the discussion and see
7 where we are sort of at? And if it merits more
8 obviously we're not going to rush this, and then I
9 would recommend that we take a lunch break and give
10 us the opportunity of coming back and having
11 additional discussion.

12 So with that, Dr. Hill, since you were so kind
13 in posing that we have discussion could you get us
14 off with some additional thoughts or some initial
15 thoughts?

16 DR. HILL: Comments. Comments, yeah, yeah. I
17 just want to share some experiences being that I've
18 been sitting in a private under-funded position, such
19 as Dr. Tatum. And I want to address something as we
20 think about -- if you travel a lot -- and I just want

6 I was working at the University of Arkansas -- so one
7 reason you see those \$5,000, \$3,000, \$3,500 is
8 because you may get a reimbursement for an expense
9 that went into your account and then you take that
10 and you will pay that on the American Express, so --
11 and you do that in full whole numbers. So if you see
12 a \$5,000, \$3,500, I've done that for years. So I
13 just -- I wanted to make sure that that was put out
14 there so we could understand. That's not -- when you
15 said "anomaly," it was standard operating procedure
16 for me in doing that. And so I -- but as the CPA
17 said, then you reconcile those, you know, based on
18 those accounts. And I just wanted to make sure -- as
19 you were asking those questions, that's something
20 that I know. For a person who recruits a lot,

6 things, I think if we have a financial concern, which
7 I keep hearing -- because as we go back to the
8 questions that we've asked over and over, the meeting
9 went from academic to finance. But over the last
10 four or five years there was -- there were not any
11 things that brought up those concerns. And I just
12 think if we do have that concern then -- or we have a
13 concern of the board, we have a concern of finances,
14 the same assistance that we're giving to academic
15 distress to work through the process, we need to give
16 that same type of assistance to make sure that board
17 training -- or additional assistance. Because what
18 I'm hearing -- and that's why I wanted to make sure I
19 had a historical perspective of all of this -- is
20 that we had a history of academic distress, then we

6 to five years where you're saying there hadn't been a
7 negative balance and then for whatever reason an
8 overpayment balance, but now we have a concern --
9 okay, well, what's your board makeup, how are you
10 doing this -- well, I think we should say, "Okay,
11 this is what we want to see," rather than saying,
12 "Well, we're going to revoke your charter," in one
13 instance. And it wasn't about that. And if it was,
14 I wasn't here, and that's the only reason I kept
15 asking those questions. So those are my comments,
16 being that I have sat where -- before an accrediting
17 body and asked those questions that come, and I said,
18 "That's not true and here's your information." And I
19 think that's what you're saying, okay, communication
20 has led -- a lack of communication has led to this

quadrants that Ms. Dean has referenced from a
community standpoint. And if we need to improve on
those other areas I think that's where we need to
place our emphasis and our attention. But to have a
school in one year -- give them a three-year, look at
a trigger because of financial, and then recommend a
revoked charter, well, then really as a board that's
why I'm asking do we do due-diligence the first --
the last year. I mean, those are questions that I
think that we have to ask ourselves, because the
Board gave three years last year, not them, not the
other organization; we did. I wasn't a part of that,
but we did. So when we did that, now we're coming --
and that was for academic distress, and I just think
those are things that we should take into

6 CHAIRPERSON REITH: And I just wanted to
7 clarify. And then the other -- and maybe, Ms. Boyd
8 or Commissioner, you can clarify. My understanding
9 with Mr. Rogers and their efforts of outreach, it was
10 related to trying to offer financial assistance. Is
11 that correct? So we do have the ability to offer
12 financial assistance to a charter. Is that correct,
13 Commissioner?

14 COMMISSIONER KEY: Any school, any district we
15 are there to serve and provide -- sometimes it's at
16 their request; sometimes the Charter Unit identifies
17 areas or requests they come in. So we do offer those
18 same levels of support.

19 DR. HILL: Well, I guess that would be my
20 question then, Chairman. Was that a thought process

6 CHAIRPERSON REITH: -- if what they required was
7 financial -- was assistance, technical assistance
8 from the Department, or was this other financial
9 issues that they needed to dig into. And I think
10 that gets to the communication piece --

11 DR. HILL: Right, right.

12 CHAIRPERSON REITH: -- of Ms. Chambers --

13 DR. HILL: Yeah.

14 CHAIRPERSON REITH: -- was them not maybe
15 getting the information they need to determine --

16 DR. HILL: Correct.

17 CHAIRPERSON REITH: -- even what their
18 recommended suggestion was. And it seems that
19 bringing it to this level more of that information
20 has come to light. But there was -- and it's been

21 I think on several levels, including

6 part of what --

7 DR. HILL: Well, I --

8 CHAIRPERSON REITH: -- Ms. Boyd's unit does.

9 DR. HILL: Well, I guess my -- it wasn't a
10 question was that if we think they need it; you know,
11 it's kind of like academic distress, we assign it.
12 Is that --

13 CHAIRPERSON REITH: Well, and that may be
14 something in regards to a motion --

15 DR. HILL: Okay. All right.

16 CHAIRPERSON REITH: -- and maybe that's where
17 you're getting to --

18 DR. HILL: Right, right, right.

19 CHAIRPERSON REITH: -- when we make a motion
20 here that might be within the realm of options

21 potentially. But Ms. Boyd and Ms. Davis I see

6 in providing assistance but to what degree, to what
7 level I would have to leave it to them to answer
8 that. But we try to work together with those
9 organizations --

10 DR. HILL: Right. And we're comfortable with
11 who they're working with. I guess that's --

12 COMMISSIONER KEY: Sure. Oh, yes.

13 DR. HILL: I mean, that's -- okay.

14 CHAIRPERSON REITH: Yes, Ms. Davis.

15 MS. DAVIS: I just wanted to point out that one
16 of the things that was brought up about board members
17 having to go through training -- and the board
18 members are required to go through the same training
19 that all school district board members are required
20 to go through. So if it wasn't a matter -- I mean,

6 obligations of a school -- I mean, of a charter
7 school in distress, there's no label that if they
8 don't fulfill that or it doesn't, you know, work out
9 it doesn't change the circumstance, then you're right
10 back here with revocation. There's no like takeover
11 so-to-speak. Traditionally, those schools -- those
12 charter schools have been closed.

13 DR. HILL: But we can highly recommend?

14 MS. DAVIS: Again, you can recommend and you can
15 require certain things that they would do. But if
16 they don't, there's no -- so much -- the only teeth
17 you have is to go through a revocation hearing at
18 that point.

19 DR. HILL: Thank you.

20 CHAIRPERSON REITH: Thank you, Ms. Davis.

6 given last year. I do think that when that debate
7 took place we were all very clear that because of the
8 way that charters operate that this charter could be
9 called in at any point, and I think we were all very,
10 very clear on that. In particular, there was a lot
11 of concern voiced at that meeting about the perpetual
12 academic distress status, really going back to the
13 start of this school. And that's where, you know,
14 where I ultimately -- no matter whatever lack of good
15 information, lack of good communication we have on
16 the fiscal side, and whatever governance issues --
17 and I think there are some that exist here -- I'm
18 ultimately still deeply concerned about the academic
19 distress in this school. And I think that in
20 particular we've got to be clear that how we evaluate

21 whether schools are in or out of academic distress --

6 Covenant Keepers has been before this board -- and I
7 really don't know how many times it's been since I've
8 been on this board, five or six times probably --
9 we've regularly gotten reports about improvement,
10 about growth in math scores or growth in literacy
11 scores, or overall growth. And it's just never -- it
12 has never come to fruition. And I know some of that
13 is unquestionably the student population that
14 Covenant Keepers has served, and I get that. But
15 other schools do serve very similar student
16 populations and do achieve -- reach achieving status.
17 And so I'm -- I am -- I'm just fundamentally
18 concerned about that and I reach a point where I just
19 think that there is something systemic here that is
20 holding back this school's ability to serve its
21 students as fully as it should. And I think that the

6 and other things.

7 CHAIRPERSON REITH: Additional comments or
8 discussion from the Board?

9 Dr. Hill.

10 DR. HILL: Can you define for me what you
11 perceive to be a high academic leader? I mean, I
12 just -- I mean, because, see, I think that's where
13 we're on different sides of the table from a --
14 because you obviously are looking strictly at the
15 academic piece. And, Dr. Barth, I truly know that's
16 important because at the end of the day student
17 learning is why we all -- why we're serving on this
18 board. Okay. But if we close this school, can you
19 say with good clarity that these students are going
20 to be placed in a high academic achieving classroom,

6 not have the perceived -- well, and I can't speak for
7 everybody; I'm speaking for -- I'm just rebutting
8 your discussion on the person to lead the school.
9 And if we close this school we need to know exactly
10 where those babies are going, who's going to teach
11 them, and to make sure that what -- that we're going
12 to make sure, if we're closing, they need better.
13 Because just to say we're closing because I'm
14 concerned, if they're not getting better we haven't
15 helped the situation. And God knows we have that
16 responsibility to do that. I'm not saying it's right
17 or wrong, but these are things we have to think
18 about, because when you close a school -- all right
19 -- and I've been to the school and I know that the
20 parents love the leader for that reason -- and for

6 DR. BARTH: Well, you know, I think we're -- I
7 am frustrated that we're here in late May having this
8 conversation, and I think we all know that this
9 timeline is not ideal. But I do think that it is --
10 I feel personally that it's ultimately our
11 responsibility when a school has perpetually
12 underachieved that that does put an onus on us to
13 take action whenever we have that responsibility.
14 And I think, in particular, you know, we have -- this
15 school has been given a number of chances to make it
16 and in my view it's not there yet.

17 DR. HILL: Well, that's why historically I think
18 I asked those questions about it, because you're
19 dealing with more history than me. I'm only dealing
20 with 10 months and obviously you're dealing with

6 at 55% and Covenant Keepers is at 35%, then I said --
7 then I think that would be relative speaking,
8 understanding the population of people that we're
9 serving. If you're going to have a high academic
10 achievement school -- you know, it may be that -- I
11 was at Arkansas Baptist and you're at Hendrix. I
12 just -- I know the student population that I have to
13 serve every day, and I served the poorest kids in the
14 United States of America; that's from experience.
15 And I know exactly the population of students they're
16 dealing with, and I wish that they scored high on all
17 the ACT but it's not. I mean, you know, so for us to
18 disengage them from the educational process as a
19 choice, and say, "You don't have this choice any
20 longer," but their academics are improving -- which,
21 you know, Mr. Zeak and Mr. Newton say no, they're not

6 and find another school by August --

7 MS. NEWTON: Madam Chair --

8 CHAIRPERSON REITH: Yes, Ms. Newton.

9 MS. NEWTON: -- can I ask Ms. Boyd what options
10 would be open to the parents and students?

11 CHAIRPERSON REITH: Of course you may, Ms.
12 Newton.

13 Ms. Boyd, you're recognized.

14 MS. BOYD: Thank you, Madam Chair. At this
15 point in the year, of course, the students could go
16 to the schools that they're zoned to enroll in in
17 Little Rock School District. And then also I have --
18 there are a few schools, charter schools that are not
19 at capacity. The one that comes to mind right now is
20 Little Rock Prep. They recently were removed from

21 academic distress; that means they are doing a little

6 accommodate grades 6 through 8, as far as charter
7 schools go, are at capacity, to my knowledge.

8 MS. NEWTON: So Little Rock Prep would be the
9 only option then?

10 MS. BOYD: Viable option for people without
11 transportation. Correct.

12 DR. HILL: And could take all -- I'm sorry.

13 MS. BOYD: No, they would not be able to take
14 all of the students. Right now they're a little over
15 100 students at Covenant Keepers; Little Rock Prep --
16 hold on one second -- I don't want to give you
17 misinformation, so just hold on one second.

18 CHAIRPERSON REITH: And, Commissioner, as Ms.
19 Boyd does that, the traditional public schools are
20 still an option, correct, in addition? These are
21 just alternatives to the traditional public --

6 would be -- they could accommodate 21 students, if
7 those numbers have not changed.

8 MS. ZOOK: In that particular grade -- those
9 grade levels, 6, 7, 8?

10 MS. BOYD: Yes. They're a K-8 campus. I mean,
11 they're two campuses and one is 5-8.

12 MS. ZOOK: And so the openings are at the 5-8
13 campus?

14 MS. BOYD: They're actually -- yes. So their
15 enrollment numbers are heavier in the earlier grades
16 and lighter in the later grades. So they have their
17 smallest enrollment in grades 5th, 6th, 7th, and 8th
18 for the previous year. So, yeah, it's my guess that
19 those would be where the spots are.

20 MS. ZOOK: Eleven?

21 MS. BOYD: Uh, huh.

6 I went back and listened to the Charter Authorizing
7 Panel video. Ms. Sharesa White spoke, who is their
8 assigned person there at the school. She believes
9 they're doing much better academically and making
10 progress. The information that was given us today
11 proves that they're making academic progress; the
12 growth is there. They're not going backward; they
13 are moving forward.

14 The issues that were brought up about whether or
15 not she was on the board of City of Fire Community
16 Development or if she was on the board of Covenant
17 Keepers, that was all taken care of and explained and
18 proven that she is not on either one of the boards,
19 if I'm not correct -- if I'm correct.

20 We've heard from their CPA about the financial

6 performance." They wouldn't know about the financial
7 issues but if anything, they would have a complaint
8 about how their children are performing. Haven't
9 heard that.

10 The support that they have in the community, the
11 wraparound services, which they have been growing
12 over the years, I would think that if there were
13 issues with the longevity of the school and how well
14 they're performing and how well they're serving
15 students, I would think that there would be some
16 pullout there from community support; there has not
17 been. If anything, there's been growth in community
18 support, which tells me that the community believes
19 in this school's ability to educate the children of
20 the community.

21 The fact that they have had a positive legal

6 Private funding is actually a common occurrence with
7 public schools, as well.

8 I just wrote down several different things and I
9 didn't -- and I have to agree with Ms. Chambers; I'm
10 not seeing any red flags that say shut her down. If
11 anything, I have to agree with Dr. Hill; if they need
12 some -- I would -- this is what I'll say. I'll say I
13 think, Dr. Tatum, you should take advantage of all of
14 the assistance you can get when it comes to dealing
15 with your finances, and, as you mentioned before,
16 being a lot more diligent about what you post on the
17 website, when it gets posted, the bookkeeping. You
18 just have to tighten up. Something that my parents,
19 my grandparents always told me: sometimes we have to
20 go above and beyond what's expected of us, just
21 because. Sometimes we just have to do that. Even

6 about where would they go -- where would they go. I
7 live in 72209. I would not -- I can't drive my
8 children to North Little Rock; it's not possible.
9 I'm doing it all by myself, and a lot of these
10 parents are single parents; they're single moms, like
11 myself. We cannot get up, get everybody ready for
12 school, get them to school in North Little Rock, make
13 it to my job on time -- and I only work one full-time
14 job; some of these women, some of these people work
15 more than one. And I'm thinking about Little Rock --
16 Little Rock Prep is in a whole other Zip Code as
17 well; they're 72206. That's not as far as North
18 Little Rock, but that's pretty far. And then we look
19 at the schools where they're zoned. That's an
20 option. Those schools are performing basically the

6 So with all of these things said, I don't
7 believe we should revoke it. If anything, like I
8 said, Ms. Tatum -- Dr. Tatum, I would suggest that
9 you take advantage of all of the assistance you can
10 get as far as in the financial aspect of things. But
11 I cannot see -- it does not make sense to me, I
12 cannot wrap it around my mind why we would just shut
13 it down immediately like this. If anything, there
14 should have been a process -- I would think there
15 would be a process of, okay, have them come back on
16 probation or something. It just doesn't make sense
17 to me where we go from approval for three years,
18 revoked. It just -- it's not making sense to me. So
19 that's where I stand. If you were asking where I
20 stand, I don't believe they need to be revoked.

21 CHAIRPERSON BEITH: Thank you, Ms. Dean.

6 improvement, but this would be two consecutive years
7 of a test that we would have data on if we waited one
8 more year, and then give them the extra financial
9 help; give them the extra help in administration and
10 different things that they need, and then look at it
11 earlier in the year next year, maybe January or
12 February. That would give those parents time, if
13 things didn't improve, to find a good alternative.
14 Would that be a acceptable compromise or however you
15 want to state it? What would you think about that?

16 CHAIRPERSON REITH: Thank you, Ms. Newton. If I
17 could actually just ask Ms. Davis, I think -- I know
18 at any time we can ask them to come back and give a
19 report, and so something like a motion that talked
20 about coming back in one year to report so that
21 they're already on notice. I could say. I don't

6 because we don't have a fiscal distress mechanism for
7 charter schools, that while we can encourage them to
8 follow some of those procedures that our school
9 districts would, you know, that's going to have to be
10 something that you're going to have to set for them
11 so that way there's no questions when you come back
12 whether or not that they have met your expectations.

13 MS. NEWTON: Could it be both academics and
14 financial?

15 MS. DAVIS: For probation?

16 MS. NEWTON: Uh-huh.

17 MS. DAVIS: You can.

18 MS. NEWTON: Okay.

19 MS. DAVIS: Like I say --

20 CHAIRPERSON REITH: Dr. Barth had a question for

21 you, Ms. Davis.

6 DR. BARTH: One last --

7 CHAIRPERSON REITH: Retirement is not coming
8 soon enough, is it?

9 MS. BARNES: Yeah, yeah, yeah, yeah, yeah. I'm
10 trying to think while I'm walking. I don't have the
11 timeline in front of me. I do know that the data for
12 the '17 assessments should be coming back very soon,
13 probably around end-June, early July to mid-July --
14 but now that would be raw, of course. And so I don't
15 know -- I think we're looking at -- if I remember
16 correctly, it would probably be let's just say around
17 October, as usual, before you would have completed --
18 even though we're supposed to get it back earlier, of
19 course we need to allow for transitions, we need to
20 allow for processes, and so let's just go to about
21 October for a clearer picture of whether or not all

6 termination, I mean, rather than where we find
7 ourselves today, as far as, you know, a school just
8 can't be closed in 60 days, 90 days? I mean, is
9 there a formal process that we -- I mean, from a year
10 -- you follow me?

11 COMMISSIONER KEY: I do. I think Ms. Davis
12 probably has that pegged. I mean, charters are
13 different because --

14 MS. DAVIS: Right.

15 COMMISSIONER KEY: -- they can -- action can be
16 taken on charters at any time during the course of
17 the year. Now that's not preferred -- excuse me --
18 that's not preferred that we ever do it that way and
19 which is why the urgency of going ahead and having
20 this meeting now, depending on the decision of this
21 board that other options could be --

6 and handling the students and notification.

7 MS. ZOOK: And, Ms. Boyd, are most of the
8 lottery drawings -- if a parent chose to stay in a
9 charter as opposed to going back to a traditional,
10 most of the lottery drawings are held in February/
11 March; is that correct? Or is it March/April?

12 MS. BOYD: That's correct. It's February/March
13 usually. And all of the lottery that needed to be
14 conducted have been conducted.

15 MS. ZOOK: Okay. Thank you.

16 DR. BARTH: So --

17 CHAIRPERSON REITH: Yes, Dr. Barth.

18 DR. BARTH: So for Ms. Davis, so a motion would
19 be in order to have a date-certain for a closure
20 that's not immediate?

21 MS. DAVIS: If you are going to revoke, then I

6 MS. DAVIS: Would that be like to the next year,
7 to next June 30th, or -- I mean, I would not advise
8 you to do it necessarily in the middle of a school
9 year, only because --

10 DR. BARTH: Sure.

11 MS. DAVIS: -- it would be more disruptive --

12 DR. BARTH: Sure.

13 MS. DAVIS: -- both to the teachers and staff
14 and students. But if it was going to be pushed out
15 to the next year it would -- there is -- and I'd have
16 to look it up. I mean, our procedures do say that
17 and it's just a matter of the transfer of assets and
18 kind of a sense of a receivership about the assets
19 since it is state money and state equipment and
20 things of that nature. So it could be, but I don't

21 know that we've done that before. Generally, I think

6 MS. DAVIS: I would, especially if the nature of
7 a lot of the concern is the closure at this date
8 versus a different date that, you know, had this
9 hearing been held in December would that change your
10 decision and your consideration. So I would consider
11 a date for them to come back and I would consider
12 what it is that you want them to be on probation on
13 and what kind of procedures they want to follow, so
14 that way when they do come back there's not the
15 confusion as far as what were they supposed to have
16 done and whether or not they've done it.

17 CHAIRPERSON REITH: Thank you, Ms. Davis.

18 Dr. Barth.

19 DR. BARTH: And if there was a probation with a
20 return, would the law require that we go through the
21 Chapter Authorizing Panel or -- because I do think

6 would follow that procedure. It could be that a
7 report comes back to you and then based on that
8 decision, but it would go through the Charter Panel.

9 DR. BARTH: Okay.

10 CHAIRPERSON REITH: Thank you for those
11 clarifications. Additional clarifications?

12 Okay. And, Ms. Davis, as a point of order, I
13 know we've had Ms. Adcock stand up, maybe wanting to
14 make public comment, Ms. Tatum maybe offering some
15 information. At this point I know we've been in
16 discussion, so it's really if my colleagues want to
17 hear any final comments. Is that correct, Ms. Davis?

18 MS. DAVIS: Generally, at this point there's --
19 if you have any public comments, it's three minutes
20 per person for you to entertain public comments.

21 CHAIRPERSON REITH: Okay. And so that's the

6 both of you-all are recognizing for three minutes.

7 If you could just kindly state your name for the
8 record, please.

9 MS. ADCOCK: My name is Joan Adcock; I'm a
10 Little Rock City Director, but also I serve the City
11 of Little Rock as a liaison to the Latino community.
12 So I'm here today, I want to speak to you for the
13 parents of these children.

14 Have you ever had a woman look at you and say,
15 "I want you to help me give away my children?" I
16 have. Have you ever been called because some mother
17 is in jail in Benton and she's got five children at
18 home? I was. She went to the doctor because she had
19 a back injury, because she held down two jobs. And
20 while she was at the doctor he prescribed a

21 medication that had a narcotic in it and she went to

6 you call the doctor?" They called the doctor and he
7 said, "Gee, I forgot to put it in the database."
8 Before she left court immigration was there. She was
9 on a list; she was taken that night to someplace that
10 no one knew. I have found out that Immigration will
11 answer any question for an elected official. She was
12 taken to Lonoke County. Two days later, she was
13 taken to Louisiana. Three days later, she was
14 deported, never seeing her children again. We fed
15 those children for several days. They went to Little
16 Rock Public Schools. Those children are U.S.
17 citizens and their mother is gone. We made
18 arrangements for a grandmother to come and keep those
19 children. They went to Mabelvale Junior High, they
20 went to J.A. Fair; they went to our schools, but
21 they're gone

6 another person over here that speaks English sit
7 beside them to translate for them. This is what
8 Southwest Little Rock is. In Southwest Little Rock
9 we have around probably 10,000 to 12,000 Latinos.
10 We're trying to work with them on trust.

11 In one of my meetings I had an FBI agent come --
12 and of course he had on a suit, so I asked him who he
13 was and what he wanted. And he was an FBI agent sent
14 to Little Rock because we had crime in the Latino
15 community that was not being reported, and he was
16 here to see what we was doing about it and Chief
17 Buckner sent him to look at what we are doing in
18 Southwest Little Rock because we're having to build
19 trust. We had 15 Latino men go home from grocery
20 shopping, the service station, and they was held up.

21 There is lots of crime in the Latino community

6 Please, let's not add to the problems going on
7 in the lives of these children. They're safe, their
8 mommas and daddies think they're safe, and let's not
9 tear them apart. Thank you.

10 CHAIRPERSON REITH: Thank you, Director.

11 Ms. Tatum, you have three minutes.

12 DR. TATUM: I would also plead with City
13 Director Adcock. If you put us on probation, that
14 only sends another negative term; that only sets
15 parents again at a thinking process "where am I going
16 to go?" I'm asking that, Board, you-all allow us to
17 rest. As I said, APSRC can't get rid of us. I will
18 ask Scott to work with us. We've been transparent
19 with them.

20 And, Dr. Barth, to your point about a leader, I

21 have shared with my staff the need to leave the

6 meeting with attorneys and a 744-2240 called me 10
7 times wondering, "When can I get my child back in
8 school? Did you find out the bed at Bridgeway, is it
9 open?" I'm sitting with attorneys and these are the
10 calls that I'm getting. So I say allow APSRC to work
11 with us. We've worked with them in the past. Scott
12 is difficult to work with.

13 MR. SCOTT SMITH: Me?

14 DR. TATUM: I believe they're the best. Ms.
15 Shock, Mr. Eric Waldruff [ps], they have made -- they
16 have done amazing, amazing things. And I will say
17 now the appearance of what you heard, that's not it.
18 Yes, we need financial tighten-up. Thank you for
19 that, Ms. Dean; I processed that. But we stand here
20 today and I'm pleading for 72209, don't give us the

21 same probation. Allow us to come back and report. to

6 see 100% and some difference at Covenant keepers, I
7 can rest assured. And then with APSRC, as I said,
8 they're one of the best. I know with their support
9 we're going to make a difference. Thank you.

10 CHAIRPERSON REITH: Thank you, Dr. Tatum.

11 So with that -- is it a question, Ms. Dean, or a
12 motion?

13 MS. DEAN: No, it was actually just a comment.

14 CHAIRPERSON REITH: Okay. A quick comment.

15 MS. DEAN: Real quick. Real quick. When I said
16 the word probation I was not implying that I believe
17 they need to be on probation. I was just talking
18 about the process to go from approval to revoke -- to
19 being -- to revocation, excuse me. I personally
20 don't believe they need to be on probation; I agree
21 with Dr. Tatum. So that was just my comment.

counsel list:

CHAIRPERSON REITH: I think she's here --

MS. DAVIS: I am here --

CHAIRPERSON REITH: -- to take notes, yeah.

MS. DAVIS: Well, I'm here to take notes and
provide any legal counsel that you may need --

MS. CHAMBERS: Okay.

MS. DAVIS: -- if you have questions.

MS. CHAMBERS: So --

MS. DAVIS: The only thing, just let me remind
you, I know that there was an issue about the
probation. You know, you have to remember that if
you don't say probation but you have specific things
that you want, there's no teeth so-to-speak for them
complying or not. I mean, not that, you know, they
haven't said their word but you know, we could be

6 MS. DAVIS: That's my understanding, and this is
7 we're only -- we've just completed the first of three
8 years for their renewal.

9 MS. BOYD: Right. So this is 2017. In August
10 of 2018, they will receive their renewal application.
11 The Panel would hear that December 2018, and then you
12 guys would decide whether to review that decision, if
13 the Panel makes a decision in December, in January
14 2019.

15 CHAIRPERSON REITH: Thank you.

16 MS. CHAMBERS: I was going to make a motion. So
17 would you like to --

18 DR. BARTH: Well, just a question. Would it be
19 in order for this board to ask for a report in
20 November or December of this year on the action

21 agenda item -- as an action agenda item, so that we

6
7 Commissioner.

8 COMMISSIONER KEY: Before we leave it I want to
9 make sure I understand your question. So your
10 question about it being on the action agenda would be
11 -- would leave open the possibility of a revocation
12 at that time?

13 DR. BARTH: No. It would be -- it would leave
14 open the process of activating the process which
15 would send it to the Charter Authorizing Panel.

16 COMMISSIONER KEY: Okay.

17 DR. BARTH: But early in the academic year,
18 before the lotteries for next year kick in.

19 COMMISSIONER KEY: Okay. Thank you for
20 clarifying.

21 CHAIRPERSON REITH: Thank you.

MS. NEWTON. Okay.

DR. BARTH: -- my preference.

CHAIRPERSON REITH: Additional questions before
Ms. Chambers makes a motion?

MS. ZOOK: I think you'll have two years' worth
of ACT Aspire scores; you won't have the concorded
[sic] scores. There's no -- unless they do something
miraculous that we haven't seen in the past, the
concorded scores come like late winter or early
winter. So, but you would have two years of
comparison for the ACT Aspire.

DR. BARTH: And we do know, based on the report
today, kind of what's happened over the last three
years. And so it would -- I mean, what we've heard
is this commitment that things are -- this wasn't a
one-year blip that this is -- and I won't -- you

MS. CHAMBERS: So as we see up this motion, --
it clear what reporting we would get in October/
November?

MS. DAVIS: I think that would be up for you to
tell us what kind of reporting you would like.

MS. ZOOK: Oh, no, you mean like what Ms. Barnes
was talking about?

MS. CHAMBERS: Yes.

MS. ZOOK: I don't want to speak for Ms. Barnes,
so correct me, Annette, if I'm wrong. But you would
have the '15-16 ACT Aspire score and the '16-17 ACT
Aspire score, so you would have two summative things.
And if they chose to also provide growth information
that would be another thing that they would decide to
do if it helped their cause. But is that correct?

MS. BARNES: Yes, ma'am, that is correct. They

MS. BARNES: Yeah.

MS. ZOOK: Right.

MS. BARNES: Which they would be doing interims anyway with -- ACT Aspire has interims. And then they may have some local --

MS. ZOOK: Right.

MS. BARNES: -- locally generated interims, as well.

MS. ZOOK: Okay.

CHAIRPERSON REITH: Yes, Commissioner.

COMMISSIONER KEY: Just to offer -- it might be helpful for the Board; APSRC has kind of been mentioned and Mr. -- we've heard from Mr. McRae, but we haven't heard from Scott. It might be helpful if we know just exactly the support that we're talking

6 CHAIRPERSON REITH: And then, Mr. Smith, have
7 you been sworn in? But you're an attorney; correct?

8 MR. SMITH: Yes.

9 CHAIRPERSON REITH: Okay. You may proceed. If
10 you can state your name for the record please.

11 MR. SMITH: Scott Smith, Executive Director with
12 the Arkansas Public School Resource Center. So we've
13 been mentioned a time or two, as the Commissioner
14 said. I just wanted to try and clarify what our role
15 may or may not be, as I understand. If I heard Ms.
16 Tatum correctly, she said that she'd like to report
17 back to this board a year from now about a change in
18 leadership and possible sponsorship of the school and
19 that we would work to assist her with those efforts.
20 So that's one thing that I think we would be focused
21 on trying to assist them with.

Is that what I understand has been discussed?

CHAIRPERSON REITH: And, Mr. Smith, if you could -- we've also -- and your name has been referenced in regards to assistance with their finances and financial management. What kind of technical assistance will you all offer?

MR. SMITH: We have a very good school finance team, as the Commissioner is aware; we can provide training, support, assistance. At the end of the day I think some of the issues that have been raised probably we need to make sure they've been ferreted out as much as possible. And I think that's probably some kind of combination effort with us visiting with the Charter School Office and School Finance Division here at the Department and making sure that things

6 address them as they move forward. --

7 DR. TATUM: That's fair.

8 CHAIRPERSON REITH: Thank you, Mr. Smith.

9 MS. ZOOK: I think it's also important that we
10 realize or at least acknowledge that there is in fact
11 a process: you apply to the Charter Panel, they make
12 a decision; that decision comes to us, we either
13 decide to uphold or hear, we re-hear. And any time
14 there's checks-and-balances that's not saying that
15 one got it wrong and one got it right; that's not
16 saying that. But, you know, if I'm on the Charter
17 Panel then I feel comfort that if I made a
18 miscalculation, made a vote, that there's always
19 going to be somebody else and something else that's
20 looked at differently, so I don't have that full
21 burden as an individual or as a Board or Charter

MS. CHAMBERS: I am.

CHAIRPERSON REITH: Thank you, Mr. Smith.

MS. CHAMBERS: I've been trying to take notes on how to state this, so please if you have suggestions on simplifying -- before I make it, two observations: I too think a formal probation at this point is a psychological impediment which makes it a real impediment in terms of that; so I think it is appropriate and the motion I'll make will exclude any reference to probation. I do think the most important relationship Covenant Keepers can have is with the Department of Education, facilitated and aided by -- this is the acronym I was trying to get right, Scott -- the APSRC. Is that right? So you're playing a very valuable role and I would just ask personally if we can find some way for that to

6 CHAMBERS SPOKE TO, AS WELL AS THE OTHERS, AND
7 proficiency that we spoke to as well that would be a
8 normal part of their performance evaluation; that we
9 get that information as early as possible, which we
10 believe will be in the October/November timeframe;
11 and that we will use then the regular standard of
12 performance which will take us into the Fall of '18,
13 when we'll -- and maintain the -- gosh, that is a lot
14 -- this is a long one. But --

15 MS. ZOOK: I think she's surpassed me.

16 MS. CHAMBERS: Yeah, I win. But the teeth in
17 this is the timeframe that we were already on for the
18 school to perform.

19 CHAIRPERSON REITH: The three years --

20 MS. CHAMBERS: The three-year.

21 CHAIRPERSON REITH: -- to finish out --

provide or Mr. Rogers' group to provide progress in the academic -- I mean, the finance realm as well, or is that part of your motion?

MS. CHAMBERS: It is part of the motion. Thank you, because I wasn't clear. So if there are still -- this gets back to financial discipline and tightening up -- that the Department of Education has an opportunity to ask questions and receive answers relative to the financial performance that we still have to connect on fully. And, again, I think Scott's group can help with that.

CHAIRPERSON REITH: So Ms. Davis and Ms. Coffman, our experts on motions --

MS. CHAMBERS: Can no one repeat back a simple motion from all that?

7 motion?

8 MS. DAVIS: I mean, the only thing I would
9 suggest is, I mean, we can put in the motion that
10 that data, when available -- because that way, you
11 know, it may be October, it may be November, or it
12 may be whenever the data -- we can say when it's
13 available. But as far as the financial discipline
14 about ADE to ask and receive, I think that there
15 might be a little better maybe expansion on that,
16 just like, you know, just some ideas of what it is --
17 or do you just want to limit that to the concerns
18 that ADE had as of today?

19 MS. CHAMBERS: That would be my preference
20 because I don't think we ever landed on anything more
21 specific as a board that we would ask.

MS. CHAMBERS: No, you said it better than I could have.

MS. DAVIS: Okay.

CHAIRPERSON REITH: So it sounds like they don't need details; they just need the ADE financial team to affirm whether they feel that the concerns that we saw -- because this was a one-year thing and I think that's what several had addressed -- that the concerns that were raised this year, if that's persistent or have been resolved.

MS. CHAMBERS: Yes. And, Ms. Davis, if there are specific issues that ADE would characterize as red flags we need to know specifically what those red flags are. It has to be more than a lack of transparency or concerns about governance.

MS. DAVIS: Speci -- you know I can't say that.
Don't ask the girl with a lisp to say that. Okay.

CHAIRPERSON REITH: Thank you, Ms. Davis. Any
--

MS. ZOOK: And I think that even though we put
November in there, if it -- if they come and say it's
not available then we can move it to December. We're
not tied to this. Is that correct?

MS. DAVIS: Right. It would -- I mean, it would
be -- the motion would be on the November agenda but
it would be assumed that, you know, if that date is
not available that we could move that.

CHAIRPERSON REITH: Yes.

MR. SMITH: Does that also include that report
within one year on change of leadership of the

6 been called in for a special
7 it would fall within the normal timeline as outlined
8 by Ms. Boyd. So just wanting to make sure if we get
9 --

10 MR. WILLIAMSON: Second.

11 CHAIRPERSON REITH: Thank you for that, Mr.
12 Williamson.

13 I just want to make sure, Ms. Davis and Ms.
14 Coffman and Commissioner, you have what you need out
15 of that motion; is that correct? Okay. Then, yes.

16 COMMISSIONER KEY: I just want to make sure Ms.
17 Coffman has what she needs for the minutes; that's
18 the important thing.

19 MS. COFFMAN: Let me read what I wrote.

20 MS. DAVIS: Okay. It's probably more clear than
21 what I have.

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MS. CHAMBERS: That was really good. Yes.

MS. DAVIS: With specificity.

CHAIRPERSON REITH: Fantastic. Okay. So motion was made by Ms. Chambers, seconded by Mr. Williamson.

I am going to ask for a roll-call, Commissioner, on this one, if you could kindly lead us through it.

COMMISSIONER KEY: Okay. Dr. Barth.

DR. BARTH: Yes.

COMMISSIONER KEY: Ms. Chambers.

MS. CHAMBERS: Yes.

COMMISSIONER KEY: Ms. Dean.

MS. DEAN: Yes.

COMMISSIONER KEY: Dr. Hill.

DR. HILL: Yes.

COMMISSIONER KEY: Ms. Newton.

MS. NEWTON: Yes.

business, urgent business from the town.

entertain a motion to adjourn.

MS. DEAN: So moved.

MS. CHAMBERS: Second.

CHAIRPERSON REITH: Okay. Motion made by Ms. Dean, seconded by Ms. Chambers.

All in favor?

(UNANIMOUS CHORUS OF AYES)

CHAIRPERSON REITH: Any opposed?

Motion carries unanimously.

And to all of our school districts, good luck ending off the school year.

And to Covenant Keepers, we look forward to the ongoing conversation.

Thank you.

Little Rock, Arkansas, on May 30, 2017, that the said testimony was reduced to typewritten form by me or under my direction and supervision; and that the foregoing pages constitute a true and correct transcription of all evidence heard and proceedings had in said matter.

I FURTHER CERTIFY that I am neither counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken.

I FURTHER CERTIFY that I have no contract with any parties within this action that affects or has a substantial tendency to affect impartiality, that requires me to relinquish control of an original transcript or copies of the transcript before it is certified and delivered to the custodial agency, or that requires me to provide any service not made available to all parties to the action.

WITNESS, MY HAND AND SEAL, THIS DATE: June 3, 2017.



Sharon K. Hill

SHARON K. HILL, CCR
Certified Court Reporter
Certificate No. 670