



Colorado State Board of Education

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
COLORADO DEPARTMENT OF EDUCATION COMMISSION
DENVER, COLORADO
December 14, 2016, Part 2

BE IT REMEMBERED THAT on December 14, 2016,
the above-entitled meeting was conducted at the Colorado
Department of Education, before the following Board
Members:

Steven Durham (R), Chairman
Angelika Schroeder (D), Vice Chairman
Valentina (Val) Flores (D)
Jane Goff (D)
Pam Mazanec (R)
Joyce Rankin (R)
Debora Scheffel (R)



1 (Overlapping)

2 CHAIRMAN DURHAM: All right -- all right.

3 State Board will come back to order. A couple of
4 ministerial things as we enter public comment. As -- as we
5 enter public comment one, the Board will not hear from any
6 member of the public on an item that we have to treat as a
7 quasi judicial action which would be the next item on the
8 agenda, which be the appeal of the Montessori School. So
9 if you intend to comment on that please don't -- it will --
10 I'll be forced to gavel you out of order. The rules of
11 procedure do not allow us to hear ex parte communication on
12 those topics. It is a quasi judicial proceeding much as
13 you see in front of the Public Utilities Commission and
14 comments can only be taken on the record. So please don't
15 put me in the position of having to cut anybody off.

16 Also, we'll have three minutes limited. Ms.
17 Cordial will be the time keeper and so please, because we
18 are behind schedule, strictly adhere to the three minutes.
19 Let's start with Roya Brown. Ms. Brown? Hopefully I got
20 that right. Yes, please.

21 MS. BROWN: Roya Brown. On behalf of
22 Cooperative Community Schools, I want to thank you, Dr.
23 Scheffel, for your commitment to children in all your
24 decisions. That is evident by how you looked at proposals,
25 such as our proposal based on their merit. And how they -



1 - and will impact the education rather than from the
2 partisan perspective. This is true for how those proposals
3 impact not just students but the teachers and
4 administration at schools as well, because you know from
5 the experience where these constituents can benefit from
6 these new idea. You're open to innovations that are well
7 developed and you are not afraid to step out in support of
8 these fresh ideas to do things differently as long as it
9 will be good for our kids and their achievement in the long
10 run. And for that, I am grateful. Thank you for the vote
11 of confidence in our school. Thank you for your care. You
12 will be truly missed. Thank you.

13 MS. SCHEFFEL: Thank you.

14 CHAIRMAN DURHAM: Thank you very much, Ms.
15 Brown. Sherry Kissinger, Kissinger yeah. I'm -- I'm
16 working on that, sorry.

17 MS. KISSINGER: That's all right.

18 CHAIRMAN DURHAM: Sherry.

19 MS. KISSINGER: Good morning. My name is
20 Sherry Kissinger and I'm a parent from Fort Collins and I'm
21 here to ask for your help. I know --

22 CHAIRMAN DURHAM: That's how far you get
23 close.

24 MS. KISSINGER: You didn't know. Better?

25 CHAIRMAN DURHAM: Yes.



1 MS. KISSINGER: Yes. All right. My name is
2 Sherry Kissinger and I'm a parent and I'm here to ask for
3 your help this morning. This is no surprise it's about
4 data privacy. I've contacted a school contract service
5 provider, a vendor, asking about what data elements they
6 collect and use and share. And I've asked about the
7 purpose of the data, and any subcontractors that they share
8 that data with because this affects my child and all
9 children in Colorado. It's been over two months and while
10 the vendor did acknowledge receiving my inquiry, they have
11 not provided an answer at all. I have exhausted all
12 avenues. I've asked for my school, my district, the vendor
13 directly and I've asked the state. I've taken every step
14 outlined in the Student Data Privacy Bill 1423 that you
15 helped pass last year. And now, I'm taking that final step
16 and asking for your help and please -- helping us find this
17 information.

18 The contracted vendor is the College Board
19 and the test is SAT and the SAT prep. My son's middle
20 school asked him to create an account with the College
21 Board to take the practice SAT earlier this fall. It was
22 also suggested that students sign up with the College
23 Board's online partner Khan Academy for the personalized
24 test prep. I asked my school, School Board, State
25 Department of Ed and the vendor directly. No one knows the



1 answer. But my district did reply, she said that "We're
2 glad you contacted the College Board directly because they
3 are the only ones who can answer your question." And I
4 think she's right. But the problem is -- is the College
5 Board isn't answering. My concern arises from the fact
6 that the College Board has sold data historically. They
7 license student data and they share data with multiple
8 third party contractors. And they ask very personal
9 questions like religion, race, military background, social
10 security number when students take the test without telling
11 the students that this is optional information. You can
12 look at the actual test packet and nowhere on there does it
13 say that that's optional information.

14 They also have other surveys that are
15 optional and it's not posted anywhere that that is
16 voluntary and it's not posted what they do with that
17 information. Khan Academy has been harshly criticized for
18 its data collection and sharing practices political states.
19 Khan may be a free service but users pay a price, they
20 trade their data for the tutoring. Khan allows third
21 parties like YouTube and Google to track students. What
22 data is shared and profiled or possibly sold with the
23 College Board when students take the PSAT and SAT, I don't
24 know but I would like your help in finding out. I -- I
25 find myself struggling whether or not to let my son take



1 this test and let him experience it, be familiar with it so
2 that he can compete with his peers, or do I keep him from
3 taking the test, so his data isn't collected and profiled.

4 So any help you would give I would greatly
5 appreciate that because it wasn't the intention of the law
6 for this to happen, and I do have all of my many documents
7 that I'd be willing to share if that would help. Thank
8 you.

9 CHAIRMAN DURHAM: Thank you very much. Lynn
10 Roberts is -- is this a comment on the -- the Montessori
11 School question?

12 MS. ROBERTS: I have my own words to share.

13 CHAIRMAN DURHAM: On?

14 MS. ROBERTS: I would -- I understand you
15 don't want me to share Chris (inaudible) record and I will
16 not --

17 CHAIRMAN DURHAM: No, if it's comment on the
18 item we're going to take up as a judicial matter, then it's
19 inappropriate for the Board to hear those comments,
20 regardless of whether they're yours or others.

21 MS. ROBERTS: I would like to speak as a
22 neighbor in the neighborhood of a (inaudible) Montessori
23 school. Is that permitted?

24 CHAIRMAN DURHAM: I don't --

25 (Overlapping)



1 CHAIRMAN DURHAM: Where is Sally?

2 UNIDENTIFIED VOICE: We can't make any
3 comment means were going pro or con towards having Great
4 Work Montessori School, no.

5 CHAIRMAN DURHAM: Okay. Thank you very
6 much.

7 MS. ROBERTS: Okay. I had another topic I
8 would like to address.

9 CHAIRMAN DURHAM: Please feel free.

10 MS. ROBERTS: I'd like just to submit e-mail
11 correspondence dating from October of this year.
12 Requesting of IReady -- the data submitted by my daughter
13 when she took IReady, she's taking it now three times. And
14 I've made seven specific requests for the data that I
15 believe HB 1423 acknowledges my right to. I've asked my
16 school who complied with my request and gave me a copy of a
17 report that is similar to this. It includes scales and --
18 sorry -- It includes skilled scores and performances
19 levels. I've asked -- so not only my school, I've asked to
20 the contact identified by my district at IReady. He did
21 not reply to me except using the words of their counsel who
22 has replied to me three times. But I remain not with the
23 access to the data that I believe the law acknowledges my
24 right to.



1 So I'm asking for your help, if you would
2 please review the e-mail record that is here. I did not
3 include the copy of my daughter's record that was provided
4 me by the principal at my school for privacy reasons, but
5 like I said, I have a template here that shows you what
6 they do provide. I'm really concerned about increasing
7 privatization, and when IReady will not comply with
8 requests that I legally allowed to make, it's alarming to
9 me. I would like to submit my comments on the Great Work
10 matter in writing, if that's all right.

11 CHAIRMAN DURHAM: That -- that would not --
12 not be appropriate this time, you can submit them for later
13 distribution.

14 MS. ROBERTS: Thank you.

15 CHAIRMAN DURHAM: Thank you. Okay, Daniel
16 Marsh? Okay good, Janette -- looks like Sanchez? Yes, Ms.
17 Sanchez, you are -- have the Great Works Montessori listed
18 as your topic?

19 MS. SANCHEZ: Yes.

20 CHAIRMAN DURHAM: That's not appropriate to
21 -- for you to discuss at this time.

22 MS. SANCHEZ: So I'm not --

23 CHAIRMAN DURHAM: Thank you. Gabriela
24 Jacobs? Gabriela Jacobs, no? Okay. Pete Ruibal? Ruibok?



1 MR. PETE: Mr. Chair, I'll wait to speak at
2 a latter or next issue coming out of Montessori --

3 CHAIRMAN DURHAM: Okay.

4 MR. PETE: That's what I want to talk about.
5 Okay?

6 CHAIRMAN DURHAM: Thank you very much.
7 Darren Levy?

8 MR. LEVY: So is there -- to give me an
9 opportunity later to speak about Great Works?

10 CHAIRMAN DURHAM: At the -- once the
11 hearings concluded at this afternoon's comments if you wish
12 to do so.

13 MR. LEVY: After you've already voted?

14 CHAIRMAN DURHAM: That is correct.

15 MR. LEVY: Is it permissible to just talk
16 about some facts about Jefferson County?

17 CHAIRMAN DURHAM: Probably not. If they are
18 designed to influence the Board in its decision on the --
19 this particular appeal. Just -- and let me -- let me just
20 explain to the audience that this is a quasi judicial
21 proceeding. Just as it would be inappropriate for a judge
22 or a magistrate to sit down with one of the parties and or
23 listen to one party exclusively without the opportunity for
24 the other party to present counter evidence and or cross
25 examinations, because this is under current law that kind



1 of proceeding, it's simply not appropriate for us to hear
2 what is referred to in the laws ex parte communication.
3 That we are obligated by the law to make our decision based
4 on the record and the official hearing that we will have
5 here shortly.

6 MR. PETE: Which does not include public
7 comment?

8 CHAIRMAN DURHAM: That is correct.

9 MR. PETE: Thank you.

10 CHAIRMAN DURHAM: Okay that concludes the
11 sign up for -- for public comment. I apologize for those
12 who came for that purpose but it is just inappropriate for
13 us to hear. I would also make one observation that I'm not
14 sure College Board is a vendor to the State of Colorado.
15 They are obligated to follow Colorado law and the rules
16 this Board has set for data privacy. So I will ask Dr.
17 Anthes to conduct a review of -- of the questions raised
18 and to make a determination that College Board either is in
19 compliance with Colorado law or is not in compliance with
20 Colorado law. And if they are not in compliance with
21 Colorado law and Board policies to make specific
22 recommendations for correction. Okay. All right, thank
23 you.

24 All right we'll now proceed to item 11 which
25 is the appeal for the -- Great Works Montessori School



1 versus Jefferson County School District RE 1, and we'll
2 proceed while -- while the parties come to the table and
3 get organized, the Board may take a few minutes one way or
4 the other, to take a -- just a short break, cause we're
5 gonna be here for -- for an hour and a half on this issue.

6 And proceed with item 11, or item, or
7 whatever item, item 11. Colorado State Board of Education
8 will now conduct a hearing in case Number 16-CS-03, the
9 appeal of Great Works Montessori School from the decision
10 of the Jefferson County School District, number RE 1 Board
11 of Education, to deny Great Works Montessori Charter School
12 application. During this hearing, the Board is acting in
13 its capacity to hear appeals of charter schools, and will
14 hold an appellant hearing under the relevant charter school
15 appeal law, Colorado Revised Statutes 22-30.5-108. I'd
16 like the -- to ask the person in charge -- the person
17 chosen to represent each party, to enter your name on the
18 record, along with party you represent. Please also
19 introduce the person you've designated to answer questions
20 of members of the Board, only those individuals will --
21 identified by the parties, will have the opportunity to
22 address the Board. So we'll start with the -- Ms. Edgar,
23 are you the Council for the District?

24 MS. EDGAR: Yes, Dr. Durham. Thank you very
25 much. My name is Kristin Edgar, I'm an attorney with



1 Caplan and Earnest, and we are here today on behalf of
2 Jefferson County School District. I will go ahead and
3 introduce the designated witnesses that we have with us
4 today. To my right -- immediate right is Mr. Ron Mitchell,
5 he is President of the Board of Education, and can answer
6 any questions about the Board's decision, and the
7 District's charter school process. Next to him is
8 Superintendent Dan McMenemy, he can answer questions about
9 the District's relationships with its existing charters,
10 and its charter application process, and to his right is
11 Dr. Stephanie Corbeau, she is the Finance Director for
12 Jefferson County School District, and has expertise in
13 reviewing charter school budgets, and in the cost and
14 operating, and revenue expenses that go along with those
15 charter schools. Thank you.

16 CHAIRMAN DURHAM: And Mr. Brzeski.

17 MR. BILL: It is Bill (inaudible), William
18 (inaudible) representing Great Work Montessori School, to
19 my immediate left is Amy Malik who's Executive Director,
20 and intended Head of School, and is here to answer any
21 questions I can't answer. And to her left is Trudy Marie,
22 who is the Treasurer of -- of the Board, and is here for
23 purposes of focusing on any finance issues.

24 CHAIRMAN DURHAM: Okay. Thank you. The
25 role of the State Board is to consider only those issues



1 raised in the notice of appeal. The Board has been
2 provided with a record on appeal, references to documents,
3 or testimony not present in the record on appeal will not
4 be considered by the Board. In relation to these issues
5 contained in the notice of appeal, the Board will apply the
6 following standard of review, following oral argument.

7 The Board will decide whether it is in the
8 best interests of the pupils, the district, or the
9 community, for the support the local Board's decision to
10 deny Great Work Montessori's charter application. The
11 parties have already submitted written arguments and
12 information. A maximum of 30 minutes will be granted for
13 the oral argument, and examination of each party -- each
14 party's issue. You may reserve a portion of the 30 minutes
15 for rebuttal. The -- during that -- during this time,
16 parties may summarize its written arguments and
17 information, and Board Members may ask questions. And keep
18 in mind during the presentation, Board Members may -- may
19 choose to interrupt with questions as appropriate.

20 The hearing will proceed as follows, Great
21 Works Montessori School the appellant, will present its
22 arguments, including questions from the Board, Jefferson
23 County school Districts R -- RE 1, the appellee, will
24 present arguments -- present its arguments including
25 questions from State Board, the appellant, Montessori



1 school shall present its rebuttal to the extent its reserve
2 time, then the Jefferson County School District will also
3 present its rebuttals.

4 Then lastly, the Board will do -- will
5 deliberate and render its decision. The --- we will adhere
6 to the maximum time limit. Each segment will be timed, you
7 will be notified by Ms. Cordial when you have five minutes
8 remaining in your allotted time, Ms. Cordial airs with the
9 yellow piece of paper that she's brandishing, and she's
10 very serious about it. Okay. Great Works Montessori
11 School, do you wish to reserve any time for rebuttal?

12 MR. BILL: Ten minutes please.

13 CHAIRMAN DURHAM: Ten minutes for rebuttal.
14 Let's see, Jefferson County, do you -- yes, I mean, Ms.
15 Edgar?

16 MS. EDGAR: Yes. Chairman Durham, we would
17 also like to reserve 10 minutes for rebuttal.

18 CHAIRMAN DURHAM: Okay. That -- those are
19 duly noted. Let's see here. As is customary with any oral
20 argument, and administrative hearing or judicial
21 proceeding, we anticipate the Board Members may have
22 questions, and that they may interrupt counsel with these
23 questions. This is the only time during the hearing Board
24 Members may question the parties. Board Members and Board



1 questions and their responses, are included within the 30
2 minutes maximum time.

3 Are there any questions from the Board or
4 Council about these standards of procedure? Seeing none,
5 all right. Mr. Brzeski, if you would like to proceed with
6 the allotted 20 minutes of your initial presentation.

7 MR. BILL: Thank you Mr. Chairman. This
8 case is in -- in my experience at least in these charter
9 appeals in a bit of an unusual posture. The resolution
10 below passed three -- two, it was focused solely on budget
11 issues. The charter had made changes to the budget that
12 they thought would satisfy the District, and obviously that
13 was not satisfactory at the end of the day. These were
14 just briefly reviewing what exactly happened. The charter
15 submitted an initial budget in two forms. One assuming the
16 public charter school grant, and one not assuming that
17 grant, which was critiqued by the District, and the school
18 went back and took those critiques seriously, revised the
19 budget to meet the District's needs, and then there was a
20 second round of discussion, or conversation between the
21 District and the school, in which the District suggested
22 and -- and recommended really, that the school add a single
23 elementary level classroom, which the school proceeded to
24 do.



1 And at that point, the applicant thought
2 that it had met the District's budget requirements. Was
3 very close to the time for the school Board to act on the
4 application, and there wasn't further conversation, and
5 then the budget -- the resolution came down, focused solely
6 on a handful of budgetary issues, which I wanna talk about
7 in a little bit of detail as we go through this today. But
8 what was clear, was that the school was attempting to
9 accept the District's critiques, accept its
10 recommendations, respond to those, and the District having
11 made the recommendation of additional -- an additional
12 classroom, I think discovered that the effects that it
13 hoped to see in the ultimate budget weren't there and that
14 probably additional changes might be warranted.

15 So I at least have a strong sense of this
16 case, and I think it's -- it's reflected in the record,
17 that we're -- we're at a point where there's an unfinished
18 conversation here. Where the parties exchanged a lot of
19 ideas, we know that they exchanged ideas on governance, and
20 were able to reach agreement, essentially the school
21 accepting the District's governance critique, and accepting
22 its recommendations for change in the structure of its
23 Board. We know that there's no dispute about the
24 educational value of the school, or about the needs of the
25 community, the under served community in JeffCo, that it



1 would be -- it would be in, this is an area that does not
2 have nearly as much representation of charter, or other
3 choice opportunities as other parts of the County. Yes.

4 CHAIRMAN DURHAM: Yes.

5 MS. SCHROEDER: You just got to where I
6 wanted you to be.

7 CHAIRMAN DURHAM: And I will say, I will not
8 recognize members, they will just --

9 MR. BILL: Yeah. Absolutely. Feel free to
10 ask.

11 MS. SCHROEDER: Okay.

12 MR. BILL: I'd rather much answer questions.

13 MS. SCHROEDER: So I have -- I have several
14 questions. They relate to the attendance. Do you -- does
15 the school have letters of intent?

16 MR. BILL: Yes. My understanding is as of
17 today, 185 letters of intent. With a disproportionate
18 number of those being for the preschool.

19 MS. SCHROEDER: Preschool?

20 MR. BILL: Yes.

21 MS. SCHROEDER: Is there an existing school
22 already? An existing preschool already? A Montessori, or
23 is this a fresh --

24 MR. BILL: This will be a -- in terms of a
25 Montessori preschool, in this part of Jefferson, I'm not



1 sure of the focus of your question, but in this part of
2 Jefferson County, a Montessori preschool, this would be
3 new.

4 MS. SCHROEDER: This would be new? Okay.

5 MR. BILL: Yeah. The -- the Montessori
6 Schools, all of which have preschool classrooms, are in a -
7 - in kind of an arc around the county, and do not reach
8 this part of -- I actually -- my office in this part of
9 Lakewood, do not reach this part of Lakewood.

10 MS. SCHROEDER: To what extent has this
11 group of parents and organizers worked with the other
12 Montessori schools in order to verify its budget, get some
13 ideas on costs? In other words, given that there are --
14 are already Montessori schools in the area, to what extent
15 have there been any efforts of some kind of partnership to
16 get some help from the schools that have the experience
17 already?

18 MR. BILL: It's -- it's a good question.
19 I'd have to refer that question to Ms. Malik.

20 MS. MALIK: We -- we do have relationships
21 with the other Montessori schools in the District. And we
22 got sample budgets from all of them, and they all shared
23 current work that they're doing in their schools and we use
24 that.



1 MS. SCHROEDER: Do they use -- do they use
2 parent volunteers for example, which is one of the
3 solutions that you identify?

4 MS. MALIK: Yes. There's a lot of
5 volunteerism.

6 MS. SCHROEDER: My -- so that brings me then
7 to my right now. Right now, last question. Which is, my
8 limited understanding of Montessori, is that there's --
9 there's very careful training of Montessori teachers, that
10 it -- it -- it's -- I don't wanna say it's a super rigorous
11 program, but it's a very specific program, where there are
12 specific strategies for the kids. How are para pros and
13 volunteers trained, and what sort of resources will that
14 require of you?

15 MS. MALIK: There is an assistance training
16 that AMI, who is the standard that we're seeking to meet.
17 They provide an assistance training, and there's a training
18 center here in Colorado that does that training. And so we
19 plan to work with them to -- to have our parents trained.

20 MS. SCHROEDER: How pricey is that?

21 MS. MALIK: It's -- it's not as pricey as it
22 would be if we didn't have a training center in the
23 District.

24 MS. SCHROEDER: And all of your four, five
25 teachers, I can't remember which now, they will be -- is it



1 certified? Montessori certified? I'm not sure -- I don't
2 remember what the license is.

3 MS. MALIK: Yeah. People call it different
4 things. Certified, or trained, or diploma ed. But yes,
5 all of our teachers will be AMI certified teachers.

6 MS. SCHROEDER: Thank you.

7 CHAIRMAN DURHAM: Dr. Flores?

8 MS. FLORES: May I ask you about the
9 building. That -- is it a building that's there already?

10 MS. MALIK: No, it doesn't exist right now.
11 There's land that has been purchased, and we're through the
12 DDB's, that -- there's a lot of acronyms. But basically,
13 we've designed the building, we have the layout, we've been
14 given the grading permit, and we're just waiting on one
15 more permit for that ground to be broken.

16 MS. FLORES: And where did you get the
17 monies for this -- to buy the land? Because that -- that
18 seems to be very pricey land.

19 MS. MALIK: We -- the Great Work Montessori
20 School will not own the property, or the building, we're
21 leasing the property.

22 MR. BILL: This is a leasehold arrangement,
23 and actually very favorable leasehold arrangement. In
24 which the school will only pay for the space in the
25 building that it occupies. So we'll be able to titrate



1 it's -- it's rent. Typically, one of the dilemmas in
2 building out a charter school, especially Montessori
3 school, but also other charter schools.

4 MS. FLORES: That's okay. I don't want to
5 take up your time. Who owns the property?

6 MR. BILL: A -- a nonprofit corporation.

7 MS. FLORES: And who is that nonprofit
8 corporation?

9 UNIDENTIFIED VOICE: TGNA Holdings.

10 MS. MALIK: TGNA Holdings.

11 MR. BILL: So it's a nonprofit corporation,
12 you could look it up on the Secretary of State's website.
13 It's -- you know, it's -- it's really not relevant to this
14 appeal, because the question here is whether Great Work
15 Montessori has an appropriate budget. And in fact, it has
16 a very favorable sub market rate lease, which will allow it
17 to occupy space, for only the students that it enrolls. So
18 one of the concerns you have with any charter school, if
19 you're trying to build from the bottom up, is you may need
20 a building for K through six, or K through five, or pre
21 through five, or whatever, and you'd prefer not to enroll
22 all those grades at once, but to start at the lower grades,
23 and gradually let students work up through the system.
24 That can be a real dilemma, because frequently, the space
25 you need is not space you can afford based on your initial



1 enrollment. This lease will allow the school to pay for
2 the space that it uses, and increase its payment as time
3 goes on. So it's a -- it's a highly favorable lease.

4 MS. FLORES: And so, the people -- I just
5 wanna know kind of names, because sometimes what happens is
6 -- I mean, charter schools are known to do this. Where the
7 money really goes to the people who own the property.

8 MR. BILL: One of the advantages of it being
9 a nonprofit corporation is, no one is legally permitted to
10 take a profit out of it and that is with commercial
11 landlords and with developers in particular, that can be a
12 real dilemma because some of them are predatory.

13 MS. FLORES: That's right, and that's what
14 I'm kind of alluding to. That (inaudible).

15 MR. BILL: This is not the case -- this is
16 not the case here. Again, this is a sub-market. If you
17 look at what I'm paying for office space and within a few
18 blocks of this location and compare it to what the school
19 is paying, they're paying well below market.

20 MS. FLORES: Right.

21 MR. BILL: Well below market.

22 MS. FLORES: Yes, because it's known that
23 there are investors who invest in land. I mean, it --

24 MR. BILL: You can't invest in an --



1 MS. FLORES: -- is very well known,
2 especially for charter schools and then make a profit, then
3 the -- the fees go up, up, up, up and then --

4 MR. BILL: Which is not true- which is not
5 true in this case. You can't invest in a nonprofit
6 corporation.

7 MS. FLORES: Well, you can't say it's not
8 true because --

9 MR. BILL: No, I can say it's not true.
10 Legally, it can't be true because you can't legally invest
11 in a nonprofit. If you try to do that, you're subject to
12 sanctions from the Attorney General and the Internal
13 Revenue Service. This is not a developer who's taking
14 advantage of a charter school. I've seen those
15 arrangements, this isn't one of them.

16 MS. SCHROEDER: What's the build out
17 expectation? That's school. I'm sorry. Build up is a
18 wrong word. The total -- total enrollment anticipated over
19 time. I mean, have you thought about that or are you just
20 kinda wait as it grows?

21 MS. MELLO: Yeah, we are planning to start
22 with 200 and then as those -- so there's 30 in third grade
23 that -- that first year. And then, as they move up every
24 year, so we're adding 30 every year until we reach through
25 middle school.



1 MS. SCHROEDER: You're planning to go K-8?

2 MS. MELLO: Yes.

3 MS. SCHROEDER: Or Pre-K-8? Sorry.

4 MS. MELLO: Pre-K-8. Yes.

5 MS. SCHROEDER: I think I missed that.

6 CHAIRMAN DURHAM: (Inaudible) Pam?

7 UNIDENTIFIED VOICE: Maybe we could get
8 right to the heart of the matter and discuss some of the
9 budget. The argument where have the district saying, "You
10 don't have a budget" and you say you do. I'd like to get
11 to the heart of that.

12 MR. BILL: I would. I think -- I think Ms.
13 Goff had a question.

14 CHAIRMAN DURHAM: But go ahead and answer
15 that one and then we'll work our way back.

16 MR. BILL: That's my whole argument, so --

17 CHAIRMAN DURHAM: Well, good. Go ahead and
18 take your time -- take your time to fill that up.

19 MR. BILL: Okay. So let me -- let me talk
20 about several things related to the budget. One of the
21 provisions of the resolution says there isn't funding in
22 the budget for special education. It's just not true. I
23 don't know if it was overlooked. I don't know if it was
24 misanalysed in some fashion, but there is funding to pay
25 the district for the typical arrangement in JeffCo, which



1 is a kind of modified insurance where you pay for the
2 higher needs kids. You pay a set amount per student to
3 cover the need, so JeffCo will step in if you have a higher
4 need student in the roll. And then, you have to develop
5 in-school capacity for mild to moderate needs students.
6 And there's a specific budget for that with -- and we set
7 it out in the brief with the allocations for the
8 occupational therapist, and the speech therapist, and the
9 instructional specialists. That's all included within the
10 budget. So that's just simply an error.

11 And the district, as I saw it, didn't even
12 attempt to defend that, is not erroneous. The district
13 says that the school increased its enrollment but did not
14 increase instructional expenses. If you look between the
15 second budget and the first budget, which is when the
16 increase in enrollment took place, there's an increase in
17 instructional expenses, a very substantial increase in
18 instructional expenses. So that's just simply not
19 accurate. So we have a resolution that has a handful of
20 rounds, two of which we know are just false or just wrong.
21 There are errors. We don't even know if you remove those
22 errors.

23 Well, that the Local Board would have voted
24 the way it did, three to two to deny the resolution. The
25 district then goes on to identify a number of things that



1 it considers budget issues that I don't think are authentic
2 budget issues, but let's talk about them and look at them
3 in a budgetary standpoint or a non budgetary standpoint.
4 We've already hit on one that Ms. Schroeder asked about,
5 which is the issue of paraprofessionals, and it's true that
6 paraprofessionals for the elementary classroom were cut
7 between the second round of the budget and the third round
8 of the budget. It was necessary to make the budget
9 balance. That cut would be made up for by having vetted
10 and appropriately trained volunteers aiding certified
11 Montessori teachers in the classroom. That's not a
12 budgetary issue. It could be an education. You could
13 argue it is an educational issue, but it's simply not
14 budgetary.

15 MS. FLORES: I -- I would argue that it is.
16 It -- it is a -- a budgetary issue.

17 MR. BILL: Well, it's not because we're not
18 gonna -- we're not gonna pay for paraprofessionals that we
19 don't have.

20 MS. FLORES: Well, you have to have well
21 trained people and-

22 MR. BILL: Which is an educational issue.

23 UNIDENTIFIED VOICE: Dr. Flores, can we let
24 him finish the answer though, you were at 1.20.



1 MS. FLORES: Well, I was just trying to hit
2 at the point where -- I mean, she had the point that I was
3 --

4 UNIDENTIFIED VOICE: I wanna hear his
5 argument though about the budget.

6 MS. FLORES: Well, and I'm bringing up a
7 question about the training of well trained
8 paraprofessionals in Montessori, and they have to be well
9 trained. Go ahead.

10 MR. BILL: So the other budgetary issues
11 that we identified in going through the districts
12 resolution was a cut in some of the supporting facilities'
13 costs, not the rental cost itself but other costs-related
14 to facility, and the bulk of that is a cut in janitorial
15 services. The school had originally budgeted for a janitor
16 to be present at every school day and for after school
17 cleaning as well, and cut that to be after school cleaning
18 only, and with teachers responsible for any cleaning during
19 the day. That's not an ideal cut. In many ways, this is a
20 bare bones budget, which is one other thing I do want to
21 come back to. We would confess that this is a budget
22 that's been cut very sharply in order to meet needs -- the
23 request of the district in many respects, but it's a
24 manageable budget, and it's certainly manageable, is a good
25 Montessori school.



1 In addition, and if I could just add one
2 other thing, the budget we're talking about here, the
3 budget that has been discussed in all the briefs is a
4 budget that assumes that the school will not receive a
5 public charter school grant. The school had applied for
6 public charter school grant, the grant was to be announced
7 a week -- within the week after the JeffCo Board decision,
8 and one of the options was to approve this -- this school
9 application contingent upon, whether that grant was
10 received or not received. We would accept that
11 contingency, that contingency was perfectly acceptable to
12 the charter school applicants and was suggested by the
13 charter school applicants. Many of the items we're talking
14 about could be covered if that grant was in fact received.
15 Yes.

16 MS. SCHROEDER: How much is that grant --
17 how much is that grant, please?

18 MR. BILL: Potentially, \$600,000 dollars,
19 \$200,000 dollars per year for three years.

20 MS. SCHROEDER: Thank you.

21 MR. BILL: So you'll -- you'll see in some
22 of the budget documents, you'll see an assumption of
23 \$180,000 dollars but the potential is for 200.

24 MS. FLORES: Is that -- is that -- Excuse
25 me, I was (inaudible).



1 UNIDENTIFIED VOICE: Ask the question.

2 MS. FLORES: And the question is, so you're
3 going to work with minority kids, I think that was kind of
4 --

5 MR. BILL: A significant number, yes.

6 MS. FLORES: -- a significant number of
7 minority kids, and yet you're gonna cut on cleanliness?
8 And you're gonna cut on materials? And you're gonna cut --

9 MR. BILL: Thank you.

10 MS. FLORES: -- and you're gonna cut on --

11 MR. BILL: The materials --

12 MS. FLORES: The tools.

13 MR. BILL: The cut would be on purchasing
14 pre-made materials. One of the options in Montessori
15 education is to make Montessori mature. I mean, that's
16 what Maria Montessori did.

17 MS. FLORES: Yeah. Okay.

18 MR. BILL: So one of the options is to make
19 those materials.

20 MS. FLORES: Right. And I worked in a
21 Montessori school, and I know how hard it is to be making
22 those tools as opposed to buying them. So you know, it
23 seems as if you're just not even -- it's not even a
24 Montessori school if you're not --



1 MR. BILL: Yeah, it's absolutely -- It's not
2 only a Montessori school, it's an AMI Montessori School,
3 and AMI, which certifies these schools, wrote a letter of
4 support -- wrote a letter of support saying this could be
5 under the plan as proposed, could be a Montessori school.

6 MS. FLORES: Right.

7 MR. BILL: And I believe Ms. Goff had
8 questioned several times.

9 MS. GOFF: Very quickly. The grant you're
10 talking about is what we, in the vernacular we know as
11 startup grants?

12 MR. BILL: Correct.

13 MS. GOFF: Does it include textbooks
14 materials as well as program expense or program purchase?

15 MR. BILL: In terms of the details of what's
16 in the grant proposal, I would defer to Ms. Mello.

17 MS. MELLO: Yes, it does, and that's where
18 the budget without the CCSP, we are saying if we have to
19 make things, we will. But if when -- now knowing we have
20 the CCSP, we know we have ample amount of money to go
21 toward those Montessori materials from the very beginning.

22 UNIDENTIFIED VOICE: So you do know you have
23 that grant?

24 MS. MELLO: Yes. We actually found out the
25 day after that JeffCo decision, unfortunately.



1 MR. BILL: So all of this argument is about
2 a budget that was no longer the real budget 24 hours after
3 the decision was made. Because the district would not
4 consider passing this charter with a contingency that we
5 would only proceed if we receive the CCSP grant, which it
6 was known would be either awarded not awarded within the
7 next week. At that, I'd reserve the rest of the time for
8 rebuttal.

9 CHAIRMAN DURHAM: Thank you very much. Ms.
10 Edgar?

11 MS. EDGAR: Thank you very much, Chairman
12 Durham, Dr. Anthes and members of the State Board. I'm
13 gonna cut right to the point cause I can tell there gonna
14 be a lot of questions about budgets, so I will skip a lot
15 of my intro. At the heart of this appeal, you guys have
16 pinpointed it. This is about a fundamental disagreement
17 about the price tag associated with the model of a school
18 that Great Work has proposed. Great Work sets that price
19 tag at one dollar figure. We set that price tag at another
20 dollar figure, and that dollar figure is significantly
21 higher than what is reflected in the Great Work budget.
22 Now, before I get into what is the shortfalls of the Great
23 Work budget. I wanna talk about where we're coming from.
24 We are a district-



1 CHAIRMAN DURHAM: Mr. Mitchell would have
2 made a difference if you knew they have the \$200,000 grant.
3 We'd known that at the meeting, it would not have made any
4 difference.

5 MR. MITCHELL: I would answer that by
6 saying, it would perhaps cause us to reevaluate to look,
7 you know, more carefully at things, but my belief was that
8 even with the grant, this alternative or this proposal
9 lacked financial accountability and responsibility. So
10 even with it, I -- I don't think it would get there.
11 That's my opinion.

12 CHAIRMAN DURHAM: So is this area
13 geographically, is it a relatively poor area? Would that
14 be a fair description of the potential location of the
15 school?

16 MR. MITCHELL: Absolutely.

17 CHAIRMAN DURHAM: So and there are -- are
18 there other alternative elementary schools, any kinds of
19 school choice available in this geographic area?

20 MR. MITCHELL: All of our schools, Chairman
21 Durham, are choice schools, so there -- there are --

22 CHAIRMAN DURHAM: Are there any choice
23 charter schools anywhere near this area?



1 MR. MITCHELL: I'm gonna defer that to our
2 superintendent. I think near it but not directly in the
3 community, would be my answer.

4 UNIDENTIFIED VOICE: That's correct.

5 CHAIRMAN DURHAM: So it's non sort of
6 community in that regard? Then, do most of your charter
7 schools in Jefferson County have a waiting list? Let's
8 start with (inaudible) school. It's traditionally had a
9 waiting list as --

10 UNIDENTIFIED VOICE: Our charter schools
11 have waiting lists, and a couple of things you need to know
12 about that is, we believe that there's a significant number
13 of students that are on multiple waiting lists. So getting
14 to --

15 CHAIRMAN DURHAM: It doesn't --

16 UNIDENTIFIED VOICE: Getting to a specific
17 number --

18 CHAIRMAN DURHAM: It doesn't -- do you think
19 existence of waiting list for people who would like a
20 better opportunity is a good thing?

21 UNIDENTIFIED VOICE: I believe that people
22 are looking for opportunities, and I believe that getting
23 those waiting lists down to what the actual count is, is
24 something we're very interested in doing, working with our
25 charter schools.



1 CHAIRMAN DURHAM: And would it be helpful to
2 add more charter schools, would that help reduce your
3 waiting list?

4 UNIDENTIFIED VOICE: Well, I think there's a
5 lot of variables that go into that such as transportation.
6 Someone can put their name on a list, but if the list that
7 they're requesting is 20 miles from their house, it might
8 be a transportation issue for them.

9 CHAIRMAN DURHAM: But all to me, that's
10 parent issue.

11 UNIDENTIFIED VOICE: Okay.

12 CHAIRMAN DURHAM: Thank you. Right, Ms.
13 Edgar.

14 MS. EDGAR: Did you have a question?

15 MS. SCHROEDER: I do. When you -- when you
16 express concern that this particular budget is inadequate,
17 is that compared to the budgets of your other elementary or
18 K-8 schools? Does it compare to the other Montessori
19 schools? How does this particular budget, noting that it's
20 a start up, which is a challenge anyway, how will it
21 compare with the other Montessori schools? I'm assuming
22 your other Montessori schools are both district and
23 charter?

24 UNIDENTIFIED VOICE: We have four Montessori
25 schools, charters in our district, and Dr. Corbeau and her



1 team evaluated the cost of a Montessori education using
2 those schools as the context and our district staff has
3 worked very closely with our charter schools over the long
4 history of Jefferson County having charter schools. We
5 have a great relationship with them, and we exchange ideas,
6 and we have a very good idea of what a Montessori education
7 costs. So Dr. Corbeau can answer any specific financial
8 questions that you have, but the fact is -- is we work very
9 closely with all of our Montessori schools and all of our
10 charter schools to make sure this budget works.

11 MS. SCHROEDER: All your Montessori are
12 charters? Is that -- is that what you're saying?

13 MS. MELLO: Not all of them.

14 MS. SCHROEDER: Okay. So you have both
15 district schools and --

16 MS. MELLO: We have a total of 16 charter
17 schools. Four of them Montessori.

18 UNIDENTIFIED VOICE: And how long have those
19 Montessori, charters been in operation, and what
20 demographic of neighborhood are they in?

21 MS. MELLO: I can't answer some of them. So
22 take Compass Montessori, that's been in existence for
23 almost 20 years. I believe it was authorized back in about
24 1998. The other ones I think are newer than that, I think



1 that's one of the more seasoned charter schools in our
2 district.

3 UNIDENTIFIED VOICE: And what kind of
4 demographics neighborhood are they in?

5 MS. MELLO: They're in Golden Wheat Ridge
6 and then we also have Free Horizon to remember what --

7 UNIDENTIFIED VOICE: That's up north, and we
8 have one down south in the (inaudible) area.

9 MS. MELLO: Yep. So we are not saying by
10 any means that this isn't an area that wouldn't benefit
11 from Montessori. This is not about us disagreeing with the
12 proposal, with the location, with any of that. This is
13 really about financials, and based on our experience,
14 overseeing four Montessori charter schools which is the
15 lengths, with which our financial staff reviewed the
16 budget, we are not seeing the costs that are reflective of
17 what the applicant has put in their application, and so let
18 me talk about that where they're having shortfalls in our
19 opinion. They represented a staffing ratio of eight
20 students to one teacher, which they had in their original
21 application, and then they increased the enrollment which
22 was something we supported. The increase in enrollment
23 gets you additional PPR, which that is really the only
24 guaranteed, except for the grants, which they haven't,
25 we're not disputing that. That's only guaranteed source of



1 revenue. If they get kids enrolled, they get that PPR, and
2 that is money that they can use.

3 UNIDENTIFIED VOICE: But they also have a
4 tuition-based preschool.

5 MS. MELLO: They do. They do.

6 UNIDENTIFIED VOICE: Right? I understand
7 what you're saying though. They may be guaranteed but --

8 MS. MELLO: Correct.

9 UNIDENTIFIED VOICE: Because PPR is only
10 guaranteed by actual students.

11 MS. MELLO: It is, and that's a great point
12 because their -- their -- their intent for their students
13 to enroll the K-8, it's only 20, and they have assumed
14 going into their budget, that it's going to be 120. We
15 would see -- we see historically our charter schools have
16 always, I repeat, always missed on their enrollment
17 projections when they open. And it's just a matter of to
18 what extent they miss. Meaning, they always say, "Here's
19 what we believe we're going to enroll" and they always
20 enroll less. Sometimes, it's 25 students less.

21 CHAIRMAN DURHAM: Since you have a waiting
22 list, I presume that they eventually grow into their
23 enrollments?

24 MS. MELLO: No, that is not always the case
25 in my experience. Absolutely not.



1 CHAIRMAN DURHAM: Sometimes yes, sometimes
2 no?

3 MS. MELLO: They have always missed. The
4 only certainty I can tell you is that they have always
5 missed their opening enrollment.

6 CHAIRMAN DURHAM: That wasn't the question I
7 asked. Just stay open. Do they meet their enrollment
8 targets as they go forward? I mean, their waiting lists, I
9 would presume that's the case.

10 MS. MELLO: No, they do not.

11 CHAIRMAN DURHAM: So why do they have a
12 waiting list then?

13 UNIDENTIFIED VOICE: That's the charter
14 schools' choice to have a waiting list.

15 MS. MELLO: So for example, the question
16 was, do they open, and they missed their enrollment? Do
17 they eventually, if I understand Chairman Durham, do they
18 grow over time so that eventually they hit their
19 enrollment?

20 CHAIRMAN DURHAM: That's the question.

21 MS. MELLO: That is the goal, and that is
22 when we're looking at the budget.

23 UNIDENTIFIED VOICE: And you're saying that
24 most charters do not?



1 MS. MELLO: No, I'm saying that is
2 (inaudible).

3 CHAIRMAN DURHAM: (Inaudible).

4 UNIDENTIFIED VOICE: Okay, I think that was
5 Durham's -- Chairman Durham's question. Yes, they may not
6 need it in first year, but eventually they grow into their
7 own short.

8 MS. MELLO: Not all do. We have had in the
9 last year.

10 UNIDENTIFIED VOICE: So even though your
11 charter schools in Jefferson County have wait lists, you're
12 telling me that they do not meet their capacity for their
13 projection?

14 UNIDENTIFIED VOICE: Not every school has a
15 wait list. There are pockets of schools that have a wait
16 list.

17 UNIDENTIFIED VOICE: Okay. I'm finding this
18 a little hard to swallow, I have to say.

19 UNIDENTIFIED VOICE: So for example, in
20 Golden, there is a wait list.

21 UNIDENTIFIED VOICE: So are you saying you
22 only have one charter school with a wait list?

23 UNIDENTIFIED VOICE: I don't know the
24 details of all, but I know that all charter schools do not



1 have a wait list. Really, the dominance of the wait list
2 is in the Golden area.

3 UNIDENTIFIED VOICE: Okay.

4 UNIDENTIFIED VOICE 4: So --

5 UNIDENTIFIED VOICE: Dr. Karbo, I wonder if
6 you -- if could succinctly tell us which particular items
7 concern you when you compare the budget of this school with
8 the budget -- budgets of the other I guess four months with
9 schools knowing that the capacity to raise dollars is
10 probably greater in schools where you have a higher ESSA
11 population.

12 MS. EDGAR: I would say be specifically
13 around salaries. The benchmark for 200 FTE school is two
14 million in salaries. This school is proposing 107 FTE so
15 if you just cut that in- in half it would be roughly a
16 million dollars in salaries on the K-3 program. In
17 addition to that, my main concern with looking at the
18 original budget was that they had commingled the Pre-K and
19 the K-8 and when I was walking through the expenses, the
20 expenses truly seemed to align to the K-8 program which is
21 really just K-3 in the first year. But we saw the
22 additional revenues from tuition. So we thought, okay they
23 included the revenues but maybe not all the expenses and
24 then we asked them to break it out. K-8 being in one
25 column, Pre-K and the other for the Total Program. When we



1 were looking and evaluating the K-8 walking from their
2 application, to the assumptions into the numbers that hit
3 the budget, not all of the costs were there. We saw that
4 there were -- there was an oversight on missing some
5 teacher salaries in the budget based on what they intended
6 just to allow in the school == in the K-8 and in Total as
7 well. We also noticed that there were benefits not
8 included on some of this support staff for supporting
9 teachers that are benefit-eligible were not included. In
10 addition to that, their rent is on a per student basis.
11 Those things weren't properly allocated between the two
12 columns. So going down each line item --

13 CHAIRMAN DURHAM: Is there legal requirement
14 someplace in the state law for that allocation?

15 MS. EDGAR: There is not. One of the
16 questions to us was how many FTE do we need for this K-3
17 program to work? How- how much PPR dollars? In order to
18 be able to give them a benchmark target, I need to
19 understand what the real cost are for the K-8 program.
20 When things weren't properly allocated, were included in
21 the assumptions but not in the budget. When all of the
22 costs for the teachers that they said they were going to
23 have in there were not included, I could not give that
24 answer. So --



1 CHAIRMAN DURHAM: Are they allowed to set
2 their own teachers salaries?

3 MS. EDGAR: Correct. When they have the
4 teacher's salary and the number of teachers that they said
5 they were going to provide, that dollar amount was not in
6 the budget and so in order for me to financially do my
7 responsibility of evaluating the budget, I'm using the
8 information that they provided me in order to evaluate what
9 was in the budget. In order to answer the question of how
10 many FTE you need, what you say you're going to do I -- I
11 needed to see that in the budget so that one proportional
12 allocation in isolation isn't really the issue. It's the -
13 - the fact that there are costs not included that they had
14 in their assumptions and that they had in their
15 application.

16 UNIDENTIFIED VOICE: When you -- when you
17 were concerned about the --

18 MS. FLORES: I was first.

19 UNIDENTIFIED VOICE: What?

20 MS. FLORES: I was going to question. There
21 was a disparity between Special Ed kids and how much money
22 they had allocated for special ed kids and it seems that
23 there was a discrepancy in that area, could you explain?

24 MS. EDGAR: Sure. The initial budget had 70
25 FTE. They added 30 extra children. During this time there



1 was no additional monies allocated for special ed.
2 Historically, the district has seen 10 percent. There was
3 a conversation between two of the district members not
4 including myself with the Treasurer specifically asking
5 questions. Special ed is charged by the district and
6 supported by the district but it -- also in addition you
7 have revenues and expenses for your own staff to provide
8 special ed. So there's two components. It's a little
9 complicated. We thought the component of having your staff
10 and charging the revenue to get that offset was not
11 included. That conversation was made.

12 When the budget came back, there were
13 additional students, only the revenue piece was added to
14 the budget, the costs for special ed remained the same. We
15 still had questions and had that been articulated to us
16 that everything was included that would be fine we still
17 had that as in one open question. There are multiple other
18 questions we had with the budget. However, if you do add
19 30 extra kids you would expect there to be some additional
20 support to follow those 30 extra students.

21 MS. FLORES: My concern too is this is a --
22 a Montessori school and you have 30 kids in elementary
23 school per one teacher and to me that is -- that is so out
24 of line because usually this -- the number in Montessori is
25 much lower because of the program and because of all that



1 needs to be done. So it could be as low as 16. So I'm --
2 I'm saying you guys are putting 30 in second grade and
3 third grade and first grade when there should be 16 kids
4 for that model. I'm talking Montessori now.

5 MS. EDGAR: There was a concern of trained
6 staff or using paraprofessionals or you know, teacher
7 volunteers and having that training go with the teachers.
8 There is also concern with having the teachers teach,
9 clean, and build materials when there are already not
10 enough teachers included with materials. By excluding the
11 materials and building the materials, there was some
12 concern around that. In addition to expenses and I'm sorry
13 I'm -- I'm jumping in, there was also concern with revenue
14 because in -- in going into the intended target market
15 where it's 82 percent free and reduced, they're assuming
16 that they're going to collect 30 percent in the budget
17 however, the application said 45. There's a disparity.

18 It doesn't matter, regardless if you do hit
19 the intended market, the sliding scale of tuition is going
20 to be less than what is assumed in the budget, and there is
21 a concern for less revenue. In addition to revenue for PPR
22 funding, having the students to get the PPR, at the time
23 and I know that there are letters of intent have increased.
24 There are 20 students included in the application for the



1 K-3 program. PPR responded on K-3. Historically speaking

2 --

3 CHAIRMAN DURHAM: You have five minutes Ms.
4 Edgar.

5 MS. EDGAR: -- letters of intent have been
6 more than what was allocated in the budget. And there's
7 still a miss of 25 students which is roughly \$185,000, not
8 including our last school that missed by 100 students. So
9 our concern of not having the proper funding on that is --
10 is also concerned with not enough expenses.

11 CHAIRMAN DURHAM: What happened to the
12 school that missed by 100 students?

13 MS. EDGAR: They have letters of intent for
14 more than -- than their budget.

15 CHAIRMAN DURHAM: Are they open?

16 MS. EDGAR: They are open and they are
17 struggling and -- and they are having to get -- they're
18 struggling.

19 CHAIRMAN DURHAM: But they're open?

20 MS. EDGAR: They're open and they're
21 struggling and they're cutting staff and they're having to
22 go out and find loans. And so some of the programs that
23 they're trying to deliver, they're trying to figure out
24 ways to make those things happen. And there are more than
25 what's allocated in this budget here.



1 UNIDENTIFIED VOICE: Dr. (inaudible), can
2 you explain why you use a 30-60 allocation for the rent
3 when in fact the student numbers are what, 87 to 107?

4 UNIDENTIFIED VOICE: Yes. So actually I
5 should explain that because this isn't a lesson to me we
6 should let the finance people talk this out. So in that
7 brief I -- I have a math error. Here's -- here's how we
8 came up with the allocation right. 60 plus 40 is 100 and I
9 missed that. Here's how the allocation works. There are
10 77 point -- they start with 77.4 FTE, right? But that's
11 actually 90 kids so 77.4 talks about funding, kindergarten
12 students are funded at 0.58. So you have 77.4 fully funded
13 students but that's 90 bodies. And then you have 80 bodies
14 in the Pre-K. So then they increase enrollment by 30
15 students and those students are in grades one, two, and
16 three. So those are full bodies, fully funded. So that's
17 120. That's 120 to then now still 80 in the Pre-K so it's
18 200.

19 So in looking at the costs and trying to see
20 where we -- trying to figure out where we thought they were
21 missing it so we could give feedback, we wanted to see a
22 cost allocation for a number of things that was more along
23 that 60-40 spread, right? 60 percent of the kids are going
24 to be in the K-8, 40 percent are going to be in the Pre-K.
25 But some of that doesn't work but take their facility



1 lease. Their facility lease is actually quite unique. It
2 is on a per student basis. So it is 100 square feet per
3 student. That's how it escalates. I made \$8 a square
4 foot. So if you are really wanting to show your costs so
5 that we can help say, "We think you're low here, we think
6 you're missing step here."

7 What we asked them is, "Can you pull it out
8 and show it properly allocate it?" And the reason that
9 helps us and that would help them is that then they know
10 looking at the two programs which yes, are part of one
11 whole school but looking at the two programs: one of which
12 is tuition based, one of which is PPR based, it helps them
13 see the revenue streams and expense streams for both that
14 them. Then they can look at those programs and learn how
15 to analyze those and see, "Okay, we're going to have a
16 deficit in our K-8," that happens in startups. What's that
17 going to be and what do we need to hit from a tuition
18 standpoint to offset that? I mean, we don't have a problem
19 with that. So it just helps us figure out their costs and
20 tell them where they need to be in certain assumptions.

21 UNIDENTIFIED VOICE: Can I ask? Did you
22 have -- did you have face-to-face meetings to discuss these
23 or was this just a paperback and forth?

24 UNIDENTIFIED VOICE: Yeah. There was one
25 face-to-face meeting is my understanding. In reality is,



1 it is great work's responsibility at the time of
2 application to submit a school and a budget that is
3 economically sound, end of story. We support our districts
4 through the application process so it gets to the Board and
5 provide ourselves a resource but we can not do their job
6 for them. We cannot. We can provide feedback, as they ask
7 for it. We were able to do one meeting. There were calls
8 as I understand it between the parties and we did our best
9 to support them but part of our struggle was we couldn't
10 figure out what they were costing and where they were
11 putting it.

12 CHAIRMAN DURHAM: Mr. Mitchell has already
13 said even a couple \$100,000 dollars and just like
14 understand the number of students with several \$1,000 per
15 student wouldn't make any difference. I don't know if the
16 conversation would have been particularly relevant.

17 UNIDENTIFIED VOICE: I would like to know
18 say what -- what is it that a school has to have in order
19 to qualify, because it seems to me there must be some
20 threshold of either number of kids or something that causes
21 you to say, they're not going to have enough money or they
22 are going to have enough money? And if that's the case,
23 that needs to be a public policy on the part of your Board
24 that says, "School don't come to us unless you've got solid
25 letters of intent of what 250-300 something," because I'm



1 feeling, unless I'm completely misunderstanding this, I'm
2 feeling that it's based -- since the revenues are poor
3 people revenues basically, that it's going to be the number
4 of kids?

5 MS. EDGAR: Can I answer that?

6 UNIDENTIFIED VOICE: Yes.

7 CHAIRMAN DURHAM: Okay. Your time has
8 concluded. Thank you. All right. Mr. Bethke, you have 10
9 minutes.

10 MR. BETHKE: Thank you. On the last point,
11 the discussion about the possibility of adding a classroom
12 was the difference between the second and the third budget
13 and one of the things that I believe is going on is that
14 the district would like to see perhaps another classroom
15 added and that's not a conversation that's even taking
16 place yet. So the school has not closed the door to
17 considering further modifications if they would solve some
18 of the budgets -- some of the district's budgetary
19 concerns. You know, and I -- and Mr. Chairman I read Mr.
20 Mitchell's statement a little differently. He said that
21 if- if there was \$200,000 grant that would be cause for the
22 local Board to reevaluate this. That's what this appeal is
23 about.

24 CHAIRMAN DURHAM: I think you said it
25 wouldn't have made any difference to him.



1 MR. BETHKE: That -- that it probably
2 wouldn't have made any difference to him. But he's one
3 member of a Board and if there's cause for the local Board
4 to reevaluate, that's grounds for remanding this case to
5 the local Board to reevaluate. That should be the end of
6 this appeal. That's essentially saying we've got new facts
7 that should cause this local Board to reconsider. So I
8 think that's decisive. There have been an -- I -- I -- I
9 do want to get to your question there have been a couple of
10 things I want to hit quickly.

11 CHAIRMAN DURHAM: Dr. Scheffel (inaudible).

12 MR. BETHKE: There was a statement that --
13 that the application said that there would be an eight to
14 one student-teacher ratio. That's incorrect. Eight to one
15 would be a potential adult to student ratio. That's
16 including paraprofessionals, the AMI Standards for
17 Montessori classrooms, or to have 24 to 35 students per
18 classroom but multiple adults under one teacher within that
19 classroom. That's a very standard Montessori practice.
20 Yes.

21 UNIDENTIFIED VOICE: Can you speak to the
22 governance in terms of parental engagement as much said
23 about how many parents are on the Board? When they -- when
24 they --



1 MR. BETHKE: The district asked for -- the
2 district asked -- the Board has always included parents.
3 The district asked for -- the plan has always included
4 parents. The district asked for more parent elected
5 members to be on the Board and the school agreed. So the
6 school essentially adopted what the district requested
7 which was increasing the number of parent elected Boards to
8 be a majority of the Board and that's not an issue in this
9 appeal, it wasn't flagged in the resolution at all.

10 UNIDENTIFIED VOICE: That sounds like it's
11 not a grassroots effort.

12 MR. BETHKE: No. It is a grassroots effort
13 and it's not an issue in this appeal, it's not a legitimate
14 issue before this Board. Thank you.

15 UNIDENTIFIED VOICE: I asked -- I have --
16 I've seen and I'm very unfamiliar with student-teacher
17 ratio projections. And I'm wondering what I -- what I
18 don't have clear in my head is actual numbers of kids per
19 grade level and how that would impact the hiring, and would
20 also impact the sustenance -- sustainability of the entire
21 school. If you're looking at a build out expansion by
22 grade level, that's one thing. If you're -- if you're
23 looking at expansion by numbers, that's quite a different
24 thing, to me anyway, in planning for that. So to clarify
25 would be good if -- if next year, suppose there is an



1 opening, next year third grade is the top grade or- and
2 then the plan - intention is that by every year you will
3 expand a grade level.

4 MS. EDGAR: Yes as there's 30 children at
5 each grade level, and as those children move up and a
6 grade, we add that grade.

7 UNIDENTIFIED VOICE: Okay. And is also
8 there -- there an intended projection picture that in the
9 future those kids who are in the preschool program will
10 continue on with you and that goes to my basic question of
11 where specifically in Jefferson County is this located?
12 And if there is any specific projection data available
13 about how many -- how that area, the intersection if
14 possible is projected to grow and will there be a sustained
15 population in that particular part of Jefferson. I -- know
16 kind of where you're talking about and I understand that.
17 I guess the articulation area would be helpful to me just
18 to ponder that. But those would be some questions I'm
19 concerned about at -- at the beginning of -- beginning of
20 as in preschool and then the potential for expansion on a
21 pretty systematic schedule into other grades. If I can't
22 tell, if we can't tell from your projected budget that all
23 of those kinds of facts have been included, I'm finding
24 some -- I -- I have a need. That's- that's where I am.



1 MS. EDGAR: It is our -- it is our intention
2 that the children enroll into our preschool and with --
3 through the CSPE lottery guidelines, we are allowed two
4 lottery and 2.7 years in advance about what's the lottery
5 and to our preschool and then they stay in our program.
6 The evidence of supporting disadvantaged students with
7 early childhood education is so significant that we know
8 that if we can scoop up those kids early and keep them in
9 our program, then that will best serve them. And we know
10 it's not -- we're not adding new students to the top, we're
11 adding from the bottom so every year adding new
12 preschoolers and our letters of intent to show there's a
13 high demand for early childhood education especially that's
14 affordable in that area.

15 MR. BETHKE: And -- and I would just add
16 that the letters of intent show very significant demand for
17 the preschool and also are distributed socioeconomically
18 much as the school has expected them to be so that the
19 tuition expectation is realistic. The enrollment or the
20 criticism has been that the enrollment is weak at the -- at
21 the elementary level at the -- at the one through three
22 classroom. And again we would accept enrollment
23 milestones. This is a common practice to say, you know,
24 your charter is only granted, conditioned upon by May 1st
25 you have to have 80 percent of your full enrollment or you



1 have -- and -- and by July 1st you have to have 95 percent
2 or whatever those numbers are and whatever those states
3 are. Those are common conditions in -- in granting charter
4 applications. We would accept such conditions. So -- so
5 you know, we're willing to -- to have the enrollment piece
6 of this monitored. That is the risk that charter schools
7 take on startup. And I want to emphasize the startup
8 point. There was a mention of taking salaries at Compass
9 Montessori which has been in existence for 20 years and
10 Montessori Peaks which has been in existence for 13 years
11 and Free Horizon which has been in existence at least a
12 decade and taking those salaries and dividing them in order
13 to arrive at the salaries of a startup staff. That's a
14 bogus financial procedure. The cost of -- of -- of long
15 serving teachers is significantly greater than the cost of
16 teachers who were being hired for the first time in a
17 startup school. We all know that.

18 CHAIRMAN DURHAM: Ms Rankin?

19 MS. RANKIN: Mr. Bethke, is it? Is it
20 correct to assume that the Montessori schools go into a new
21 area and start knowing they're gonna lose money?

22 MR. BETHKE: They don't know they're gonna
23 lose money.



1 MS. FLORES: Won't their financial situation
2 be such that they would not go into it if there was a
3 chance that they would go under?

4 MR. BETHKE: Well.

5 CHAIRMAN DURHAM: Five minutes, Mr. Bethke.

6 MR. BETHKE: I think that -- I'm not sure I
7 completely follow your question but I think what you're
8 saying is, do we believe that -- that -- that they're
9 intentionally designing themselves to be insolvent. The
10 answer is no.

11 MS. FLORES: That's the answer I wanted,
12 thank you.

13 CHAIRMAN DURHAM: Okay five -- a little less
14 than five minutes.

15 MR. BETHKE: Okay. The other -- let me see
16 if there's another -- This whole talk about the price tag
17 of the model, I've already mentioned the teacher salary
18 point of it but there isn't a specific price tag for
19 Montessori as a model of education. There is a price
20 that's been derived from three veteran Montessori schools
21 that have been around and been able to save money, been
22 able to accumulate money over a long period of time, build
23 out their programs, you know, Compass Montessori has one of
24 the only Montessori high schools between the Mississippi
25 River and the Pacific Ocean. They've been able to build an



1 extensive program including a higher cost high school
2 including what they call the farm school which is their
3 middle school. That's not a valid comparison for a startup
4 whether it's with the teacher salary level or anywhere
5 else.

6 We seem to have financial analysis here
7 that's being done in a very superficial basis and I agree
8 the financial conversation didn't end. It got cut short
9 because we ran up against the deadline for the Board to
10 make a decision and I would just come back to Mr.
11 Mitchell's comment. We have cause to reevaluate. We have
12 cause to reevaluate and that's cause for this Board to vote
13 to remand this case for that reevaluation. Thank you.

14 CHAIRMAN DURHAM: Okay. Do you yield the
15 balance of your time and any --

16 UNIDENTIFIED VOICE: I do yield to balance
17 my time.

18 CHAIRMAN DURHAM: Okay. Very good.

19 UNIDENTIFIED VOICE: Both have served
20 rebuttal but I don't think reasonable --

21 CHAIRMAN DURHAM: Yeah, it's not (inaudible)
22 One of those things. All right, Ms. Edgar.

23 MS. EDGAR: Thank you, so couple of things I
24 want to address. One, I'm not gonna revisit what Dr.



1 (inaudible) has gone over in detail. Here's the bottom
2 line --

3 CHAIRMAN DURHAM: Let me ask her question as
4 long as we're getting there. Did you discount starting
5 salaries versus salaries of very experienced teachers in
6 your analysis?

7 UNIDENTIFIED VOICE: So when I use the
8 existing schools as a benchmark to get it down to the same
9 FTE, it was roughly one million dollars. They have just a
10 little bit over half a million dollars. So even though
11 teachers have been in schools for a number of years, I
12 wouldn't expect the difference to be 50 percent.

13 CHAIRMAN DURHAM: With over 20 years if you
14 look at salary schedules and steps presuming they're on
15 that kind of mode, salary schedules and steps between a
16 starting teacher and somebody who's been at it 20 years
17 with an advanced degree is at least 50 percent.

18 MS. EDGAR: And here's what we are taking --
19 again, I want to get to the bottom line. We are judging
20 this school against its proposed self. They made the
21 proposals they made the staffing recommendations they said
22 in their application that a critical piece of their opening
23 and being this AMI certified Montessori.



1 CHAIRMAN DURHAM: Excuse me Dr. (inaudible)
2 just said she didn't judge it against itself, she judged it
3 against three other schools.

4 MS. EDGAR: Thank you and I appreciate that.
5 What I'm saying is this, they're looking at what they are
6 saying in the application we're carrying that forward.
7 We're looking at what they're saying in terms of staffing
8 ratios. We're looking at what they're saying in terms of
9 having critical furniture, fixtures, materials in place to
10 operate this school. That's in their application. We take
11 that at face value, that's the school they want to operate.
12 Notwithstanding that, they are not, and they did not carry
13 those costs through to the final budget. They're missing
14 salaries and staff based on their ratios. They're
15 significantly missing furniture, fixtures, equipment,
16 supplies, and materials, and this panel has already
17 identified the issues with that not having clean schools,
18 having to build materials, putting more strains and demand
19 on teacher time.

20 So there's that, the revenue stream is
21 uncertain at this point beyond PPR for what they can enroll
22 which is 20 kids. The tuition on a sliding scale based on
23 their demographic, we think they've overestimated that. We
24 think they've overestimated their fees and we believe they
25 will miss their target enrollment just like every other



1 school. So at the end of this, that deficit from --
2 considering all of that, that deficit exceeds their ending
3 revenue in their budget together with their charter school
4 startup grant. They're in the red, and when we run that
5 forward, we don't see that get into the black.

6 Here's the other thing. We don't make a
7 point of opening a school that's gonna struggle from the
8 get go, that does not make sense for our kids. We are not
9 pro-charter or anti-charter. We are pro choice for good
10 sustainable schools, and opening a school that's going to
11 struggle from the get go, that is not gonna be good for
12 those kids. That is not a choice. You heard Dr.
13 (inaudible) the school that is struggling is not able to
14 deliver on their programmatic commitments to the community
15 that they may, and we do not want to do that.

16 So we are here today we take our physical
17 responsibility as the authorizing district quite seriously.
18 We have made our decisions based on our informed experience
19 about what this school should reflect in terms of expenses
20 and what it can reflect in terms of revenue, and that
21 number when you take it in actuality, not just what's on
22 paper, when you take out in actuality based on what we
23 think it should be, it does not balance and we don't want
24 to open a school that is going to struggle or fail. Thank
25 you.



1 CHAIRMAN DURHAM: Yielding balance of your
2 time?

3 MS. EDGAR: I do.

4 CHAIRMAN DURHAM: Thank you. Okay, that
5 will conclude the --

6 UNIDENTIFIED VOICE: Can we ask questions?

7 CHAIRMAN DURHAM: Not of these, no. If you
8 have time left, yes that's correct, thank you. Thank you
9 Dr. Schroeder. Yes, Dr. Flores?

10 MS. FLORES: Yeah. I -- I mean I think -- I
11 think your charters cutting corners and it's going to be
12 more expensive --

13 UNIDENTIFIED VOICE: Because of questions of
14 this group this is the only group that still --

15 CHAIRMAN DURHAM: Yeah.

16 MS. FLORES: Okay.

17 CHAIRMAN DURHAM: Yeah.

18 MS. FLORES: Well.

19 UNIDENTIFIED VOICE: Questions, not what we
20 think.

21 CHAIRMAN DURHAM: Yeah. We'll -- we'll get
22 to -- we'll get to -- we'll get to debate later but if you
23 have questions at the present time can only be of the
24 district.

25 MS. FLORES: Okay.



1 CHAIRMAN DURHAM: And where are we Ms. --
2 Ms. Cordial?

3 MS. CORDIAL: Close over five minutes.

4 CHAIRMAN DURHAM: So and you guys are fast.
5 Right?

6 MS. FLORES: Okay, so.

7 CHAIRMAN DURHAM: Do you have a question and
8 for the district, Dr. Flores?

9 MS. FLORES: Yes, I do. How many -- how
10 many minority kids can ESL -- poor kids, especially kids do
11 you think are in those letters and is that a concern for
12 you?

13 UNIDENTIFIED VOICE: I haven't seen those
14 letters and what I can tell you application there had 20
15 letters of intent at the point of our Board making a
16 decision. Verbally, we were told they had 124 students I
17 believe that were in their letters of intent and you heard
18 them say that they have upwards of 185. We have not seen
19 those letters of intent, I have no basis to be able to
20 judge what types of students are within those letters of
21 intent.

22 MS. FLORES: Thank you.

23 CHAIRMAN DURHAM: Thank you, Ms. Mazanec.

24 UNIDENTIFIED VOICE: Do you usually see the
25 actual letters of intent or do you actually have -- don't



1 you actually get like addresses so that you know what
2 schools there actually would be drawing?

3 UNIDENTIFIED VOICE: So I can tell you what
4 our past practices has been in JeffCo is that we have a
5 really rigorous process that's been approved by the Charter
6 School Institute, the League of Charter Schools and CDE
7 we've worked in partnership with them. It entails an
8 extensive process of application of review by two groups of
9 a cabinet recommendation. We have never had to go into a
10 school and talk about letters of intent because usually
11 those numbers are overwhelming. During the time I've been
12 superintendent in JeffCo, we have had three other charter
13 applications, one of those charter applications opened with
14 about 450 students.

15 MS. FLORES: But do you see the actual
16 letters of intent usually?

17 UNIDENTIFIED VOICE: We did not see the
18 letters of intent. However, last year when we opened a
19 charter school, we had them tell us they had 250 letters of
20 intent and they opened with 150. So we are reevaluating
21 how rigorous we need to be as a district in terms of making
22 sure that those letters of intent are actual people that
23 are going to enroll in those schools if we're gonna get
24 this close to the number of being a viable option for
25 students. In my estimation as a superintendent, the worst



1 thing that we could do is open a school especially in a
2 highly impacted area and have those students have to battle
3 through two or three transitions because as adults and as -
4 - as authorizers we haven't made a strong decision that
5 that building can stay open and provide a high quality
6 education that we expect to have happen in Jefferson County
7 schools.

8 CHAIRMAN DURHAM: Further questions? I
9 think were about at the end of the time. All right, thank
10 you very much. Well that will conclude the oral argument,
11 okay. The Board will now deliberate and reach a decision.
12 Any questions -- any questions or comments from the Board?
13 Not -- not questions of the -- of the parties.

14 UNIDENTIFIED VOICE: Do you want a motion
15 first or do we --

16 CHAIRMAN DURHAM: Yes. Dr. Schroeder, would
17 you like to make a motion please?

18 MS. SCHROEDER: Oh.

19 CHAIRMAN DURHAM: Somewhere.

20 MS. SCHROEDER: I'm working on it, I'm
21 working on it. I move to the charter -- charter applicant
22 has proven by preponderance of the evidence that the
23 decisions of the local Board was contrary to the best
24 interests of the pupils, the school district or community



1 and move to remand this matter to Jefferson County School
2 District Number R-1 for reconsideration.

3 CHAIRMAN DURHAM: It's a proper motion, is
4 there a second?

5 UNIDENTIFIED VOICE: I second.

6 CHAIRMAN DURHAM: Ms. Mazanec seconded the
7 motion. Discussion of the motion.

8 UNIDENTIFIED VOICE: Do I have to discuss
9 it?

10 CHAIRMAN DURHAM: No -- Nobody is obligated
11 to discuss if you wish to write a reason.

12 MS. SCHROEDER: I'll discuss it, I'll discuss
13 it.

14 CHAIRMAN DURHAM: Yes, Dr.

15 MS. SCHROEDER: So I've -- I have definitely
16 struggled with this because I do worry about the kids, and
17 I get a lot of feedback when we have approved a charter
18 school and as was pointed out by Councilor Edgar not
19 necessarily all the kids come and the complaint I hear is
20 then it takes a lot of work on the part of the district and
21 the Board to help those schools kind of move forward and
22 that's unacceptable or offensive. In my own personal
23 feelings are that these kids are your kids, all of them
24 are.



1 And to the extent that it becomes necessary
2 to give more than a single face-to-face meeting with a
3 charter bothers me a lot and I -- I come from a different
4 background I come from a district where we've had charters
5 for a very long time and while initially there were some
6 concerns, I think the Board there has just gone over
7 backwards to say these are our kids we're going to do
8 everything we can and I really would like to see you have
9 some more conversations.

10 What I'm comfortable about is that if there
11 is no way to make this work that you come back to us and
12 say there really is no way to make this work, but I would
13 like more specificity. Unfortunately, I'm a recovering CPA
14 and so I rather struggled with the lack of specificity on
15 some of these things. When their allocations, those are
16 just allocations and they are not, you know, they're not
17 written in stone. We -- we know that those are just
18 allocations and you can make numbers or you can make the
19 bottom line look different when you make those allocations.

20 And so I really have struggled with some of
21 the detail here simply because this happens to be my
22 sandbox. So if you have to come back to us if you can't
23 figure out how to help these almost 200 kids get a school
24 started that you provided much more concrete data as to why
25 not. I worry that there is some threshold of a number of



1 kids that there has to be around in order to start a
2 charter school. If that's the case, that's fine but then
3 that's what we need to talk about because the revenues, the
4 state revenues that go to this charter, this particular
5 school should be the same state revenues that go to all the
6 JeffCo schools and so I can't quite figure out why we can't
7 make it work.

8 I wanna point out that one of the schools in
9 my district, and I honestly can't remember whether it was a
10 charter school or just a choice school, they had no
11 janitorial service. That's not a horrible thing, that a
12 very clean school and particularly -- poor -- and
13 particularly Montessori kids.

14 UNIDENTIFIED VOICE 8: Even without janitor,
15 it should be clean.

16 MS. SCHROEDER: Yeah. It's extremely -- it
17 was extremely --

18 MS. FLORES: All the time, and it's not
19 fair.

20 MS. SCHROEDER: Well, and the kids did it.

21 MS. FLORES: And it's -- it takes time away
22 from teaching, it's not fair.

23 UNIDENTIFIED VOICE: At least you don't have
24 to hold loose like my grand mother.



1 MS. SCHROEDER: So parents came in. My
2 point being that some of the accommodations and some of the
3 really -- really bare bones kinds of things that these
4 folks are talking about have been done other times they've
5 been effective, they've worked. They're not ideal, I'll
6 recognize that but I don't know it's not so bad to have the
7 kids learn how to clean up after themselves. Gets dicey
8 when you get to the bathrooms, but other than that, it's
9 very, very doable. So I wanna make sure that the things
10 that you're most concerned about are really harmful to
11 children. So that's my vote.

12 CHAIRMAN DURHAM: Dr. Flores?

13 MS. FLORES: I wonder if you would say that
14 in an upper middle class community in your school.

15 UNIDENTIFIED VOICE: Yes.

16 MS. FLORES: But we can say this --

17 UNIDENTIFIED VOICE: Yes.

18 MS. FLORES: We can say this for minority
19 kids that they're shortchanging, their cutting corners,
20 they're not doing enough for it -- I mean 50 percent of the
21 budget they're going to start out. That's -- it's
22 unacceptable. It's unacceptable that you would think that
23 a janitorial service is not important for little kids. It
24 is very important and I know in other states they think
25 that cleanliness is very important and I'm sorry that this



1 Board or part of this Board doesn't think that cleanliness
2 -- cleanliness is next to Godliness. Come on, so --

3 CHAIRMAN DURHAM: Only in nongovernmental
4 context. Ms. Mazanec.

5 MS. MAZANEC: Well, Dr. Flores, first of
6 all, I think you have mischaracterized with the Board --
7 some members of this Board have said about cleanliness. I
8 think what -- thinking back to when Castle Rock Academy
9 started their first charter, how many years was that 1993.
10 And I was familiar with a lot of the parents and founders
11 of that. They built that school in a -- in a strip mall
12 and all the parents were doing the drywall and the painting
13 and everything and then my grandmother was a teacher. She
14 not only had to sweep the floor and clean the entire -- she
15 had to haul the wood in and sometimes had to cut it.

16 So I think it's kind of overwrought to act
17 as if not having janitorial services to the extent that
18 many of our neighborhood schools do is somehow make these
19 children live in filth. No, it's not. It's -- it's making
20 adjustments where needed because what they're really trying
21 to provide is a choice and a different model for these
22 children and these children are our underprivileged low
23 income.

24 They deserve a chance for an option other
25 than their neighborhood public schools, so I cannot -- I



1 cannot fault them and this -- this is not a question and
2 answers, I'm just responding to what you said. I'd also
3 like to -- I'd also like to thank Dr. Schroeder for what
4 she said I really appreciated her -- her bringing that out
5 that it's not the worst thing that ever happened to
6 children help clean classrooms and teachers do. Thank you.

7 MS. GOFF: May I?

8 CHAIRMAN DURHAM: Yes. Ms. Goff.

9 MS. GOFF: Thank you. You know thinking
10 back we've -- we've all mentioned a little bit here and
11 there about the history of charter schools and the quality
12 of authorizing and long history of standards being set
13 which I listen -- I -- not differently but with a -- with a
14 slightly turned perspective when it comes to Jefferson
15 County. I have -- had the good fortune of experience --
16 direct experience with the start of the charter movement in
17 JeffCo and have been around for some trying times because
18 they were new and it was a -- it was a new adventure. It
19 was an acknowledgment that choice -- choice be it charters
20 or our option schools which are not necessarily technically
21 charters, they offer another option. JeffCo has come to be
22 known as one of the most efficient, most fair processes in
23 the country and I have heard this from others, in my
24 counterpart positions in lots of different ways. Something
25 that I think our district and our charter schools have to



1 be very proud of. The other aspect of that is the area of
2 the district in which the school is proposed to be located
3 is important because it -- it involves Dr. Flores's points
4 about the student body being possibly served.

5 It also has long term ramifications on that
6 area of JeffCo, which therefore impacts the greater area
7 surrounding that school. That is something that the
8 citizens of Jefferson County have been paying a lot of
9 attention to, especially in the recent two to three years.
10 The entire area which is unique in where it is. We -- we
11 share a lot with the large metropolitan capital city of our
12 state Denver. We also have the unique qualities that are
13 present in Jefferson County. Challenging can be taken
14 wrong but it's an adventurous place to be opening schools
15 and to be serving students.

16 I appreciate hardly the changing -- the
17 changing times, and overall we live in a time where you can
18 never really expect one thing to happen on any one day and
19 it goes back and forth. The timing of the grant news, the
20 timing of the one on one -- one on one meeting, the timing
21 of this particular hearing, it's- it's always interesting.
22 We can always control that. I am attuned very closely into
23 the needs of the minority students. My interest in asking
24 questions about the projected growth of the population in
25 general, which absolutely ties in I believe with the



1 demographics that result from that, is very important. I
2 have had hints today that perhaps the conversation is not
3 quite straightened out yet. I can't help but think that
4 perhaps one more try at squaring away, whether it's data,
5 whether it's understanding, whether it's clarity on a
6 timeline, it just seems like there's a little -- there's a
7 little gap there.

8 On the other hand as well, I find that the
9 budget confusion and sporadic omissions or overlooking
10 oversight, although probably not intended whatsoever, I
11 find that upsetting when we're all in a position where we
12 have to decide this is money that is rare. It is precious.
13 We wanted to serve the best point possible and be used in
14 the right way. I'm having trouble finding ease with that-
15 that context, and I'm thinking that for now, if I had my
16 way, I would say are there other ways to investigate and
17 approach to this other than saying, you know, this -- this
18 type of contingency or condition has to be put on it.
19 Perhaps that's best. Sometimes you have to get really
20 specific and technical.

21 So I thank you all. You have done a
22 yeoman's job of presenting your points, all of you, and I
23 appreciate the -- the intention and the good heart and
24 minds for kids in this situation. I would ask that as the



1 vote occurs on each of us, puts that back as our main focus
2 on a vote today.

3 CHAIRMAN DURHAM: Dr. Scheffel.

4 MS. SCHEFFEL: I just want to also say thank
5 you for the hard work on both sides to think through these,
6 puzzle through these important issues. I think, to me,
7 it's great if parents have options. The Montessori model
8 is so well positioned for all kinds of students, especially
9 those who are challenged, and it de-emphasizes standardized
10 testing as procedural learning. And so I think if the
11 details can be worked out having an option, another option,
12 JeffCo, for -- for students and families is -- is a great
13 idea and really benefits the district. Thank you.

14 CHAIRMAN DURHAM: Yes, Dr. Flores.

15 MS. FLORES: I act very concerned that this
16 is a very first -- first time in two years where we have
17 not given the option for parents in the community to come
18 speak before us, and that really concerns me. I don't see
19 precedents for this because I think that parents, the
20 community, is a very important part. That they know --
21 they know their communities and we should have heard them.
22 I'm sorry. And I -- I if we're going back on this and
23 we're never gonna hear from -- from them, if this is the
24 only -- the time to hear, it's the only time we hear from -
25 - from -- from these families and these communities. And I



1 don't think we should set precedent by saying that we're
2 not gonna hear them.

3 CHAIRMAN DURHAM: Let me address that first
4 if there are no other comments. Dr. Flores, it's long been
5 practiced to allow public comments on issues that may be
6 pending before the Board. That's perfectly appropriate
7 unless they're quasi judicial. And I think I've struggled
8 for the last 14 to 15 months that I've been privileged to
9 be the chair as to whether or not I thought that was
10 appropriate. I was always uncomfortable with it, and I
11 think allowing it in the past was a mistake and could very
12 well have jeopardized a decision made by the Board because
13 we had heard improperly received information.

14 So I think the ruling and I think the advice
15 of counsel is correct that we really should confine
16 ourselves to the comments that are made in the record which
17 we receive, and then on the record by the parties. And so,
18 I would guess, and it's just a guess, but I would guess
19 that we listened to those who wish to testify. I'm gonna
20 guess they were all, if not the vast majority, in favor of
21 the granting of this charter and in- in a while I would
22 have been interested in hearing their comments. I just
23 don't think it's legally appropriate.

24 So I'll address that and I will take
25 responsibility for making a mistake in the past and ruling



1 improperly on whether or not we should have allowed
2 testimony. I do not think we should have and that's on me,
3 since I made those decisions in the past.

4 MS. FLORES: Okay. So all those hundreds of
5 letters that we've read before sometimes on issues such as
6 this, does that mean that we should not be allowed to read
7 those letters and that constituents shouldn't come to us
8 and talk to us about these -- these issues? I mean, that's
9 what we were voted to do. To listened to them.

10 CHAIRMAN DURHAM: I think we were -- we have
11 indeed been elected to make certain decisions. The
12 legislature has constrained us in this particular decision
13 making to a quasi judicial role. And right, wrong or
14 indifferent, that's the decision that they made. And I
15 would view most of the testimony we might receive on these
16 issues or parent comment or otherwise as frankly being
17 harmless and not likely to influence a -- a member of this
18 Board against the weight of evidence that is in the record
19 and presented. But it certainly looks better and I think
20 it complies with the intent of the General Assembly and --
21 and the statutes they've passed if we don't.

22 Now, that's certainly not always going to be
23 my decision to make, but to the extent it is as I said in
24 the past when I failed to make that particular ruling. I
25 believe I was in error and I hope it's been corrected. And



1 it will be perhaps for the Board, going forward, to revisit
2 some of those procedural issues. Yes, Dr. Schroeder.

3 MS. SCHROEDER: I appreciate Val your
4 concerns, but I want to point out that I hope that at the
5 time that the Jefferson County School Board listened to
6 this application that they had significant input from the
7 parents on either side of the issue. So there is
8 definitely a time for input from the parents and it's at
9 the school Board level. It's at the school district level.
10 That's when you want your proponents and opponents to come
11 forward and share with the Board what their feelings are.
12 In our case, unfortunately because it's quasi judicial, and
13 no I don't wear a robe.

14 MS. FLORES: But this is --

15 MS. SCHROEDER: We are in a different --
16 we're in a more complicated --

17 CHAIRMAN DURHAM: The powdered wig though,
18 you do want.

19 MS. SCHROEDER: I do not want a powdered
20 wig, despite the bad hair days that I tend to have.

21 CHAIRMAN DURHAM: I'm trying to deal my no
22 hair days.

23 MS. SCHROEDER: No. Do you know what I'm
24 saying, Val? There is -- there is definitely an
25 opportunity.



1 MS. FLORES: There is no need to preach at
2 me.

3 MS. SCHROEDER: I don't mean to preach. I
4 just wanna make sure that we're very clear that there is
5 definitely an important role for the folks who are
6 interested in this. But since we are a completely
7 different position, we don't get to be the ones that hear
8 it.

9 MS. FLORES: And all I'm saying is --

10 MS. SCHROEDER: The Board needs to hear.

11 MS. FLORES: -- this has never been.

12 CHAIRMAN DURHAM: It -- it is new and I
13 certainly admit that, Dr. Flores, and -- and it's something
14 I've contemplated for a long time and I just believe that
15 the policy and the ruling I made is better supported by the
16 law than previous rulings.

17 MS. FLORES: That was my point.

18 CHAIRMAN DURHAM: Yeah. You know, I blame
19 Mr. Dale wherever he is. Hate to say so. And let me just
20 say on the -- on the -- on the merits of the case. Often
21 when we- first of all, we have a demographic area where 82
22 percent of the kids are free and reduced lunch eligible.
23 We know as a matter of absolute fact that those children do
24 not all thrive in traditional environments. I think we
25 know that they can benefit from options that can be made



1 available to them and this Montessori is one of those
2 options. To trap poor kids in situations without options I
3 think is terrible and not only inappropriate. It -- it
4 goes well beyond being inappropriate.

5 But additionally, I would say the standard
6 that the Board wishes to apply, which is almost a guarantee
7 of success, you know, the -- the statistics in the real
8 world nine out of 10 startup businesses fail. Just a fact
9 of life. Now, obviously none of us wanna be in a situation
10 where nine out of 10 startup charter schools fail, and
11 obviously they don't. Our scrutiny of those and
12 authorizing agencies is -- is pretty good. Do some of them
13 fail? Yes. To not allow opportunities to guarantee
14 against failure is to guarantee that people will not have
15 options, that kids will be trapped in, poor kids
16 particularly, will be trapped in substandard schools and --
17 and that there will be a dearth of innovation, no
18 opportunities to try new ideas to improve education.

19 And I just think the standard which the
20 Board wishes to apply is unrealistic that this is not a
21 risk free world, and I would think that it's in the best
22 interests of the people of Jefferson County, and certainly
23 of these particular students, it's in their best interests
24 for them to be allowed to assume a little risk recognizing
25 that failure is a possibility. Although based on what I



1 heard today, I think failure is unlikely and I intend to
2 vote yes. Ms. Cordial recall the roll please.

3 MS. FLORES: Excuse me.

4 CHAIRMAN DURHAM: Yes.

5 MS. FLORES: Excuse me, I'm sorry. It's
6 only because you brought it up.

7 CHAIRMAN DURHAM: Okay.

8 MS. FLORES: In 2016, there was a report
9 about where kids in the country of the -- in the United
10 States would do the best, minority kids. Poor kids would
11 do the best in the country. And of course, guess where?
12 Jefferson County. If there is a poor kid, the U.S.
13 Department of Education's report said that there was no
14 place in the country better to live, to have kids, than in
15 Jefferson County. And I guess I really, I mean, that
16 really stuck in my mind that their schools are better and
17 that minority kids who go to Jefferson County would have a
18 much better chance to do well than anywhere else.

19 And now we're giving them an experiment. I,
20 you know, it's not funded. I looked at lots of proposals.
21 That's what I do. I've read lots of proposals on what is
22 good for kids, and I would say that this would not cut it,
23 given the financial short problems that it has. So I would
24 say no. I like Montessori. I think it's great, and I
25 guess I wouldn't have trained in such a program if I didn't



1 think it was great, but in a sense we're going to -- we're
2 going to experiment with these -- these kids in a district
3 that is known for quality and giving quality to poor and
4 minority kids.

5 MS. SCHROEDER: Thank you.

6 MS. FLORES: Thank you.

7 CHAIRMAN DURHAM: Ms. Cordial, could you
8 call the role please.

9 MS. CORDIAL: Board Member Flores.

10 MS. FLORES: No.

11 MS. CORDIAL: Board Member Goff.

12 MS. GOFF: Can I hear the motion?

13 MS. CORDIAL: Sure.

14 MS. GOFF: I'm sorry.

15 CHAIRMAN DURHAM: Would you repeat the
16 motion Ms. Cordial.

17 MS. GOFF: Sorry, but I need to hear it.

18 MS. SCHROEDER: Go ahead, please read.

19 MS. CORDIAL: The motion was that to move
20 that the charter -- charter applicant as proven by pre-
21 conference.

22 UNIDENTIFIED VOICE: Conference.

23 MS. CORDIAL: Thank you. The evidence that
24 the decision of the local Board was contrary to the best
25 interests of the pupils, the school district or community,



1 and to move -- move to remand this matter to Jefferson
2 County School District for reconsideration.

3 CHAIRMAN DURHAM: Ms. Goff.

4 MS. GOFF: No.

5 MS. CORDIAL: Board Member Mazanec.

6 MS. MAZANEC: Yes.

7 MS. CORDIAL: Board Member Rankin.

8 MS. RANKIN: Yes.

9 MS. CORDIAL: Board Member Scheffel.

10 MS. SCHEFFEL: Yes.

11 CHAIRMAN DURHAM: Board Member Schroeder.

12 MS. SCHROEDER: Yes.

13 MS. CORDIAL: Chairman Durham.

14 CHAIRMAN DURHAM: Yes. The motion is
15 adopted on a vote of five to two. Thank you very much.

16 MS. CORDIAL: Oh, there's one another.

17 CHAIRMAN DURHAM: One other?

18 MS. CORDIAL: The other --

19 MS. ANTHES: We designate

20 CHAIRMAN DURHAM: We have to designate a
21 Board Member to --

22 MS. ANTHES: Two Board Members --

23 MS. CORDIAL: Two Board members.

24 MS. ANTHES: -- to work with me in order to
25 create the order.



1 CHAIRMAN DURHAM: I'll designate Dr.
2 Scheffel and Ms. Rankin to do that. And when would you
3 expect to have that available for signature? Tomorrow?

4 MS. ANTHERS: I'm going to come up and talk
5 to you each after this right now.

6 CHAIRMAN DURHAM: Okay.

7 MS. ANTHERS: And we should get it out
8 tomorrow yeah, or even by the end of today.

9 CHAIRMAN DURHAM: Do you wanna?

10 MS. ANTHERS: Yeah.

11 UNIDENTIFIED VOICE: We shouldn't have two
12 on the prevailing side.

13 MS. ANTHERS: So we have to own it to them.

14 CHAIRMAN DURHAM: Yeah, you always have two
15 on the prevailing side.

16 MS. ANTHERS: No, I just -- just forgot.
17 Otherwise it's fine. No big deal.

18 CHAIRMAN DURHAM: Anyway. Okay, thank you.
19 All right. Now, where are we?

20 MS. CORDIAL: Great. I wanna get that on.

21 CHAIRMAN DURHAM: Oh, yeah. We're going to
22 take a break. Ms. Cordial, why don't you read us into
23 executive session, then we'll clear the -- clear the room
24 and get started.



1 MS. CORDIAL: Sure. An executive session
2 has been noticed for today's State Board meeting in
3 conformance with 24-6-402(3)(a) CRS to receive legal advice
4 on specific legal questions pursuant to 24-6-402(3)(a)(II)
5 CRS, the matters required to be kept confidential by
6 federal law or rules or state statutes pursuant to 24-6-
7 402(3)(a)(III) CRS and pursuant to 24-6-402(3)(b)(I) CRS
8 concerning the evaluation, I'm sorry, concerning the
9 language. Concerning the appointment or employment of an
10 official or, yeah.

11 CHAIRMAN DURHAM: Dr. Scheffel, would you
12 second the motion? It has been moved to second. Is there
13 objection required to three fifths. Hearing none, that
14 motion is declared adopted. We will now proceed into
15 executive session. We will take a five minute recess.

16 MS. SCHEFFEL: Okay.

17 (Meeting adjourned)



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I, Kimberly C. McCright, Certified Vendor and Notary, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 25th day of October, 2018.

/s/ Kimberly C. McCright
Kimberly C. McCright
Certified Vendor and Notary Public

Verbatim Reporting & Transcription, LLC
1322 Space Park Drive, Suite C165
Houston, Texas 77058
281.724.8600