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BEFORE THE PUBLIC EDUCATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS
WORK SESSION, VOLUME TWO
August 31, 2017
9:00 a.m.

Jerry Apodaca Education Building - Mabry Hall
300 Don Gaspar
Santa Fe, New Mexico

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A P P E A R A N C E S

COMMISSIONERS:

MS. PATRICIA GIPSON, Chair
MR. GILBERT PERALTA, Vice Chair
MS. KARYL ANN ARMBRUSTER, Secretary
MR. TIM CRONE, Member
MS. DANIELLE JOHNSTON, Member
MS. TRISH RUIZ, Member
MS. CARMIE TOULOUSE, Member

STAFF:

MS. KATIE POULOS, Director, Charter School Division
MR. ICELA PELAYO, Director, Bilingual Multicultural
Education Bureau

FACILITATORS: MR. TIM FIELD, Public Impact
MS. LYRIA BOAST, Public Impact

1 MR. TIM FIELD: So let's get started. I
2 don't know if I have any opening words. We'll start
3 with going through the agenda, and we'll do a quick
4 recap of yesterday.

5 But I don't know if anyone -- Commissioner
6 Gipson, if you want to have any opening words or
7 remarks before we get started?

8 THE CHAIR: No. I think we're hopefully
9 reenergized for this, you know. I thought yesterday
10 went, I thought, really well. So I'm interested to
11 see the -- the feedback.

12 MR. TIM FIELD: Feedback. Great. So
13 let's get started.

14 And, just, I think, for the benefit
15 especially of Commissioners Crone and Peralta, we're
16 obviously not going to go over yesterday. We were
17 there for six or seven hours. But two things I'll
18 go through to remind everyone, but also especially
19 for you.

20 These were the objectives,
21 well-established, for the meeting. They're on that
22 first page. Carmie, I think, is explaining to
23 Gilbert what you have here.

24 These are the objectives we have. I
25 crossed out No. 6, because it's really not something

1 we're going to try to address in this two-day
2 period. And I'll just reemphasize that the big
3 focus of this two-day period is really Objective
4 No. 5, which has to do with approving and getting
5 feedback and approving the draft indicators that
6 we'll be using for the trial run of the performance
7 framework.

8 So this is all the academic, operational,
9 and financial. It's getting the input from
10 Commissioners that will allow us to do these trial
11 runs. That's really the main focus of these two
12 days.

13 We got a lot -- I think we got a lot of
14 accomplishment on the objectives yesterday; and so I
15 think we made good progress. Again, I think,
16 especially for the benefit of Commissioners Crone
17 and Peralta, that was our agenda yesterday.

18 We spent the morning working on the
19 organizational framework. What we did at the end of
20 the organizational and academic framework is
21 essentially each Commissioner, as we were going
22 through the content, was filling out an exit ticket,
23 kind of like a -- which was kind of essentially
24 indicating preferences or -- on the different
25 options we presented.

1 So what we'll be looking at this
2 morning -- everyone will find interesting -- is the
3 feedback from the Commissioners on their thoughts
4 about the options we presented.

5 So morning was organizational; afternoon
6 was academic.

7 And then today's agenda we're going to
8 start by reviewing the feedback on the
9 organizational and academic frameworks. I think we
10 have more to say about the academics, because the
11 organizational, there was a lot of alignment. There
12 was less to say; but we'll talk about that.

13 We'll have a break. We're then going to
14 talk about the financial framework. We passed out,
15 you know, like, a five- or six-pager yesterday.
16 Hopefully, you had a chance to review that. We're
17 going to work through that.

18 We're not going to do an exit ticket for
19 the financial framework. I don't think we need one
20 for that. But we're going to have, obviously,
21 feedback and discussion. But we didn't think there
22 was a need for an exit ticket for that one.

23 The afternoon, we still do have a window
24 where we could use that however we see fit. We did
25 add to the -- to the agenda -- this is new -- a

1 discussion of an accountability plan. So we thought
2 it would be useful -- may take an hour. But
3 Louisiana, the Department of Education, they have a
4 performance compact, an accountability plan, that we
5 think is a good model for what that could look like
6 in terms of its clarity and kind of how it's used;
7 but our intent is to look at that and get your
8 thoughts.

9 THE CHAIR: I've looked at that.

10 MR. TIM FIELD: There's reasons why it's
11 different than you would have, but a good example of
12 what you would want to put into an accountability
13 plan.

14 We do have some time that we may just
15 decide to break early. Commissioners Peralta and
16 Crone, we're also open to sitting down with you at
17 the end. If you want to go over some of the content
18 from yesterday, we could use that time after the
19 meeting as well.

20 That's the plan for today. Any questions
21 or comments?

22 I'll skip this. This is just the timeline
23 of the whole, kind of, project. We went over this
24 yesterday, but we may come back to this later today.

25 So let's look at the exit ticket feedback.

1 And we'll start with organizational framework.

2 And, you know, as you recall, we went
3 through that big sheet. We weren't picking options
4 here; we really were kind of getting feedback on, Do
5 you think the indicators should be included? Do you
6 think they're a high priority, medium, or low
7 priority? Do you feel like there are criteria
8 statements that shouldn't be there, or statements
9 that should be added?

10 And here's the kind of summary of
11 feedback.

12 We didn't see or feel the need to actually
13 count the responses; because, frankly, for every
14 single indicator, the response was, "Yes, include,
15 and high priority," except for one.

16 So I did actually tabulate it; but I was
17 like, there's no reason to show it.

18 But I'd say highlights: One, strong
19 support -- I think there was a lot of discussion and
20 also written feedback -- really strong support for
21 the focus on creating clarity. So I think people
22 really liked really having criteria statements
23 really clearly laid out. I think there was a lot of
24 support for that.

25 The notion of having clear evidence behind

1 the criteria; so I think the general frame and
2 direction this is going, I think there was a lot of
3 support and excitement about how this can improve
4 the work of the PEC and help schools participate.

5 I think strong support for what we
6 proposed as indicators and criteria statements. As
7 I mentioned, everyone pretty much said, "High
8 priority, yes, include."

9 The one exception was the student
10 attendance retention and recruitment -- recurrent
11 enrollment. This is the one we talked about that
12 had the kind of fairly rigorous targets for what
13 should attendance be, what should retention of
14 students be.

15 So one Commissioner felt this was out of
16 scope, just wasn't sure. "Do we need to focus on
17 that?"

18 And that was -- I think it's -- I think
19 this will be interesting to see what the data says
20 about these data points, as well.

21 Katie, I don't know if we're going to be
22 able to obtain retention data on students, you know,
23 in a trial run or not. That's --

24 MS. POULOS: Oh, I actually have, over the
25 past two months, worked very diligently and have

1 that data for years and years and years past. So I
2 could, actually, if you wanted me to print that for
3 you to look at today, or for holding that for the --

4 MR. TIM FIELD: I think probably worth
5 holding for the trial run. This is one we can
6 revisit. I think the other comments, I would say --
7 we'll go over in a second in the next step. So hold
8 that.

9 THE CHAIR: Aren't we obligated to do
10 retention?

11 MS. POULOS: Retention, yes.

12 THE CHAIR: Yeah.

13 MS. POULOS: Depending on which way you're
14 defining it. Re-enrollment.

15 THE CHAIR: Re-enrollment. Yeah.

16 MS. POULOS: Because there is retention
17 which is within the school year; re-enrollment,
18 which is two school years.

19 THE CHAIR: But that's -- yeah.

20 MR. TIM FIELD: So there were some
21 refinements. There was the comment about the
22 "Meeting standards" language and the desire to kind
23 of clarify the timing for when -- when -- you know,
24 the Corrective Action -- you know, that conversation
25 about, Is 30 days, what does that mean? Is that,

1 you know, based on when the framework comes out?

2 So there's clarity there.

3 The notion of repeated non-compliance and

4 how -- there were some tricky things we identified

5 there that will be wrestled with in the trial run.

6 I don't think we need to discuss it further, I don't

7 think. But I think, clearly, flag as an issue with

8 our goal towards clarity.

9 The desire to separate the mission from

10 material terms. We're actually going to look at

11 that more closely, because I think this -- we talked

12 yesterday about mission-specific goals and the

13 academic framework. I thought it would actually be

14 useful to kind of connect those two.

15 So, you know, we're going to have -- we

16 want to have mission-specific goals; we heard that.

17 It's going to be part of the framework. But it's

18 important to understand how are we looking at

19 mission in the organizational framework.

20 So I printed out the more detailed version

21 of the org framework. We thought we might look at

22 that some this morning, to kind of think more about

23 how do we bring rigor to the organizational

24 framework, review of mission.

25 Then a few other pieces. The comment

1 about teacher -- teacher retention, payments of
2 taxes. There were a few additions, but not a ton,
3 frankly, in the comments we got from Commissioners.

4 So next steps for the organizational
5 framework.

6 Trial run. So, again, incorporating some
7 of the targeted feedback you gave on additional
8 indicators and criteria statements. And then I
9 think there really is an opportunity -- and this, I
10 think, we'll probably lean on Katie's team and some
11 feedback from us, on consolidating some of those
12 criteria statements. There is some space to kind of
13 probably -- a couple of things that maybe overlap
14 across indicators.

15 There likely is a need to streamline and
16 reduce the number of indicators and criteria
17 statements. We didn't get a lot of feedback from
18 you guys on, like, "Cut this one." But I, think
19 frankly, in terms of just capacity to collect and
20 evaluate, there probably is too much there; so I
21 think prioritizing things that seem most important.

22 Then, frankly, managing expectations of
23 school operators. You may get an extreme reaction
24 if you go -- you know, the volume of indicators
25 there may have -- may raise some real concerns.

1 There are going to be concerns, anyway, I suspect.
2 There's going to be pushback on increasing the rigor
3 of the organizational framework. But I do think
4 that doing some streamlining, you may have less of a
5 reaction from operators.

6 MS. LYRIA BOAST: But, hopefully, there
7 will be the positive reaction to the clarity and
8 certainty that they would have. So we're hoping
9 they will balance.

10 MR. TIM FIELD: And then, of course,
11 after -- the feedback from operators will be really
12 important for this one, after we've done the trial
13 run and gotten your feedback.

14 So that's really it. That's all we wanted
15 to share. I mean, I think -- none of this other --
16 additional comments about the organizational
17 framework, additional questions about the discussion
18 yesterday or the feedback we received on the forms?

19 MS. LYRIA BOAST: Did we miss anything?
20 Anything you --

21 COMMISSIONER ARMBRUSTER: Seems like such
22 a short report after seven hours.

23 MS. LYRIA BOAST: That was just the
24 morning, right?

25 COMMISSIONER ARMBRUSTER: My brain was

1 full.

2 COMMISSIONER RUIZ: Yeah.

3 MR. TIM FIELD: What was encouraging here
4 is that there was -- we wanted to give you a chance
5 to really understand what's in there. And we spent
6 a lot of time doing that.

7 I think the overall response was, we're
8 comfortable with this. I think also the message, I
9 think there was a lot of comfort with, yes, we
10 should set a high bar. We should be holding schools
11 accountable for these things that are required by
12 statute or by contract.

13 I think there was comfort with the notion
14 that there are some things that are just best
15 practices that are, you know, more like PED, PEC
16 policies. So I hope that yesterday was enough for
17 you to really dig into the detail and feel
18 comfortable that this is the right direction to go.

19 Do we want to go into this?

20 MS. LYRIA BOAST: Yeah.

21 MR. TIM FIELD: The one thing we are going
22 to go further on in the organizational framework --
23 so put your thinking caps on a little bit here. So
24 if you recall -- and I will pull this up.

25 This is the handout. So I'll put it on

1 the screen so you can look at your handout. So this
2 is actually a useful reminder, as well.

3 So this, again, is the view of the
4 detailed framework that shows the indicator, which
5 in this case is 1.a., "Is the school implementing
6 the terms of the approved charter application as
7 defined in the charter contract?" And then -- so
8 that's the indicator.

9 Then the criteria statements are these
10 following statements: "School's mission is being
11 implemented. School has documentation evidence that
12 it is meeting its educational program."

13 So that's the criteria statements. And to
14 the right is the kind of hard work that CSD has done
15 to start thinking, what are the sources of evidence,
16 who collects it, when is it being collected?

17 The reason I'm flashing it up there is
18 just to remind you of what will be the further work
19 for the trial run is, like, kicking the tires on
20 these evidence pieces; but, also, there was desire
21 to potentially separate mission from the kind of
22 program requirements and the contractual
23 requirements, material terms.

24 And I think the thing to think about is,
25 under school mission, can we go further? What would

1 you want to be looking at in a qualitative,
2 organizational review, whether it's through site
3 visits or through documentation? You can see the
4 sources of evidence on your paper. How can this
5 process be used to really get more information and
6 confidence that the schools are truly meeting their
7 mission? Because that's been a big priority.

8 THE CHAIR: So I guess my question is, is
9 when -- when the indication here is that the site
10 visit observations are based on specific evidence
11 described in the contract. So we would be -- we
12 would be outlining specifically in that contract
13 exactly what this school feels the -- you know,
14 should be detected when they come out?

15 Because I'll give you an example. And I
16 forget which school it was. But I know within the
17 past year, there's been a school up speaking to us
18 about something. And there was an issue with their
19 site visit. Because they were an integrated arts
20 school; that was in their mission. And there was a
21 notation that there was no -- there wasn't enough
22 visible art on the wall of the school; so,
23 therefore, they weren't going -- they weren't doing
24 their mission.

25 So they're -- you know, they said, "We've

1 got kids going out to this dance program. We're
2 sending kids out to this arts program."

3 And there was this, you know, disagreement
4 with what could visibly be detected as following
5 their mission statement.

6 So my just, question is, is this something
7 that would be absolutely delineated in the contract,
8 so that when the site visit occurs, there is no
9 disconnect with, "The school thinks you're going to
10 be looking for this; but who's-ever doing the site
11 visit has this idea that, "I'm going to be looking
12 for this." So that there is, you know --

13 MS. POULOS: Yeah. I think that's
14 exactly -- the entirety of this process is we don't
15 know what we're -- we're making assumptions; we're
16 trying to figure it out. And the more clarity we
17 have in our performance framework, in our
18 contracts -- right? -- the better off the schools
19 are, the better off CSD is, the better off PEC is,
20 because everybody has come to clarity on terms.

21 When we say that their mission is blah,
22 this is how it should be reflected in the school.
23 And maybe it's not art on the walls. I think that
24 may have been a misunderstanding that they had of
25 the law.

1 THE CHAIR: I was just giving an example.

2 MR. TIM FIELD: Perfect example.

3 THE CHAIR: I'm not calling anyone out
4 here.

5 MS. POULOS: I don't know; because I
6 didn't see those reports. But what I'm saying is
7 that's exactly right. What are we doing is say,
8 "The school has said happened this is how we're
9 going to be able to observe."

10 And it may be in the class schedule. It
11 may be an individual student's schedule, right? It
12 may be in lesson plans. Whatever that is, we will
13 know.

14 THE CHAIR: Right.

15 MS. POULOS: And you will know what we
16 expect to see when we get there.

17 THE CHAIR: Okay. So that's --

18 MR. TIM FIELD: That's the perfect
19 question. And I think a question for Katie and for
20 the team is the contract -- you know, the charter
21 agreement, the proposal, there's a lot in there,
22 right? So there's this work of what are the handful
23 of things you're truly going to look for? Is it art
24 on the walls? Is it participation in community
25 dance events?

1 So what's reasonable in terms of capacity
2 to look at? You know, is there a step that the
3 Department has to do, CSD, around, like, "Okay,
4 we're planning to look at these six things, you
5 know."

6 Is that part of the contract? Is that
7 part of the site visit pre-discussion? Or -- and
8 maybe this is work for the trial run. But what are
9 your thoughts on what that could look like?

10 MS. POULOS: I mean, I think this -- so
11 we're in this situation, right? We have however
12 many contracts that are kind of where they are that
13 aren't real clear. So I think this is less about --
14 I mean, I think we should try to, in the trial run.
15 But I think the reality is we have to know this is
16 setting aspirations for how we move forward in the
17 contract development process.

18 I mean, certainly, I hope the Commission
19 sees that there's a need for us to be at the table,
20 too; because if you are saying, "These are the
21 things that they're going to observe," having our
22 team be able to be there and say, "Yeah, we can or
23 can't; we do or don't have the capacity to do this,"
24 I think, is really important, right?

25 And so I think that it's an aspiration of

1 how we move forward in getting everybody on the same
2 page with clarity, so that there isn't a
3 misunderstanding, and we really know how we're going
4 to work together.

5 THE CHAIR: Right. But I would prefer
6 that it -- that it is embedded in the contract;
7 because the mission is important. So it is a
8 material term.

9 I mean, we run into this -- you know, does
10 the contract become this, you know, ginormous -- it
11 had been honed down. And now I see that it's going
12 to grow.

13 But I think if everything is in a place,
14 then there shouldn't be -- and it's important for
15 the school to know, "Do I need a folder so that when
16 CSD is coming in, I have a folder that says, 'Here's
17 how I've -- you know, how we're fulfilling our
18 mission, and here's our -- you know, our
19 documentation for it, if that's appropriate?'" You
20 know, so that they can see, "Here's sample lesson
21 plans. Here's -- you know, here's the sign-in sheet
22 for the community service that these kids went out
23 to do. So we've -- here's the documentation, if
24 you've got any."

25 Then if they have any questions, they can

1 hopefully fix it at that visit.

2 MR. TIM FIELD: Other thoughts,
3 Commissioners, on this topic?

4 COMMISSIONER ARMBRUSTER: So are we saying
5 that we are going to tell them what we expect to
6 see? Or are they telling us, "Here's how we're
7 showing you that we are fulfilling our mission?"

8 THE CHAIR: They're going to tell us.

9 COMMISSIONER ARMBRUSTER: Tell us? Okay.

10 THE CHAIR: CSD is part of the
11 conversation on whether it's reasonable to do it.
12 But they'll be -- but it's -- they have to explain
13 to us how they're going to fulfill their mission.
14 And if they can't do that --

15 COMMISSIONER ARMBRUSTER: They have a
16 problem.

17 THE CHAIR: Yeah. It's up to them. And
18 it should be their decision on how they think --
19 within reason.

20 MS. POULOS: Yeah. I mean, I think it's
21 part of the negotiation process, where potentially,
22 the Commissioners say, "Actually, that doesn't show
23 me this," right?

24 THE CHAIR: Right.

25 MS. POULOS: I think that's exactly right.

1 It's that collaboration.

2 THE CHAIR: And sometimes they haven't
3 thought it out, you know. It's like, 'Wow, this is
4 a great mission." But then it's, like, "Well, okay
5 how are we going to show people that this is what
6 we're really doing," because I think that's going to
7 become an issue.

8 MR. TIM FIELD: And I think beyond -- the
9 other -- the second criteria statement here, "The
10 school has documentation that it is meeting its
11 educational programs." And I think it's important
12 to just recognize there is oftentimes a very strong
13 link, obviously, between educational programs and
14 mission, you know. If a mission is to be -- we're
15 going to be a science-based, you know, community of
16 learners and -- you know, that means they're going
17 to have educational program around very
18 science-based; my example yesterday of the STEM --
19 Afrocentric STEM school in Philadelphia that had no
20 STEM programming. But -- so you would want to see
21 educational programming around STEM, you know. And
22 so I say that only because they're linked.

23 And I think you have the same need to be
24 specific about what -- you've got this huge proposal
25 what you're going to do as a school. But, like,

1 what are the three or four things that we should
2 really be tracking?

3 And I raise this because I think it's
4 valuable to be -- because mission is so important to
5 this Commission, and it's coming out in many, many
6 conversations, that this, plus the mission-specific
7 goals we talked about in the academic framework,
8 really work together to, I think, achieve that goal
9 you have of making sure charters are more than just
10 another average public school.

11 THE CHAIR: Public school, right.

12 COMMISSIONER TOULOUSE: It seems to me,
13 too, that there are some things in the mission that
14 get way from it. For instance, a dual-language --
15 or language-immersion school. I don't see any facts
16 that show that second language, whatever it is, is
17 meeting the same criteria we have for the
18 English-language part.

19 MS. POULOS: And I think that's why -- and
20 Dr. Pelayo would probably agree, like, having us at
21 the table would be helpful; because if you have a
22 dual-language school, we would have said there
23 should be a management of Spanish language. In
24 fact, under the statute, if they are implementing a
25 dual-language program under our bilingual statute,

1 they're required to assess for bilingual, and
2 incorporating that into the contract would have been
3 the perfect segue to measuring that.

4 COMMISSIONER TOULOUSE: I don't see them
5 necessarily having to be at the table. My issue is,
6 for instance, my grandson, who was in a
7 language-immersion school, since we went to PARCC,
8 he has not had any of his math classes taught in
9 Spanish, because they thought it was more important
10 to get a teacher who could teach math than could
11 teach it in Spanish.

12 He's now -- after the first two weeks of
13 school, he transferred to a public school. But the
14 beginning two weeks of his sixth-grade year, his
15 science teacher did not speak Spanish. So to me, if
16 it's language immersion, he's supposed to learn all
17 the terms for the math or the science in those
18 languages.

19 And I know that in their parent-teacher
20 conferences, his parents were told, "He's reading
21 above grade level in English, but below grade level
22 in Spanish"; but there was no effort to bring up
23 that -- and so I have concerns that we're only
24 looking at the English part. And a lot of that has
25 to be the PARCC and those standards. And -- Cien

1 Aguas, if you'd like to know.

2 DR. PELAYO: That's a concern for several
3 charters. Because you're right. You have to think
4 about who you're serving and what their needs are
5 and whether you are going to rearrange your schedule
6 to make sure you fit in everything that's required;
7 because if parents are putting their students in
8 bilingual education programs, with the expectation
9 that the kids are going to come out bilingual and
10 biliterate, then districts and charters have the
11 responsibility to deliver on that process. That
12 means making sure you're holding both languages
13 accountable, as the regulation requires.

14 COMMISSIONER TOULOUSE: This was just an
15 example. That's part of why he was transferred to a
16 public school, where he could do more art, more
17 music, more --

18 MS. POULOS: Charters are public.

19 COMMISSIONER TOULOUSE: Took him from a
20 "B" charter school to a school that's got an "F"
21 grade, where everybody in Albuquerque wants their
22 student from out of district to be in. That's my
23 other issue.

24 My other concern is the Sign Language
25 Academy, which is a dual-language with sign

1 language. I don't know how of any of our
2 reviewers -- I don't care whether you're at the
3 table or not -- can figure out necessarily how to
4 pick up how the non-sign- -- the hearing children in
5 that school are picking up the signing. I don't
6 know what kinds of tests there are, and I don't know
7 how --

8 DR. PELAYO: They do. They have
9 assessments for --

10 COMMISSIONER TOULOUSE: I know. But I'm
11 just saying -- at least many of your reviewers can
12 go out, and they can understand, at least listening
13 to the kids; whereas, signing, if you don't have a
14 signing person -- but those are just examples of --
15 I think there, the school is going to have to tell
16 us and show us.

17 And those, they should be able -- they
18 should have assessments. They should have things.
19 But I just think those are where the missions are
20 getting lost.

21 COMMISSIONER JOHNSTON: As a response to
22 that, I have the same concerns -- I think this thing
23 is on -- about dual language and, specifically, the
24 sign language. I went to Dr. Pelayo about it, and
25 she gave me reams of information. We have experts

1 in Charter School Division, and, really, assuaged my
2 concerns by the information that she was able to
3 provide.

4 And you're right. A typical reviewer --
5 if I were a reviewer without input from the experts
6 at Charter School Division, I wouldn't know what I
7 was doing.

8 And I never thanked you for that. But
9 I've had a complete turn-around, because you -- you
10 took the time to talk to me and talk to me about
11 research-based techniques and about the links with
12 Gallaudet and all the things that are happening in
13 the school. And it changed my entire vision of the
14 school; so that's just --

15 COMMISSIONER TOULOUSE: I've visited that
16 school several times. And I'm impressed. And I
17 know a few signs. But I can walk in there, tell the
18 kids "Hello," "Goodbye," "Thank you," those things.

19 COMMISSIONER JOHNSTON: If you're
20 interested in the research -- and we're chasing
21 rabbits. There's the expert. She's good.

22 COMMISSIONER TOULOUSE: I've talked a lot
23 with Rafe; so I'm aware of what.

24 THE CHAIR: I don't think the concern is
25 that -- I think the concern is that they -- when

1 they start drifting off of that.

2 COMMISSIONER TOULOUSE: Right. And I'm
3 just --

4 THE CHAIR: That's the concern. Not that
5 there aren't regulations, and we know that the
6 compliance side is there. It's just a matter of
7 whether they're actually following it or not.

8 COMMISSIONER TOULOUSE: That was what my
9 prime example on the immersion charter school was;
10 they had drifted.

11 MR. TIM FIELD: I would encourage a
12 further trial run. I think it would be valuable for
13 this one, especially. You know, maybe it's not
14 going through a few schools and having examples --
15 again, you want the schools to say, "Here's how our
16 mission should be evaluated"; but I think it should
17 be worthwhile to say, for this kind of school, for
18 instance, we could look at X, Y, and Z, based on
19 what they say in their charter proposal and
20 contract.

21 MS. POULOS: I think potentially -- as I
22 think about this, on the trial run is what we could
23 do is reach out to five schools and say, "If you
24 were going to say how we should see your mission,
25 how would that be? That way, we can show you at

1 least what schools are thinking.

2 MR. TIM FIELD: Anything else on this
3 topic? I do want to move to academic framework
4 feedback; but, obviously this is important. So any
5 other -- yes, Commissioner Crone.

6 COMMISSIONER CRONE: Trish and I serve on
7 the NMPSIA. And I believe they're part of a
8 teacher's evaluations is what's on the walls; so
9 that it's stimulating, so forth. But our
10 contractors get heartburn, because they -- they walk
11 in and see fire hazard. So we can't address that
12 here.

13 COMMISSIONER JOHNSTON: And 18 inches from
14 the ceiling to the top of the --

15 MR. TIM FIELD: It's the PARCC and the
16 fire regulations that are preventing our schools
17 from innovating.

18 All right. Okay. With that, I think
19 we'll move on to the academic framework feedback.

20 Yes, we'll pass this out. And then, this
21 is -- let me go back to this one.

22 MS. LYRIA BOAST: Okay. So I think we'll
23 have some interesting things to discuss. There were
24 areas where we had a lot of agreement, and then some
25 other places where I think there's further

1 conversation to have, and also, hopefully, more
2 illumination from the trial run.

3 So Tim is passing out a paper copy of this
4 multicolored chart that we have up here. So you
5 probably want to look at your -- your printout, as
6 opposed to the screen; because it's exactly the same
7 thing.

8 So what this chart shows is for the
9 Commissioners who were here yesterday, how they
10 ranked the options that we discussed for each of the
11 framework components, the academic components.

12 So for what we -- and to say first, we
13 also talked about the roll-up approach. So to start
14 with that, I think that was a great conversation,
15 because what we heard from you was a real strong
16 preference for -- let's see -- are we there? -- a
17 preference for four categories in your roll-up
18 approach.

19 And we definitely heard sort of how you
20 would like to use the framework results, and,
21 really, a commitment to supporting the schools that
22 may not be in the lowest performance category, but
23 could really use support, conversations, and give
24 you sort of a heads-up of performance concerns.

25 Looking at the components, we saw a pretty

1 consistent agreement around Option 2 for the State
2 Accountability System. It's worth looking at the
3 detail of the feedback, because we saw most sort of
4 agreement on Option 2, which was using the
5 disaggregated A-through-F components.

6 I think, really, that was perhaps the
7 result of some very strong feelings both about
8 Option 1 and about Option 3. So we would like to
9 test Option 2 in the trial run, sort of come back to
10 you showing sort of, "This is what" -- especially
11 when we talk about how you would prioritize each of
12 those A-through-F components.

13 But I think there was pretty clear
14 consensus that that is what should be tested in the
15 trial run.

16 I think it would be good to stop for each
17 component. So any -- any thoughts or -- okay. So
18 you have that in the -- you know, when we look at
19 that first -- so this is the top section, State
20 Accountability System. You can see that for
21 Option 2, it was either the first- or second-ranked
22 option for everybody; whereas, both Option 1 and
23 Option 3 sort of had agreement and strong
24 disagreement.

25 So we think that the -- you know, the best

1 path forward, or next step, for the trial run is to
2 look at that disaggregated A-through-F, so that you
3 can see what would that give you, what information
4 would that give you about schools, especially when
5 you consider how you would want to prioritize those
6 components.

7 Any thoughts? Comments? Or --

8 Okay. On subgroup performance, that next
9 component -- that -- that looks good. Here, again,
10 I think we had pretty strong agreement to test both
11 subgroup proficiency and growth, include both of
12 them in the trial run. Many of your comments
13 indicated that you -- not only would you like to see
14 both of them and be able to really look at how
15 groups are doing within schools, but also some
16 concern that statutorily, you are required to look
17 at both.

18 So we will include both. And I think then
19 you'll have a good chance to, again, with the
20 results, consider what would be most useful for you
21 in evaluating schools going forward.

22 MR. TIM FIELD: I would also say that for
23 that subgroup performance, when we asked you to rate
24 your priorities for weighting, that was also
25 weighted quite highly by many. There was, "Yes

1 include it, include both, and this one should be a
2 big part of the framework measure," was the kind of
3 feedback we received. And we'll show that data in a
4 second, the priorities.

5 MS. LYRIA BOAST: All right. Any thoughts
6 and comments before we move on?

7 Okay. Next on mission-specific goals,
8 this -- the feedback here was split. Clearly
9 agreement that they should be considered, that
10 schools should be given the option to include; but,
11 really, a division on whether that should be
12 required or optional. So I think that will need
13 further consideration.

14 We're hoping that the trial run will
15 inform you both more about the process, and,
16 hopefully, we'll be looking towards developing
17 guidance towards the first schools in developing
18 these -- these goals. That was something that I
19 think there was agreement across the board, that
20 however they are used, that there should be clear
21 guidance, and perhaps more confidence on your part
22 that they're truly measuring the mission, that they
23 can be collect- -- you know, the data can be
24 collected and evaluated, and that you can actually
25 get results that tell you what you need to know in

1 terms of is the mission being implemented.

2 All right. Okay. And that finally brings
3 us to perhaps the -- you know, the least clear,
4 which is the supplemental academic assessments. We
5 realize -- you know, in survey, it's never good to
6 ask people two questions at the same time. And we
7 realize that there was a little bit of this going
8 on; because there was almost unanimous agreement
9 that there should be an organizational framework
10 indicator that sort of asked and required that
11 students be using formative assessments to guide
12 instruction.

13 That was the first choice of most of you,
14 almost all of you.

15 So then the second question is, "In the
16 academic, how would that be used?"

17 And I think there's still a little bit of
18 unclarity. If you look at Option 2, which was using
19 the supplemental assessments for schools that were,
20 you know, in the lowest performing categories -- so
21 when we talked about a new tiering system, if Tiers
22 3 and 4 were the ones that you considered needed
23 intervention, I think in the discussion yesterday
24 and many of your comments back, there was agreement
25 that, yes, we would want to at least have the option

1 for schools to submit it.

2 I think we're going to -- you are going to
3 need more conversation about exactly how those
4 supplemental assessments are used in the framework.
5 We think that that is a conversation that should
6 happen -- we certainly are -- you know, can have
7 more discussion about that today. But I think it'll
8 be really important, through the trial run, to have
9 more information about, you know, How can schools
10 have more guidance? Are there ways to have better
11 access to data? Can the targets be made more
12 rigorous and consistent across schools?

13 And that's part of the giving guidance to
14 schools.

15 There were many comments here, you know,
16 from, "We shouldn't be including it at all," to,
17 "This is critically important."

18 So I think this will be really important
19 to, you know, continue to see, through the trial
20 run, what is the best way to use these results.

21 MR. TIM FIELD: Now, I'm eager to get
22 people's input on this. I do think, for Option 3
23 under Supplemental, again, it was interesting that
24 four out of five felt like it should be Option 3.
25 Maybe even clarifying for those who did pick that

1 option, just clarifying that you had -- that that
2 was in preference of using it in the academic
3 framework, that -- was that the idea? Or was it you
4 wanted to do that, and, you know, Option 2 or
5 something?

6 That was a question, I think, for those
7 who responded to this and how they felt about it, as
8 a question for the group.

9 COMMISSIONER ARMBRUSTER: I thought -- and
10 I'm barely recalling -- that it was such an ordeal
11 for CSD to go out to do something that we thought
12 was much easier to do, like, "Here's my papers, and
13 here's -- here's Patty's score, and here's
14 Danielle's score, and here's" -- but it sounded like
15 it was a nightmare of time, and that it wasn't
16 worth -- you have "X" amount of time. So how much
17 time did you want to spend on that?

18 But I think where I was coming from -- and
19 I can only speak about myself -- is that I think I
20 did want to see that schools were using that when it
21 was necessary. And, you know, if you had this
22 A-plus student who's going through everything, I'm
23 not sure it's necessary to test that child. But if
24 you don't know, and you have a "D" grade or an
25 "F" grade, or even a "C," you really want that child

1 to be better.

2 So you need to know why he or she is not
3 able to do whatever it is that you're asking,
4 whether -- you know, to read. Do they not
5 understand the main idea, or finding details or
6 whatever? And I think that's what they do.

7 But I wasn't making you all -- that's why
8 I was taking it out; because I didn't realize until
9 Baylor talked yesterday how burdensome it was for
10 the lack of information we were getting. I guess
11 that's where I was coming from.

12 THE CHAIR: I'm not one of the ones; so
13 I'm not responding.

14 COMMISSIONER JOHNSTON: I moved it also to
15 the organizational framework, because of the -- if
16 you use -- if a school uses an assessment to guide
17 instruction, the school uses that very internally
18 and very uniquely. One district may use that
19 assessment one way, and another one may use it
20 another.

21 And with the variety of assessments and
22 schools using each assessment in a unique way, the
23 validity of the data that would come in a roll-up to
24 that, from my experience -- if someone had come to
25 me when I was a principal and said, "Show us your

1 short-cycle assessments and explain to us how you've
2 utilized this to inform instruction, how it might
3 have been better," the way I explained it, or the
4 way I showed it -- and these instruments that are --
5 these standardized instruments that are
6 research-based and are accepted have any number of
7 ways to interpret that data.

8 So the validity of the data is my concern,
9 and using it, anyway. I think we should use it,
10 yes, to inform instruction. I know we should. But
11 to me, it's of an internal value more than it is an
12 external value, or to replace a statewide
13 standardized assessment.

14 MS. LYRIA BOAST: Right. Other thoughts?

15 COMMISSIONER ARMBRUSTER: I mean, just to
16 kind of add to what I said, in the end, your school
17 and your school and your school and my school are
18 being judged on whether those students can read and
19 write -- or read and do math, and probably writing,
20 because that's part of the reading. So how you get
21 to that point, in a sense, is what charter schools,
22 as well as actually traditional public schools -- if
23 I may say that -- really get to it. That's how they
24 do that. I would think that you would need to
25 figure out some way to see what your students need.

1 I know that it's no longer required in
2 traditional public schools; but it was for our
3 teachers -- our schools, because we mandated that.
4 I know -- and I can speak for only one school
5 district, which is Los Alamos -- that the schools
6 were hysterical. "What do you mean we can't use
7 this? We want you to pay for this, because we use
8 the data to inform instruction."

9 So if they don't choose to do that, I
10 guess I'm not sure I care. But if those school
11 grades are "C"s and "D"s and "F"s, particularly "D"s
12 and "F"s, I'm going to suggest they figure -- tell
13 me how they are changing their instruction to help
14 students.

15 So the mandatoriness of it is -- I don't
16 know how to actually respond to that. But that's
17 where I was thinking.

18 MS. LYRIA BOAST: Right.

19 Others of you who, you know, chose
20 Option 1? It would be useful to hear your thinking
21 on -- your thoughts on Options 1 and 2, you know, or
22 how it would be used in the academic framework.

23 Okay. We definitely would love to hear
24 feedback if -- you know, if you want to contact us
25 individually.

1 What our plan for the trial run, again, is
2 to, one, look at ways that this could be
3 streamlined. One, the guidance to schools. Again,
4 can there be guidance on sort of giving options on
5 if you're using this assessment, here is what the
6 requirements for reporting would be, and here are
7 the thresholds that we would be measuring you
8 against, so that you can have a rigorous
9 conversation with schools about that.

10 Because one of the biggest concerns
11 currently is that many of the targets that are
12 written into your contracts actually can't be
13 evaluated using NWEA growth, for example. So that
14 presents a problem in terms of giving you something
15 that's actionable, and actually gives you
16 information that you need.

17 But beyond that, we want to also -- again,
18 the idea of taking a subset of schools, perhaps ten
19 schools, who have submitted student-level NWEA data
20 and showing you, here's what you would be able to
21 see, and then talking about the strengths and
22 weaknesses of that; because even in the perfect
23 situation, you know, to some of the comments that
24 you have about the use of formative assessment for
25 summative uses or accountability uses, is even if

1 you have perfect targets, perfect data access and
2 can evaluate it, there are still some concerns that
3 you might have about using formative data in an
4 accountability setting.

5 So I think we want to give you sort of a
6 robust set of information to be able to revisit this
7 and really think through what's the best use of
8 these data and whether it is a more optional
9 submission on the school's part as a supplemental,
10 or whether it's something that would actually be
11 included and rolled up into the academic framework.
12 So that is our thought on supplemental.

13 Definitely more discussion needed here,
14 but also some more digging into considerations and
15 the actual what you find when you discuss this with
16 schools or review their data.

17 Okay. So next -- let's see. The --

18 MR. TIM FIELD: Any other comments about
19 any of the topics? Any other -- we kind of -- we
20 didn't have a chance to go back.

21 Any other comments about State
22 Accountability? Again, the feedback on using
23 disaggregated A-through-F component grades? Any
24 additional input, comments, there?

25 And one thing I would say is -- and we'll

1 look at this when we look at the --

2 MS. LYRIA BOAST: Yeah. We're going to
3 look at this, and then we'll do that.

4 So in terms of the next steps, we will --
5 so, yeah. Let's go to next steps and go back. I'm
6 jumping around a little bit.

7 So for the trial run, our plan is to, for
8 all schools, all of, you know, the state charter
9 schools, to pull and aggregate the A-through-F
10 components, as well as these new subgroup
11 indicators. And we will -- for those subgroup
12 indicators, I think we will be showing you some
13 different ways to look at that. So we're going to
14 come back to you with probably a large grid, you
15 know, a portfolio of schools, the different
16 indicators, and then several options of how they
17 would be rolled up into that four-tier system;
18 because again, we're going to have you doing
19 feedback again the next time, when you review the
20 trial run.

21 But we're really going to want you to be
22 able to see several different ways that you could
23 aggregate up and what that would give you in terms
24 of a result.

25 So that trial run, we will include, for

1 all schools, the A-through-F, the new subgroup
2 indicators. But then for the mission-specific and
3 the supplemental, what we're proposing to do is to
4 take ten schools to almost test them, both for the
5 mission-specific -- and I think it would make sense
6 not only to look at, you know, how can you evaluate
7 their academic goals, but also this question that
8 Katie mentioned, asking them the question, "How
9 would we qualitatively review it?" Because then,
10 you can sort of be looking at that whole, very
11 important issue of how do you evaluate mission
12 together?

13 And for the supplemental, as well, I think
14 what we will be looking toward is what is the
15 guidance that is needed? Are there some consistent
16 targets that you could be, you know, coming to the
17 table with schools? If they say, "We want to
18 include it," you know, to have prepared targets that
19 you would discuss with them, and then also show
20 you -- in the best situation, again -- if you do
21 have the data needed to evaluate it, what would it
22 be telling you, so that you can actually sort of see
23 some -- some summaries for schools. And then I hope
24 you'll be able to have a great conversation about
25 what should be included.

1 Yeah.

2 COMMISSIONER ARMBRUSTER: On the ten
3 schools?

4 MS. LYRIA BOAST: Yeah.

5 COMMISSIONER ARMBRUSTER: This is -- I
6 assume you're working with CSD to get "F" schools
7 and "A" schools and clear dual language, and you
8 know what theirs is, as opposed to, "Our children
9 will go to high school -- I mean -- college,
10 whatever"; so that's going to be A-to-F or Tier 1 to
11 4 type of thing?

12 MR. TIM FIELD: For mission-specific, my
13 guess -- we were talking yesterday about this -- is
14 that you will see three types of mission-specific
15 goals, some that are just ridiculous, that don't
16 make any sense, that aren't measurable, that kind of
17 don't fit; some that absolutely make sense. Yeah,
18 of course, you'd measure that, but really are hard
19 to have the rigor. Yes, you're going to see that;
20 but it's hard to have a lot of rigor. And probably
21 some that are great, absolutely are verifiable, that
22 are rigorous, that align to mission.

23 And some of that is just what is the
24 mission of the school and how easily can you
25 actually create a quantifiable? I think you're

1 going to see those kinds.

2 So I think we'll look to highlight or give
3 examples of all three, especially the really strong
4 ones, and then also the ones that, like -- they make
5 sense, but they're really hard to really -- to have
6 a verifiable --

7 COMMISSIONER ARMBRUSTER: And so some of
8 these might be currently under a charter and
9 performance frameworks? And some may be ones that
10 we just renewed but don't have this; right? We have
11 all kinds of schools.

12 MR. TIM FIELD: We pull from existing
13 schools, from your schools.

14 MS. LYRIA BOAST: I mean, tell us if there
15 are certain -- but we would think that we would want
16 to --

17 THE CHAIR: Certain ones don't have a
18 contract now.

19 COMMISSIONER ARMBRUSTER: I'm just asking
20 if those would be included in the ten.

21 THE CHAIR: Some of them do have. Like,
22 Southwest has a contract because they were on
23 shortened terms; so...

24 COMMISSIONER ARMBRUSTER: Right. But I
25 just was won- -- they're not all new Tier 1 schools.

1 MS. LYRIA BOAST: Yes. It'll be important
2 to have a range. So that's for the
3 mission-specific.

4 For the supplemental, I think we are going
5 to want to limit the ten schools chosen to those who
6 have submitted a full, robust set of student-level
7 data so it can be evaluated; because really, we're
8 wanting to show you, if you use this, what -- again,
9 what would you receive in terms of a summary? What
10 does it tell you? How could it be used? What are
11 options?

12 You know, we'll also be looking into what
13 could be contracted directly with NWEA, for example;
14 so sort of coming back with the range.

15 All right. Any other comments on -- okay.

16 So the final thing that we'll do in the
17 trial run is to test this roll-up approach.

18 So if we go back, at the very bottom of
19 your color handout was the feedback on how you would
20 rank the components. And this was sort of a
21 high-level -- just asking you to say, you know, sort
22 of what do you see as most -- the highest priority;
23 second; you know, ranking them down.

24 So you can see there's a lot of interest
25 in the subgroup performance in these new indicators

1 that we're going to be testing. Now, granted, we
2 won't hold you to that, because you haven't seen
3 what those will tell you, and you'll see in the
4 trial run; but clearly, a lot of interest in what
5 that can give you in terms of a framework.

6 And then after that, it's a little
7 tougher, because, you know, there's sort of a -- you
8 see more green, sort of more higher ranking for that
9 State Accountability System. Given that that
10 includes proficiency, growth, you know, all of the
11 important components, that's not surprising. But we
12 will want to dig in with you when you look at the
13 components, how do you prioritize.

14 And then finally, a lot, as we discussed,
15 not clear consensus about mission-specific, and,
16 really, I think some -- a lot of concerns about
17 those supplemental academic assessments, you know,
18 with a few folks saying, "No, they shouldn't be
19 included."

20 MR. TIM FIELD: One of the comments is
21 that 1 and 2 are really combined at this point.
22 When we think about weighting, it's no longer --
23 we'll think about this in terms you have the seven
24 components in the A-through-F, plus the subgroup,
25 you know, measures.

1 So I think it's really thinking about them
2 holistically as a group -- and then maybe you might
3 substitute -- we'll see. Maybe subgroup is what you
4 want to do instead of lowest 25 percent. Those
5 kinds of options are there. But those two groups
6 collectively are going to represent the range of
7 indicators you all are considering for your
8 framework. Does that make sense?

9 MS. LYRIA BOAST: All right. So we have a
10 little bit of work for you to do now. So we're
11 going to ask you -- Tim is passing out -- we're
12 actually -- put together a table of -- of the
13 indicators and components that will be included in
14 the trial run. So similar to what we asked you
15 yesterday, we'd like you to prioritize, take a look
16 at these.

17 The first question that you should ask
18 yourself is do I think each of these should be in
19 the -- in the framework, you know, in this roll-up?
20 If there's one that you think should not be
21 included, you should put a zero under it. And we
22 are going to ask you to do some math here, I'm
23 sorry. But hopefully, it's fresh, and you've had a
24 cup of coffee.

25 There are two columns in the middle that

1 say "Weight." One is for elementary and middle
2 schools, and the other is for high schools.
3 Obviously, for elementary and middle schools, we
4 wouldn't be including graduation rate or career and
5 college readiness. For high school, you would.

6 And so, again, if you -- what you want to
7 do is spread your 100 percentage points across
8 these. If you feel -- across the entire -- the
9 entire columns.

10 So if you felt, for example, that subgroup
11 growth, you know, is the most important, you might
12 start there with thinking, you know, that should be
13 a certain percentage, and work out. And you can
14 scratch up as you want, and we'll deal with any math
15 inconsistencies, really; because what we're -- and
16 to tell you, we are not going -- what we will do
17 with this is develop several options for that
18 roll-up.

19 So we imagine that there are going to be
20 different prioritizations among you. And we want to
21 show you sort of, if you have difficulty weighting
22 systems, how will those tiers come out in the end.
23 And we want to make sure we address everybody's
24 highest priorities.

25 THE CHAIR: So 1 through 4, to add up to

1 100; not just 1.

2 MS. LYRIA BOAST: All have to add up to
3 100.

4 MR. TIM FIELD: Does that make sense?
5 Take some time.

6 MS. LYRIA BOAST: Take as long as you
7 need.

8 (Commissioners comply in filling out form.)

9 COMMISSIONER ARMBRUSTER: But these --
10 because -- I'm just trying to do my little points
11 here. But maybe you all have figured this out.
12 When you ask, "Do you support an approach that
13 allows variable rates," that's going to change these
14 numbers.

15 MS. LYRIA BOAST: It would. Don't worry
16 about it. We just need to know whether to build
17 that into --

18 MR. TIM FIELD: Yeah. We didn't address
19 that one.

20 MS. LYRIA BOAST: So that's a great
21 question. We're asking you, for mission-specific it
22 very well may be that you would want to give it a
23 different weight if it met certain criteria, the
24 mission-specific goal.

25 So when you're doing this, assume that

1 it's a well-constructed mission-specific goal, okay?
2 So that would be the highest weight you would ever
3 give a mission-specific goal, if that makes sense.

4 THE CHAIR: Right.

5 MS. LYRIA BOAST: Okay.

6 MR. TIM FIELD: And if you can put your
7 names on it, it would be helpful, if you don't mind,
8 in cursive.

9 (A discussion was held off the record.)

10 MR. TIM FIELD: So question for you, and
11 then we're going to move on. What about, how was
12 that exercise? What was hard about that exercise?
13 What did you find yourself thinking about as you
14 were trying to prioritize and put numbers next to
15 those indicators?

16 THE CHAIR: Well, to some degree,
17 initially, my thought was, "Well, this is really
18 important." So, you know, you go to, like, a
19 40 percent, and it's, like, "I can't do that,
20 because then this -- I've really devalued this."

21 So, you know, that was a quick early
22 lesson, just -- you know. It's tough to then start
23 to prioritize. And when you look at a number and
24 think, "God, it's not a very big number. Does that
25 number equal my mental weight of it?"

1 MS. LYRIA BOAST: Yes. Yes. And how did
2 you think differently about the high schools? What
3 were -- what were your thoughts when you were
4 thinking about high schools?

5 COMMISSIONER ARMBRUSTER: And why I
6 struggle? Because I feel that there should be a
7 larger emphasis on proficiency in high school,
8 because you've had eleven years, or whatever number
9 that is, to become proficient. So this is my hard
10 part.

11 So when you say, "This child is a high
12 school graduate," should that mean something? Does
13 it mean you attended four years, and you kind of
14 barely got through? Or does it mean that you have a
15 certain skill level?

16 And I'm going to make special ed an
17 exception to that. But for a regular,
18 run-of-the-mill kid, should that mean that you, as
19 an employer, should expect this child who graduated
20 can X, Y, and Z. And that was -- so that's why I
21 put a higher one for proficiency.

22 "Is it important to grow?"

23 "Yes. But you've had a lot of years to do
24 that."

25 The other one I did on a high basis was

1 the purpose of going to school, which was to
2 graduate. So graduation was important. And what it
3 meant to graduate, to be a graduate, was also
4 important. That's why I struggled. Because I
5 didn't have enough points. Okay. I'm just going to
6 be honest.

7 COMMISSIONER TOULOUSE: I don't know. I
8 guess I've done so many kinds of having to divide
9 up, it wasn't that hard; because even 5 percent,
10 when you add them together, still carries enough
11 points when you roll them up that 5 percent isn't as
12 low -- no. Because, I mean, I've evaluated
13 employees. I've evaluated programs in Human
14 Services, things like that, enough that I can kind
15 of get my head around what that 5 percent or
16 10 percent actually means when you put them all
17 together.

18 COMMISSIONER ARMBRUSTER: I should have
19 been sitting over next to you. That's what I'm
20 saying.

21 COMMISSIONER TOULOUSE: I take a fairly
22 simplistic approach to it. I think, for instance,
23 growth is more important in high school, because
24 that's your last chance to grow; because an awful
25 lot of kids play around before they get there. And

1 if they're going to be successful, I think that's
2 the point where you need to push them harder to see
3 that they grow, or they're not going to graduate.
4 You're not going to have the graduation rate.

5 Or college or career readiness. In this
6 state, most of our students aren't ready for either,
7 anyway. And that's a problem we need to work on.

8 Also, jobs are different. When I
9 graduated from high school back in 1962 -- see, I
10 admit to having grown up in the '60s, Danielle.

11 COMMISSIONER CRONE: I think I did.

12 COMMISSIONER TOULOUSE: But my diploma
13 meant a lot more for the skill level I had and for
14 the jobs and things and for going to college than my
15 son's did in 1991 or my grandson's did last year.
16 Each group has -- that diploma means less. Partly,
17 the courses did get simpler; because what I had in
18 high school, my son was having in college.

19 And I -- but I also think that the job
20 skills you need are very, very different now. You
21 still need technical knowledge. You need things
22 that usually aren't taught you unless you go to some
23 of our schools that have looked to teach those
24 particular skills. I think that's part of the
25 growth of a lot of charter schools in this state is

1 to prepare people for certain kinds of jobs or
2 programs.

3 And so, to me, I mean, that's -- but I
4 just -- again I looked at 5, 10, 15, 20, 25 percent,
5 because those numbers eventually roll up pretty
6 well.

7 MS. LYRIA BOAST: All right. Very good.

8 Before we move on, any thoughts on that
9 idea of a variable weight for some of them? We'll
10 look at your -- but any thoughts -- thoughts there,
11 because we want to make sure that you're confident
12 about the way that mission-specific goals are
13 included. And so it's important to know whether
14 that's an option you would want to consider, yeah.

15 COMMISSIONER ARMBRUSTER: Well, my concern
16 on that was -- I admit to not knowing the large
17 majority of what the missions are exactly. But
18 something -- when you say dual-language, that's a
19 really specific, measurable --

20 MS. LYRIA BOAST: Right.

21 COMMISSIONER ARMBRUSTER: -- mission. And
22 as I said before -- I don't know. Going to the
23 building trades or whatever, those are just -- those
24 are a little bit more measurable. But, "Will be
25 ready for college," "Will be first-generation

1 college students," that's a tough one to -- to
2 measure exactly.

3 And so then it concerned me -- and I wrote
4 this down -- that then perhaps people will make
5 less -- good, but less measurable, missions. And
6 then I felt as if I might be shooting myself in the
7 foot, you know; because if you're really specific,
8 you're going to get measured on that. If you're
9 not, not so much. So that's why --

10 THE CHAIR: And, you know, the thought
11 intrigues me. I just need to see it. You know, I
12 need to see what that -- what the effect really is
13 before I can say, "Yeah, that's a really" -- you
14 know, I just don't -- I'm not quite sure how it
15 plays out yet.

16 MS. LYRIA BOAST: Yes, yes. That's an
17 important consideration.

18 COMMISSIONER TOULOUSE: I gave you a firm
19 "maybe," for the same reason, though, that --

20 MS. LYRIA BOAST: Right. It can be
21 difficult to implement.

22 COMMISSIONER TOULOUSE: Until I see how
23 this whole system works, I'm not sure. But I think
24 it may be worth looking at; but I just -- I don't
25 know.

1 MS. LYRIA BOAST: So that will be an
2 option that we sort of consider in the trial run.

3 Okay. Great.

4 MR. TIM FIELD: Okay. We're early. We're
5 ahead of schedule. But maybe a break now would be
6 good, and then we'll come back and do the financial
7 framework.

8 Great. So we'll take a 15-minute break.
9 We'll come back at -- at 10:50; not that -- that
10 clock is fast. So 10:50 real time, what your phone
11 says.

12 (Recess taken, 10:35 a.m. to 10:51 a.m.)

13 MR. TIM FIELD: Yes, great. Thank you.

14 So we're going to shift gears to the
15 financial framework, which I know there's some
16 groans. But this is actually going to be fun. We
17 are missing Commissioner Peralta, but we'll get
18 started.

19 So there was a handout from yesterday, and
20 hopefully, you had a chance to at least review.
21 We're going to really essentially walk through that.
22 So I will have slides up; but you can pretty much
23 follow along with what the handout has.

24 So first, just goals for revisions, so the
25 fourth one is, I added -- it wasn't in your handout.

1 But the first three really align to the overall
2 goals we have established for the PEC's work. To
3 refine -- revise the financial to clarify criteria
4 and data sources for evaluating indicators; to
5 ensure that measures can be reliably and accurately
6 collected; and to establish clarity about the
7 process and timeline for collecting data.

8 So the same issue of, like, streamlining
9 data collection, getting within departments, between
10 schools, and the PEC, all those issues I think that
11 exist for financial are quite similar for
12 organizational.

13 I think the other goal I want to put out
14 there, and we're going to talk about is, there's
15 also the need to have benchmarks that -- benchmarks
16 can really help guide local charter school boards
17 and how they think about finances.

18 So there's a need for you all to have good
19 measures that you can track and report on and
20 evaluate schools. But what the financial frameworks
21 also can do is by establishing targets, indicators,
22 metrics for a healthy organization, you're kind of
23 signaling to charter boards what they should pay
24 attention to. Your dashboard can be their
25 dashboard. That's an important point.

1 It's true also for the organizational
2 framework. By establishing clear criteria and
3 standards you're also signaling to charter boards
4 what they should care about. So I think it's
5 another value to having a rigorous and strong
6 financial framework and why we think some of these
7 metrics can be valuable.

8 So steps for revisions. So the first big
9 kind of shift we're proposing with the financial
10 framework is to really revise the framework
11 indicators to reflect financial status, as opposed
12 to compliance with reporting and oversight
13 requirements, which are also important. And we'll
14 look back in a little bit here.

15 But if you may recall, we have shifted
16 quite a few of what used to be the financial metrics
17 we've proposed as putting into the organizational
18 framework. And actually, we'll look at that during
19 the presentation just to kind of remind yourselves
20 of what was shifted. So that's one shift that we're
21 proposing.

22 Secondly, we could look at some other
23 examples from other authorizers to kind of get other
24 ideas. We obviously also work with Katie, and Katie
25 worked with Paul and others, and David, in the

1 Department, to get some input. They did give input.
2 There was also some -- we talked yesterday about the
3 concerns they have in changing some of this. So I
4 think there is some mixed support internally.

5 I would say the third is clarifying --
6 just work to clarify financial metric definitions
7 and sources of evidence. So one thing you will see
8 when we look at the proposed metrics is we're trying
9 to be a little more -- besides saying "current
10 ratio" or what have you, trying to define what it is
11 and why it's there is part of what we want to do
12 with the framework.

13 The really important part is Step 4, which
14 is really the trial run, which, A, we propose some
15 metrics; but we're going to work with PED to
16 determine what can be calculated, what's available
17 and what is actually predictive.

18 So going back to the schools that have
19 struggled and have run into financial problems, if
20 we use those metrics on a quarterly basis or annual
21 basis, would that have given you indication that
22 this school was in trouble earlier? So that's the
23 big part of the trial run is to see -- and I think
24 that's an open question; I don't know the answer
25 entirely -- but can we -- can these proposed metrics

1 be good early warning signs for PEC, and also,
2 frankly, for the schools, too? So, again, this idea
3 of, like, signaling to schools what they should be
4 paying attention to.

5 The fifth, which is not on your -- on your
6 sheet -- but I just want to reemphasize this
7 notion -- and this is in the framework -- of
8 thinking about these both on an annual basis, which
9 is typically what these performance frameworks are
10 used for, but also the notion of quarterly
11 snapshots. I think some of those metrics, we think
12 actually aren't as useful on an annual basis, but
13 could be very useful on a quarterly basis.

14 So I do think we were considering both the
15 notion of this annual framework; but also, what
16 could a quarterly dashboard report look like.

17 Questions or comments about kind of what
18 we've planned, or kind of what we think needs to
19 happen for this revised framework, in your handout?

20 COMMISSIONER JOHNSTON: Comment. Last
21 night when I went over this, I'm very appreciative
22 of the change in the emphasis; because we have been
23 looking at the -- the very specifics, getting into
24 the detail of finance. And what this does is gives,
25 I believe, an administrator, the finance committee,

1 it gives them touch points that are manageable and
2 that are indicators that the School Business
3 Official needs -- they need to have a conversation.
4 I really, really appreciate this; so...

5 MR. TIM FIELD: Great.

6 MS. LYRIA BOAST: Are these similar to
7 what you were looking at as a school leader? Or how
8 does this jibe with --

9 COMMISSIONER JOHNSTON: I wish I had had
10 this as a school leader; because I had to literally
11 learn how to be -- I'm a Licensed School Business
12 Official; because I didn't know how to synthesize at
13 a general level. And the things that you ask, they
14 fit right in. And, almost, you should be reporting
15 monthly to the board on these things, the four or
16 five points you have; so...

17 MR. TIM FIELD: I'm on a financial
18 committee for a charter school in North Carolina.
19 And they do use -- not all of these, but some. And
20 part of their reporting is a series of metrics.
21 Some of it is budget-to-actual. It's not the exact
22 set of list here. But certainly, a lot of schools
23 do, and a lot of boards do, use these kinds of
24 metrics to assess where things are.

25 THE CHAIR: Right. Because I'm -- I think

1 one of the questions I'm always asked is, "What are
2 the questions we need to ask?"

3 COMMISSIONER JOHNSTON: And these --

4 THE CHAIR: And this helps to --
5 hopefully, to guide them in that direction: "This
6 is what you should be -- be looking at." Because I
7 think, you know, just having it on the agenda as a
8 report, you know, and the treasurer -- whoever --
9 whatever they call them -- gives just a simple
10 little report, that doesn't say anything to those
11 folks, you know.

12 COMMISSIONER JOHNSTON: It doesn't assist
13 sustainability long-term, short term, or --

14 THE CHAIR: Yeah.

15 MR. TIM FIELD: Great. To move on. And
16 on your handout we do show, on the first page, the
17 current set of framework indicators in the financial
18 framework, and, you know, operating budgets, audits,
19 periodic reports.

20 Almost everything on here is now
21 represented in the organizational framework. And we
22 will go back -- I will remind us what's on the
23 organizational framework. It's not that we're not
24 capturing this. It's just that we are kind of --
25 this is now being paired with these metrics that

1 we're considering.

2 So here are the five that we are
3 considering, and not very common with authorizers to
4 be considering near-term and then sustainability
5 measures. I think there is less in the
6 sustainability. And I think part of that is the
7 reflection on just how New Mexico does financing for
8 charter schools. So I think there's maybe less to
9 say on the sustainability side.

10 But we do have a proposed metric here.
11 We'll walk through each of these and try to --
12 again, I know that some of this is -- is not
13 everyone's strong suit. And I think -- but we'll
14 talk about it. It should be understandable. I
15 think, hopefully, the explanations we've giving in
16 each page should make it accessible.

17 And I want to reemphasize again, these are
18 proposed -- the trial run will really be a chance to
19 understand, are they predictive. Because part of
20 the reality is for these metrics is on -- in a
21 quarterly basis, these metrics are going to change
22 quite a bit. Like, there's going to be -- so you
23 can't -- it's hard to say, "It needs to be 1.1," or
24 whatever the number might be; because actually, it
25 should look differently, sometimes, in the fall than

1 it looks towards the end of the year. So that's why
2 the quarterly snapshots, hopefully, can be more
3 enlightening; because, you know, "I want to see this
4 ratio in the fall, and I'm okay with this ratio in
5 the summer."

6 Okay. The first one. I won't read this.
7 But year-to-date operating margin. This is really a
8 reflection of how are revenues and expenses in a
9 school lining up.

10 And what we've heard from -- from the
11 Department is that there is this kind of trend in
12 the year that earlier on, you're going to have --
13 your revenues are going to be -- to expenses are
14 going to be higher; the ratio will be higher. And
15 over the course of the year, that'll get closer to
16 1, where, over time, you're going to see a pretty
17 good balance of revenue and expenses. But early on,
18 there really should be a higher revenue-to-expense
19 ratio.

20 So it could be -- this can be a really
21 good indicator if a school has not effectively
22 balanced the revenue with their expenses. Perhaps
23 there's been a decrease in enrollment. Perhaps they
24 haven't met the enrollment target they expected.
25 Whatever it might be, you know, early on, we expect

1 that you should be seeing a certain ratio early on.
2 And if you're not at that point, that would be a
3 sign that over the course of the year, that school
4 is going to have trouble.

5 So this is one where we do think -- I
6 think there's some cyclical nature of how this ratio
7 might work. And this is one where a quarterly view,
8 we think will be important.

9 and the basic calculation here is just
10 looking at revenues over expenses. There's
11 different ways you can look at this. But we're
12 proposing some kind of ratio of revenue over
13 expenses. One would imply that revenues match
14 expenses.

15 Comments or questions about this
16 particular metric?

17 COMMISSIONER JOHNSTON: I really
18 appreciated your definitions. It clarified for me
19 what I would be looking at. Show us -- okay. This
20 is the financial framework.

21 MR. TIM FIELD: Uh-huh.

22 COMMISSIONER JOHNSTON: These will receive
23 our "Meets standards," "Approaching standards,"
24 "Falls far below," that the overview is the
25 definition you've put here? That's our indicator?

1 MR. TIM FIELD: So the indicator -- so the
2 indicator is year-to-date operating margin ratio.

3 COMMISSIONER JOHNSTON: It's just as
4 simple as that. Okay.

5 MR. TIM FIELD: I have the targets up.
6 The targets we have here, several we have put as
7 TBD. This is the trial run. We don't know, like,
8 what should the target be. Overall, it should be --
9 end of the year, it should be no less than 1;
10 otherwise, it implies that you've had -- your
11 expenses exceed your revenue.

12 But I think the question will be here, is
13 there a trend? What should it be in Quarter 1?
14 Maybe it should be 1.2, I don't know. The cycle of
15 revenues -- I think looking at it across schools,
16 what's the pattern will help define what the
17 ratios -- because maybe the ratios really should
18 change quarter to quarter.

19 COMMISSIONER JOHNSTON: And that's almost
20 a question then that the head of school and the
21 governing council could ask the School Business
22 Official; because that's the person who's looking at
23 those trends and has seen, with -- over time.

24 So that will come -- that's where I think
25 this is better for the head of school and the -- and

1 the board to be asking in the organization chart,
2 rather than determining what it needs to be. You
3 need some guidance.

4 MR. TIM FIELD: So in this case -- if
5 it's -- let's say we look over -- there is this
6 trend. Revenues are generally higher than expenses,
7 like this. With the flow of funds, the expenses
8 will incur -- revenues, let's say are higher first
9 quarter. If -- and maybe it's that the ratio tends
10 to be 1.2. That's as the target would say. A
11 school leader and a board would say, "Wow. Why are
12 we at 1.05?"

13 Without the ratio, they might say, "Our
14 revenues are higher than our expenses, we're fine,"
15 without really understanding the trend that really
16 happens across -- over the school year. If they had
17 this 1.2 target, let's say, and they're at 1.1, that
18 should be a -- a red flag to say, "What's going on?
19 Why is that? Are we -- are we not getting a revenue
20 source we're expecting," you know. And that ratio
21 helps them diagnose the problem.

22 Otherwise, it would be easy for a board to
23 say, "Oh, we're fine. We're in the red" -- I mean,
24 "We're in the black; so let's not worry."

25 THE CHAIR: And I think some of these, are

1 they not -- because we've had this discussion --
2 some of these might be a more simple -- they're
3 "Meeting" or they're "Falling far below," that
4 there's -- the "Working towards" may not apply to
5 necessarily all of them.

6 MS. POULOS: Yeah. I think -- and, again
7 that's what Tim is saying. We're going to have to
8 look. We're probably -- I don't know and we're
9 going to work together -- we'll probably run a
10 couple of years' worth of data.

11 The great thing about running past years'
12 worth of data is we can look at schools that we knew
13 had problems, right? And we can say, "Oh, look.
14 There is a red flag here," right?

15 So I think that it may be that -- you
16 know, again, I think -- as we've spoken, some of
17 this is it's less about an absolute metric. And I
18 think that's been -- from some of the perspectives
19 of schools and business managers, the problem, is
20 like, well, for us, this doesn't -- there's a
21 question there. But for us in New Mexico, this
22 doesn't make sense, because. And one piece we got
23 feedback from the folks in School Budget is it
24 doesn't make sense because none of our folks can
25 take on debt, right?

1 But we also do know that our schools can
2 substantially overspend early in the year, and then
3 get themselves into a lot of trouble, right?

4 So again, the idea of working at this by
5 looking at data and figuring out, are there
6 quarterly targets that, again, might put us in a
7 position where it doesn't make sense as an
8 end-of-year indicator; it's a midyear indicator,
9 right? And so there may be somewhere -- yeah, it
10 is. It's just a "Falls far below" and a "Meets,"
11 right? And that's all there is. There's no working
12 toward it.

13 MR. TIM FIELD: This gets back to the
14 notion of a dashboard. We think that part of what
15 you may want to see as a Commission is having a
16 quarterly review. If these metrics are effective --
17 and we'll see -- it may be very easy to see, "Oh,
18 there are five schools that are in the red -- or in
19 the yellow. In Quarter 1, there are several schools
20 that, really, they're unbalanced. The revenues are
21 not what they should be relative to expenses."

22 MS. LYRIA BOAST: And it's monitoring, as
23 opposed to accountability. It's important --
24 because there's what will be in the framework; but
25 then there's this important monitoring piece.

1 MR. TIM FIELD: You might decide that some
2 metrics don't work as an accountability,
3 end-of-year -- you may say, "This is a great
4 early-indicator dashboard metric, but it's not
5 nearly as effective on an annual basis. I'm more
6 interested to see cash on hand." Or, "I'm more
7 interested in the current ratio. That's a more
8 effective annual indicator."

9 And that's going to be in our framework,
10 and this is more of what we look at on a quarterly
11 basis. We'll work that out with the trial run; but
12 we think this one is worth looking at.

13 COMMISSIONER TOULOUSE: What about
14 additional sorts of revenue? Where are we going to
15 deal with those? Because many of our schools get
16 grants. And how are we going to look at those in
17 regard to these ratios and --

18 MS. POULOS: Sorry. I want to throw one
19 thing in. One thing that, for us -- we've been
20 talking to boards about a lot -- is our concern
21 about grants: Not using them, not requesting
22 reimbursements.

23 THE CHAIR: Not using them properly.

24 MS. POULOS: Right. So that is -- we did
25 propose a couple of organizational framework --

1 THE CHAIR: Organizational.

2 MS. POULOS: -- measures. I know that
3 doesn't still address your concern. And we don't
4 have a measure in here about necessarily grant
5 reimbursements versus expenses. And it's one,
6 again, I've thought about; but I -- we could talk
7 more about.

8 COMMISSIONER TOULOUSE: It seems to me
9 that's a piece we need to know about it, rather than
10 have it thrown at us: "Oh, we got a grant to do
11 this, so we did it," you know.

12 And it just -- it seems to me there needs
13 to be a place to capture that, as well as just the
14 State monies. I know we're mostly worried about the
15 public funding. But I think the grants are very
16 important. And it's just like there's a piece that
17 doesn't really belong here, but it does belong
18 somewhere, on how the governance councils are
19 approving expenditures and -- because, you know,
20 we've had problems of them approving them
21 afterwards, or paying ahead of time where, under
22 State law, you cannot pay for something until you've
23 received it or the services you're paying for.

24 And those things -- that's part of the
25 governance council; but it's also part of the

1 regulations. And it doesn't belong exactly in this
2 framework, but it relates to this framework.

3 COMMISSIONER JOHNSTON: And, see, what I
4 had done, just -- I had included all of the
5 non-recurring in that year-to-date operating;
6 because that's that total. And you've got to start
7 with that. And then you have to expend it. And
8 you're not leaving it till the end of the year, or
9 until -- so I had just included it all in my head in
10 that 1.a. But I don't know. We'll have to see.

11 MR. TIM FIELD: I think this will go into
12 what isn't contained in the audited statements and
13 in the quarterly reports. And I think we'll note
14 that, like -- make sure we're thinking about how is
15 grants reflected. So it's a good point.

16 We also -- I will have us look again at
17 organizational framework metrics; so we can also
18 look back at this question. Like you mentioned, how
19 does a governance council approve expenditures? How
20 are they paying for services? So we can just look
21 back at it with that lens of what else can we look
22 at; not a metric, but as a good sign of --

23 COMMISSIONER TOULOUSE: They have
24 training, but not enough to really understand the
25 State purchasing requirements and those sorts of

1 things. Or people can forget them, or new people
2 come on the board who haven't been trained yet. And
3 that's a concern I have, you know.

4 And I'm not sure that in all of the
5 audits, they pick up grants; because, again, I think
6 most of the audits are looking at the major sources
7 of funding, which are the State funding. And,
8 again, I don't -- I know it doesn't exactly belong
9 here; but it needs to be somewhere in what we're
10 looking at.

11 THE CHAIR: Because it's often federal
12 money that they're potentially misusing, you know.

13 MS. POULOS: So I know we're getting a
14 little off-track. But I kind of want to clarify,
15 for me.

16 So is it that you want -- like, do you
17 want an accounting of the grant funds that they
18 have? Or how they're using them?

19 So one of the things that we've been
20 talking a lot is -- just taking grant funds,
21 right? -- some of our schools end up with cash-flow
22 problems, and they end up never fixing those,
23 because they -- and they're allowed to, right?
24 They're allowed to take a temporary short-term loan
25 from their operational fund and use it to pay

1 expenses that are under grant funding.

2 And then they rely on their business
3 manager to repay that loan, because they do all the
4 right things and do their requests. Some of the
5 requests are denied, because they're using it for
6 unallowable expenses. Some of the requests just are
7 never done, because the business managers aren't
8 being as diligent as they should. And so then they
9 end up spending operational funds that they could
10 have gotten reimbursed from federal funds.

11 So what I'm trying to figure out is, is
12 that the concern that we're trying to address and
13 figure out how do we -- we do that? Do you want --
14 again, do you want to know which grants they're
15 accessing? How much? What is it that you want to
16 see?

17 THE CHAIR: I don't think it's as much --
18 how much it is and what grants they are, but making
19 sure that that grant money that's for "X" is being
20 used for "X."

21 MS. POULOS: And so maybe it is asking the
22 programs, Title I --

23 COMMISSIONER TOULOUSE: Right.

24 MS. POULOS: -- whoever, for their reports
25 on -- and built in -- I think we did build it into

1 the organizational framework.

2 MR. TIM FIELD: It's right up there. This
3 is from the organizational framework. Maybe we need
4 to add to this. But this is currently what's in
5 there regarding grant funds.

6 MS. POULOS: And I think the two I want to
7 point out is, "Expending at least 99 percent of
8 grant funds for all accounts without reversion." If
9 you've got the grant funds, spend it, right? And
10 oftentimes, 27, -8 months to spend it.

11 "At least 95 of all submitted RFRs are
12 approved."

13 That's getting at are they using it for
14 allowable expenses?

15 COMMISSIONER TOULOUSE: That's what
16 concerned me and I picked up. On one level, we
17 don't necessarily need to know all the details about
18 that grant.

19 MS. POULOS: Which ones are disapproved
20 and why.

21 COMMISSIONER TOULOUSE: And that they're
22 being used appropriately, and they're still being
23 approved in the same way they need to be, the
24 expenditures approved on the State funds; because
25 those really aren't our concerns. But I think it's

1 important that we know they have them.

2 THE CHAIR: I think part of the concern
3 also is that in their -- in their budgeting process,
4 they make expectations, put in their budget that,
5 "We're going to get this grant money." And then
6 perhaps it doesn't, you know, get it.

7 So then what ends up happening?

8 So that's -- you know, that's probably
9 more organizational in terms of creating their
10 budget, but making sure that that -- you know.
11 Because we have a lot that I think are very
12 aspirational in the fact that, "Oh, we're going to
13 get all this Title I money, and we're going to get
14 this money, and we're going to get that money."

15 And, you know, they're critical pieces of
16 their budget. And it's -- like, what happens if you
17 don't get that money, you know?

18 COMMISSIONER JOHNSTON: And as the head of
19 school, you're right. At that level, that's what
20 that head of school needs to be aware of.

21 COMMISSIONER TOULOUSE: And there's also
22 other grants -- again, this one isn't our worry now,
23 because Cien Aguas went over to APS July 1. But
24 they have a grant from PNM to do expeditionary
25 learning for their sixth-graders; but they have not

1 tied it in or had not -- when my grandson
2 disenrolled from sixth grade last week, with any of
3 their mission, which is the dual-language, or the --
4 or the language immersion, there was no part of
5 that, at that point, that they were telling the
6 parents that it was tied in with that mission at
7 all.

8 So I think there's a number of things
9 here. Most of ours are going to be the federal
10 money. But there are going to be ones that have
11 gone out and gotten that.

12 I don't see anything wrong with that
13 grant; but it's got to be a part of their mission.
14 And they had not reported it, and they already had
15 it at the time they negotiated a new contract with
16 APS, which I think was a problem. But, again,
17 that's just the example I'm aware of.

18 MS. POULOS: And I'm struggling with
19 how -- because that's going to be -- right? For
20 federal grant money, we have our federal closer, so
21 I can monitor that and I can get that information.
22 But anything else that's outside or coming directly
23 from LANL Foundation or coming from the Walton
24 Foundation or whoever, I don't know that we can -- I
25 don't know that we can monitor that.

1 And then what you're going to be asking
2 for -- and if you want to, then we should. But then
3 what we're going to be asking for is asking the
4 schools to report that. And then we've got to be
5 really specific about what we want them reporting to
6 us.

7 COMMISSIONER TOULOUSE: Well, I would
8 think that we simply could get a report -- a copy of
9 the report that they send to the grantor.

10 MS. POULOS: So then you're saying to the
11 schools, "Anytime you have a grant, one of the
12 things that we expect is for you to submit your
13 grant reports that go to the grantor, to us, also."

14 MR. TIM FIELD: One thing I'll add to this
15 is that -- so there's -- you could look -- you can
16 go into that level of depth. There's obviously
17 challenges to asking schools to submit it, and you
18 can review it.

19 The other thing to remember, though, is
20 that if it's a substantial grant, and they -- this
21 issue of, like, "Oh, we're going to get \$100,000, I
22 think from so-and-so, so let's go ahead and buy that
23 thing," you know, and they don't get the grant,
24 that's going to show up -- unless they make other
25 adjustments, that's going to show up in other

1 ratios, because you're going to see that their
2 revenue-to-expense ratio is off. Or you're going to
3 see that, you know, cash on hand goes down.

4 So you're going to see the smoke from that
5 fire. You may have to go deeper, if and when you
6 decide, "We need to talk to that, understand what's
7 going on there." That's when you might realize,
8 "Oh, you all assumed you were going to get the
9 \$100,000 grant; it didn't come through. Don't do
10 that."

11 I only just think that there's things --
12 you don't have to always go deep. You can put
13 ratios that allow you to realize, like, "Something
14 is wrong."

15 COMMISSIONER TOULOUSE: This was an
16 off-the-top-of-my-head suggestion. I think it's
17 more important to know what they have and know what
18 they're using it for to keep it in line with their
19 mission, to keep it in line with what else they're
20 doing, and make sure that our State funds are being
21 used only for what they're supposed to be used for.

22 I'm not particular-- -- these people may
23 be; I'm not, if they're using some grant money that
24 they can appropriately for regular school expenses.
25 I'm much more interested if they're taking that

1 money that should be used on regular school expenses
2 and shifting it over for things that the grant is
3 supposed to pay for and may or may not get
4 reimbursed.

5 See, that's -- I'm much more into the
6 accounting for the funds that we're responsible for,
7 which are the State funds.

8 THE CHAIR: And I'm wondering if something
9 with the organizational, if we looked at their
10 actual budget as opposed to their projected budget,
11 the variation between those two, would we pick up on
12 any of that. I don't know if that would serve that
13 purpose.

14 MR. TIM FIELD: It could. I mean, some of
15 these ratios are getting at that.

16 THE CHAIR: Because they're projecting
17 that they're going to have this, and then their
18 actual budget, they didn't. I don't know. I'm just
19 throwing it out there.

20 COMMISSIONER JOHNSTON: It would be very
21 categorized within the context of the budget. The
22 person who looks at it would know it's
23 non-recurring. It would be separate from the
24 operational and from the federal fund -- it would
25 have its own category; so it would pick up that way.

1 But I don't know if it's something we would see.

2 COMMISSIONER ARMBRUSTER: I'm wondering
3 how we would monitor that.

4 COMMISSIONER TOULOUSE: I'm not suggesting
5 that we monitor grants, but that we know about them
6 and have a general idea that they're being done
7 appropriately. I'm only interested in monitoring
8 the State funds that they get.

9 COMMISSIONER ARMBRUSTER: I have a
10 question because of something you said, Carmie.

11 So if PNM gave whatever school a grant to
12 do expeditionary learning for sixth grade -- and I
13 realize that it's not -- I'm assuming, not in their
14 mission -- is that bad? I'm just asking a
15 philosophical question. I'm not challenging you.

16 COMMISSIONER TOULOUSE: It's not bad; but
17 it's mission-drift. If you're going to do it, you
18 need to do it tied in with your mission and with
19 your language-immersion stuff.

20 COMMISSIONER ARMBRUSTER: I was thinking
21 in the olden days --

22 COMMISSIONER TOULOUSE: You're taking one
23 class. Only sixth-graders. So you're going to take
24 them -- I mean, it's a complete program. Are you
25 going to take them for a year out of that language

1 immersion, and then in seventh grade, put them back
2 in? That's why it needs to be --

3 COMMISSIONER ARMBRUSTER: You're saying
4 take them out. I was thinking of it in addition to.

5 COMMISSIONER TOULOUSE: No. No. I mean,
6 that's why --

7 COMMISSIONER ARMBRUSTER: That's why I
8 asked you, yeah.

9 COMMISSIONER TOULOUSE: My daughter is
10 bright enough that I also explained. So she was
11 asking questions, "How are you using this, and how
12 is it going to do -- since you've already quit
13 teaching math, and now you're not teaching science
14 in Spanish, how is this going to tie" -- "Oh, we're
15 not tying it in."

16 Now, they may change that; but they
17 haven't as of last week.

18 MR. TIM FIELD: So under the next ratio --
19 the next metric -- one of the tensions you have as
20 an authorizing entity is this balance of you want to
21 preserve autonomy for the schools, but, also, you
22 know, have accountability. So you have to decide,
23 how deep do we go into reviewing and submitting.
24 Hopefully, what these ratios do on some level is
25 they allow you to avoid getting too deep into

1 operations of schools, but give you something that
2 says, "Well, we should -- we need to look a little
3 deeper."

4 We -- we -- but that's what the intent of
5 these ratios partly are is be the smoke that allows
6 you to decide, "We need to look a little closer."

7 The next metric, or indicator, is "Days of
8 cash on hand." This is essentially how much cash
9 they have. Days of cash on hand is useful -- you're
10 looking at how much cash, unrestricted cash, do they
11 have, divided by what their, like, daily expense
12 amount is.

13 So the calculation is fairly -- fairly
14 simple. What's their total expenses, divided by the
15 number of days, more or less. You take out non-cash
16 items, like depreciation and amortization, those
17 terms.

18 But this is a very common ratio that's
19 used, not just with schools, but businesses all over
20 the place. Essentially, this tells you, "Are we
21 going to meet payroll next year," on some level, "or
22 next month or next week?"

23 That's probably what this shows. I think
24 charter schools all over the country use this. I
25 think there are reasons why the targets --

1 New Mexico maybe looks a little different, because
2 there isn't -- the incentive to have a substantial
3 cash reserve is less in New Mexico. So I don't
4 know -- I think typically, we might see 90 days of
5 cash on hand is kind of like expectation. I don't
6 know if that's necessarily the right target in
7 New Mexico.

8 So I think it's -- part of the problem,
9 one, is to determine what the right target would be.

10 This is also one where you are going to
11 see. This is connected to the first one.
12 Throughout the course of the year, you're going to
13 see a natural change in days of cash on hand. So
14 going back to the comment that revenues tend to be
15 higher than expenses at the beginning of the school
16 year, cash on hand will be higher. So I think this
17 is also one where you would expect to see some cycle
18 of this ratio changing during the course of the
19 school year. So this is another one where, for the
20 trial run, understanding the trends will be
21 important.

22 That said, part of this is, like, no
23 matter what the trend is, there's probably a base
24 level. If you can't cover the next month of
25 expenses, or you don't have enough, then that's a

1 real warning sign that you aren't effectively
2 managing your -- your finances.

3 COMMISSIONER JOHNSTON: That 90 days, if
4 an -- I think it's used by School Business
5 Officials. That's what they're -- and the cash
6 reserves that we used to be required to have much
7 larger in each entity, each school entity, but now
8 that with the budget tightness in the State of New
9 Mexico -- but the goal is that zero at the end of
10 the year.

11 But you have to look for that 90 days,
12 because turn-around reimbursement can take up to
13 90 days. You can't depend on a reimbursement.

14 MR. TIM FIELD: Yeah. This is one that
15 could be a quarterly indicator. It could be that
16 we're looking for certain kinds of ratios on a
17 dashboard. You may be alarmed if, in the first
18 quarter, you only have 15 days or 30 days of cash on
19 hand, because you know that that's going to be a
20 challenge. But maybe the end of the year, you're
21 okay with 30 days, whatever those targets might be.

22 Questions or comments about --

23 COMMISSIONER JOHNSTON: You have to phase
24 through the end of June. So the first thing you do
25 that year is you're going to project out all those

1 salaries, so when you get to the end of the year,
2 and you have less cash, you have to be sure you can
3 pay everybody, and include the benefits that we pay,
4 that the school pays, all of the extras that have to
5 go, the taxes and things. And so it's a constant --
6 yeah, it's -- and having that cash on hand. I --
7 yeah.

8 THE CHAIR: I just find it funny, because
9 this was one of the things that David said is least
10 important to him, when I had a conversation with
11 him. So I just -- you know, it's just funny. He
12 said, "I -- it's something that I don't -- I don't
13 need to know."

14 MS. POULOS: He doesn't.

15 THE CHAIR: So it's, like -- this is where
16 we -- this is where we run into that just constant
17 cycle of what's important, what's not important. It
18 just -- you know, it changes; but it's, like,
19 that -- he told me that was just a ridiculous thing.

20 MR. TIM FIELD: So I think the trial
21 run -- I would love to see, for those schools that
22 have struggled, was this an indicator. If you had
23 been tracking, this would it have given you a red
24 flag, and you would have known six months earlier a
25 school was about to tank.

1 COMMISSIONER ARMBRUSTER: Well, on one
2 school, we didn't know until the IRS informed them
3 it was a million dollars; but...

4 THE CHAIR: Until the certified letters
5 finally got to the right place.

6 COMMISSIONER JOHNSTON: I was head of
7 school at a charter school, and we couldn't make
8 payroll in December. At Christmas, we paid
9 half-payroll, because of an embezzlement. That's
10 when I thought, you've got to figure this out.
11 You've got to have that.

12 MR. TIM FIELD: I want to go back to this
13 notion of giving governing councils something to
14 focus on. They're doing the work that you need to
15 be doing eventually. But, like they should be doing
16 it before it even gets to you. This should be a
17 monthly thing for them, not a quarterly.

18 COMMISSIONER JOHNSTON: They can do this,
19 yes.

20 THE CHAIR: This should be the fabric of
21 the conversation. Instead of just a flat bank
22 statement number that's coming as they're -- you
23 know, their financial report, this wouldn't take
24 that much longer to -- because, you know, if it
25 happens regularly, then there's less conversation

1 about it unless there's a red flag.

2 You know, there may be -- and, hopefully,
3 there is -- a robust conversation early on when
4 they're first seeing this, so that they're schooled
5 on what this all means. But then it's just a
6 simple, quick, "This is what it is." And people
7 understand what it is, and it's okay. Unless they
8 say, "Wait a minute. How come this changed?"

9 COMMISSIONER JOHNSTON: Well -- and
10 "unrestricted" is a very important word. Because
11 you can look, like you said, at a cash balance. And
12 everybody says, "Well, we're fine, because we have
13 this cash balance."

14 But when it comes to the end of the month,
15 you can't spend it that way; because it's --

16 THE CHAIR: Unfortunately, I've been part
17 of an organization that everyone is, "Aww" --
18 this -- absolutely, yeah. Yeah.

19 COMMISSIONER JOHNSTON: That's scary.

20 THE CHAIR: And you try to explain to them
21 what can happen. "Oh, no, we've got this this much
22 money."

23 MR. TIM FIELD: For those who haven't
24 studied finances, and you're -- the depreciation,
25 amortization -- again, these are non-cash expenses.

1 So -- and this will come up, somewhat in our other
2 metrics. I don't like to go too -- up there.
3 Although that can be part of -- obviously, if you
4 want to learn about this, that can be part of
5 training you do in the future for yourselves.

6 Next indicator: Enrollment growth
7 variance.

8 So this one is -- again, a common
9 indicator that you see across charters is enrollment
10 variance. So this is -- you know, the difference
11 between projected enrollments versus actual
12 enrollment. I think the nuance that maybe needs to
13 be in place in New Mexico -- and I don't -- I don't
14 fully understand; I've struggled with this -- is
15 this not -- is the variance from what enrollment
16 growth is projected.

17 And I actually won't speak too much to
18 this, because for me, it's a little fuzzy. But the
19 focus here is if a school projects, "Oh, we're going
20 to have 100 more students next year," and only ten
21 show up, we want to flag that, because that could
22 signal other challenges related to revenue and
23 expense balance.

24 Katie, do you want to say more about this?

25 MS. POULOS: So Tim did a great job, which

1 is this is different than what typically is
2 measured. And that's because New Mexico is funded
3 on prior year accounts, right? So typically, what
4 you measure is the school says they're going to have
5 500 kids. What percentage of those kids do they
6 have? Because that's how typically, in other
7 states, those are funded.

8 Here in New Mexico, what can get our
9 schools -- what we have seen get our charter
10 schools, especially, in trouble is this idea of not,
11 "How many kids am I going to have, total"; but, "How
12 many more kids am I going to have this year than I
13 had last year," right? Because we've seen that a
14 lot of our schools are doing not a great job on
15 projecting that.

16 THE CHAIR: And some purposefully.

17 MS. POULOS: And some purposefully. Our
18 business managers actually encourage that, because
19 they get the money upfront. They can use it, right?
20 And it causes cash flow problems.

21 So what we're trying to do here -- and we
22 can measure this pretty early on -- and, again, a
23 great way to say to a governing board, red flag,
24 here are the questions that follow when you don't
25 meet your growth projections; right? How much money

1 did we get that we're going to have to revert back
2 to the State, which means how much lower do we
3 anticipate our payments January through June are
4 going to be, right? How is that going to affect --
5 how are we cutting expenses, right?

6 So we can encourage them by actually
7 giving them guiding questions. But what we can do
8 is at 40th day, we can actually calculate this out
9 and say, "Doing good, no concerns." Or, "Hey, big
10 concern here."

11 I think the question that we've had, that,
12 again, the trial run is going to be important for
13 us, is what is that normal variance versus the
14 extraordinary variance; and, also, we may find that
15 we still don't like that normal variance, right?
16 And so we may actually, still, even though what
17 we've seen as normal from our schools is more than
18 we would like, what's the problem variance, right?
19 Which I think those potentially could be two
20 different questions, right? Normal versus problem.

21 Because while we may find that a lot of
22 our schools have been falling within the normal
23 variance, it's still a problem. And so we're going
24 to want to, again, look at some of that historical
25 knowledge that we have to say, "When did this raise

1 to a concern?"

2 THE CHAIR: Right.

3 MR. TIM FIELD: Comments on this one?

4 Questions or comments?

5 Again, we put a TBD on your framework,
6 because we need to do that --

7 THE CHAIR: Right.

8 MR. TIM FIELD: Yes.

9 COMMISSIONER ARMBRUSTER: Just a slight
10 "review-y" question. On these ten schools -- two
11 questions. So one or two might be, like, pretty
12 darned new schools, because that's going to kind of
13 project the future. And some have been there for
14 eight years or some number like that. Number one.

15 And number two, how long is this trial,
16 and when does it begin and end? Maybe you told me,
17 and I don't remember. My head is full. You may
18 have told me. I'm sorry.

19 MR. TIM FIELD: For the trial -- for the
20 academic framework, the intent to -- for all those
21 measures, putting specific and supplemental aside,
22 because it's a different process to evaluate
23 those -- for all schools -- we have the data. We'll
24 work with Katie in the Department; so we'll have
25 data. We'll see the data on all schools for those

1 measures.

2 For the supplemental and the
3 mission-specific, that's where that ten-school
4 number comes up. That's because there's the deep
5 dive into what are the indicators they proposed for
6 mission-specific, like, which ones can be measured,
7 what would that look like, et cetera.

8 MS. LYRIA BOAST: And September-October is
9 that time frame. We'll be collecting, processing,
10 testing, roll-up.

11 MR. TIM FIELD: September-October. And
12 finance will be a different process. I don't think
13 it's going to be necessarily all schools. I think
14 it'll be --

15 MS. POULOS: Probably a subset. But maybe
16 not. Because, again, we may want to look even wider
17 at -- I don't know.

18 MR. TIM FIELD: We don't know for sure.
19 But we're hoping to have the same time frame;
20 although I don't know, Katie. Maybe the financial
21 takes longer and -- you know. But we'd want to come
22 back -- I don't think -- maybe it's in December or
23 something. I don't know.

24 THE CHAIR: I don't think -- I -- not
25 dismissing the financial, because I know it's

1 important --

2 MS. POULOS: It's -- yeah.

3 THE CHAIR: -- but I think a little bit
4 longer is no big deal waiting for the financial.
5 Because I think there's going to be less having to
6 tweak anything, maybe. I don't know.

7 MR. TIM FIELD: Target setting. Some of
8 these are interrelated. So for instance, days of
9 cash on hand is a direct correlation to year-to-date
10 operating margin. So days -- although it's a very
11 different metric, but there's a connection here. So
12 you may find that, "Oh, we don't need both." That
13 may happen.

14 Going on. Current ratio, the fourth of
15 the near-term measures. This is a very common
16 metric used in charter schools, but, frankly, used
17 in all industries. What this is showing is current
18 assets divided by current liabilities. This is
19 really showing, is the school -- have -- you know,
20 does it have enough -- its -- enough money in
21 short-term assets to cover expected expenses over
22 the next 12 months.

23 So, you know, liabilities are typically
24 going to be your -- your employees. They could be
25 lease payments on equipment. They could be rent.

1 They're going to be, like, the bulk of what you
2 have.

3 Schools can't take on debt in New Mexico;
4 but they can take on leases that act like debt. So
5 I think the liabilities are a pretty clean picture
6 of what the school is going to have to pay.

7 And current assets, you know, really
8 should match, you know, what the expected revenue is
9 going to be, you know, what the receivables should
10 be, what is their cash on hand. So this should be a
11 pretty good predictive indicator, whenever -- at
12 whatever point in time you look at it, of, is this
13 school financially solvent in the short term.

14 So this is one that hasn't been
15 traditionally calculated here, I don't believe. I
16 don't -- we may find that there are reasons why it
17 doesn't work locally; but I think it, hopefully,
18 will.

19 Targets for this one, we did include,
20 because they're pretty much industry standards.
21 We'll obviously kick the tires on that. But it
22 seems like we probably could go with those targets.

23 THE CHAIR: So I'm just wondering. It
24 doesn't necessarily -- because we've had discussions
25 about some of the lease payments, and that what

1 schools are -- what one school pays versus another
2 school, per square foot and so on.

3 I'm just wondering, it's not necessarily
4 that it's going -- that this could be shown perhaps
5 to help other schools, maybe, to see -- because I
6 know we've had this discussion that there's
7 discrepancy on whether schools are advised -- I'll
8 put it that way -- advised as that their lease
9 payment is too high.

10 Now, you know, I've heard, "No, there is
11 no." And then we heard at the school boards, I
12 think it was the school boards, that, "Yes, leases
13 are turned back if the rate is too high."

14 So that's where I'm concerned. Could this
15 end up being a tool, eventually, for schools?
16 Because they might be able to see that, "Oh,
17 look-it. Their ratio is so much better than ours,
18 because they've got a better lease than we do"; so
19 that it's not necessarily that it's going to help us
20 any. But maybe it is -- I don't know.

21 Could this -- you know, this might end up
22 working to -- for another benefit, as well. Because
23 I think there's this -- you know, schools don't
24 know. So this group is, you know, negotiating a
25 lease that is at a much -- significantly higher rate

1 than this other school.

2 And I probably just opened up this whole
3 other topic.

4 MR. TIM FIELD: No, I think this gets --
5 This gets into technical assistance and support,
6 perhaps, what is a reasonable amount. You hear
7 statistics. People in poverty are spending half
8 their income on rent, which is a sign -- a really
9 risky sign.

10 Like, that's -- how can you -- you can ask
11 some of the same questions. If you're spending
12 40 percent of your -- 30 percent of your school
13 funds on rent, that's way too high.

14 I hear 15 percent as being kind of a
15 target. That's going to vary place to place. But I
16 don't know if this goes into your financial
17 framework so much as do you get into the business of
18 providing guidance and, you know, benchmarks around
19 what is a reasonable amount to spend on different
20 items.

21 THE CHAIR: And I -- you know, for me, I
22 think it's reasonable that guidance is provided,
23 because I think, you know, schools are acting, you
24 know, so much on their own. And they maybe don't
25 know. And they -- you know, they -- and there's

1 that question of are they actually getting -- some
2 say yes, they are getting that help; and others say
3 no, they're not getting that help.

4 MS. POULOS: And I think, potentially -- I
5 think that's a conversation -- well, I'll say it.
6 That's a conversation I've had with the Secretary
7 outside of performance framework, where it's a
8 project that's on our plate, to say, "How do we give
9 better support in relation to leases? Can we
10 get" -- and we can, if schools cooperate with us,
11 right? Least cost, square footage, square footage
12 per -- cost per square footage.

13 So that is stuff that we are working on on
14 the technical assistance side, probably never moving
15 as fast as many of us would like. But I think your
16 point, though, that these framework measures, in due
17 time, could actually be valuable for one school to
18 say, "Okay, we are really outside of the normal
19 range, and these 50 charter schools are within the
20 normal range. Why is that," right?

21 And, again, I think that goes to the
22 technical assistance side of us in our training with
23 school boards on the financial piece saying, "Like,
24 hey, here's a great resource. Here's why we got
25 there and how we go there and what you should be

1 doing with it." So, yeah.

2 COMMISSIONER ARMBRUSTER: On -- on -- I
3 was just reading, connected to this one on the
4 "Meets," "Working to meet" and that. And I only
5 wanted to make one comment, which I thought was a
6 little confusing.

7 I see that "Meets" is, "Current ratio
8 equals or exceeds 1.1."

9 Got that. "Working" is between 1.1 and
10 1.1. Got that.

11 But then the "Falls far below" is equal --
12 is less than or equal to 1.0. But at the same time,
13 we've said if it was 1.0, it was, like, okay. I
14 don't know.

15 MR. TIM FIELD: We'll check the language.

16 COMMISSIONER ARMBRUSTER: It's a little
17 confusing.

18 MR. TIM FIELD: At some point, it's 1.0 or
19 below or above. It's a measure of being consistent
20 with how -- maybe we need to clean that up. The
21 cutoff, really, is 1.0 is -- 1.1 is the target. 1.0
22 or 1.1.

23 COMMISSIONER ARMBRUSTER: Okay. I was
24 reading it a different way.

25 THE CHAIR: It might be easier that you're

1 there or you're not there, you know. And it just
2 makes it clearer. So if you're above 1.0, we're
3 good. And if you're below it, whatever it is, that
4 it makes it too gray to have that middle area, that
5 you're it, or you're not, you know.

6 MS. POULOS: And it may also be -- I was
7 thinking about this -- maybe that the reason that
8 that gray area is making it gray and not helpful is
9 because it's phrased as "Working to meet," which I
10 understand the positive mindset. But it maybe
11 should be, "Headed into trouble," right?

12 Like -- maybe that's the reality. Like,
13 maybe that's why we're actually saying that. You're
14 not a level that's good, but you maybe aren't on a
15 level that's super-concerning, but you're headed in
16 that direction. I don't know, right?

17 MR. TIM FIELD: I think in a dash -- I
18 think of the purpose. So when you're looking at
19 dashboards, if you're looking at a quarterly
20 dashboard, having, like, three tiers probably isn't
21 that helpful. Like, you want to know at what point
22 do I say -- do I give them a call and say, "Hey, can
23 you -- can we talk about, you know, this ratio? It
24 seems wrong."

25 If you're looking at an annual framework,

1 and you're doing an evaluation, there, you know, you
2 can maybe give -- maybe there's more room for
3 saying, "Hey, this is a -- kind of in the road.
4 You're kind of edgy," versus -- so -- this might be
5 actual- -- may be very appropriate to have three
6 tiers for an annual framework, but maybe less
7 valuable for a dashboard --

8 THE CHAIR: Right. Yeah.

9 MR. TIM FIELD: -- on a quarterly basis.

10 The last ratio -- and I don't want people
11 to fall asleep here -- on the financial frameworks.
12 But the last one is kind of a longer-term measure.
13 Again, this one is a pretty common one you see
14 across charter authorizers looking at net income
15 over a three-year period.

16 And the notion here is that, you know,
17 this should be positive. You should have positive
18 net income. There isn't an expectation that it's
19 more than positive.

20 I think the challenge you have here with
21 this measure is that there are times when it makes
22 sense that, you know, if they have a cash reserve,
23 maybe they do have a negative net income, because
24 they were -- had a big purchase they made that year.
25 There's reasons why you could imagine, you know, it

1 being okay. But over a three-year period, it should
2 be. And if it's not, it's certainly worth a
3 conversation or understanding why not.

4 I think -- again, this one seems -- you
5 know, it will be good to see the data on the trial
6 run, if there's a reason why this isn't appropriate
7 for New Mexico schools. But I don't know why it
8 wouldn't be.

9 And that's what we've got. You know, the
10 last thing I did put on the slides -- it's not in
11 your handout. We looked at this briefly before. I
12 don't want us to lose sight that -- that your
13 interest in financial oversight is not just those
14 ratios, but also these other really important
15 practices of financial management and oversight and
16 that are in the organizational framework.

17 I'm thinking back to our last meeting.
18 And I know there were some comments -- people made
19 comments about, like, salaries of -- you know, the
20 executive director of the school, or even the notion
21 about, like, what they're spending, on facilities,
22 or what's being spent on administrative staff.

23 I think this is where you start getting
24 into that challenge of how far you go, like, this
25 autonomy versus oversight. But on the same token,

1 you know, those are some of the measures you talk
2 about.

3 THE CHAIR: I think there was a topic of
4 several newspaper articles.

5 COMMISSIONER JOHNSTON: Right at that
6 time, yeah.

7 THE CHAIR: So that was the concern that
8 there's this disparity between what administrators
9 are receiving and staff, so that that -- you know, I
10 think we had a heightened level of concern at that
11 time. I think it's certainly something that, you
12 know, should be a topic of conversation for
13 governing councils, in terms of, you know, what's,
14 you know, a generally appropriate kind of ratio.

15 I don't know whether -- you're right. Is
16 it too much digging into the -- into the weeds for
17 us to know that? But I think there's a general
18 concern over that.

19 COMMISSIONER ARMBRUSTER: I think the same
20 concern is when we see it in headlines in the
21 Albuquerque Journal. That was a pretty big concern,
22 I think.

23 THE CHAIR: Right. But when it's -- also,
24 on the same token, it's a singular school. So
25 that's where -- you know, are we -- are we

1 over-reactive because, oh, my gosh. Out of all the
2 schools, there's one -- there's perhaps just one
3 school that's doing this. And we do these knee-jerk
4 reactions, because it was the headline.

5 No one wants to see it as that headline;
6 but, you know, do we look at individual school
7 districts and dig into, "Well, what's their
8 superintendent getting in comparison to what their
9 professional staff is getting?"

10 So do we -- you know, are we looking at
11 that?

12 So, you know, I think it -- I think it's
13 important for governance councils to have it on
14 their plate to be aware of that and -- if there were
15 some professional organizations that were perhaps
16 more involved in these schools, it would be maybe
17 more of a topic of conversation. And I'm just going
18 to say that.

19 MR. TIM FIELD: So in that vein of -- I
20 just want us to look back. And you actually have
21 this in your organizational framework. So in the
22 packet -- I can tell you what page -- so in this --
23 this binded packet, on Page --

24 THE CHAIR: Are we looking at the
25 financial?

1 MR. TIM FIELD: On Page 6 of the -- not
2 the financial, but of yesterday's -- in yesterday's
3 packet that has the agenda, the binded packet? This
4 is the -- this is from yesterday. It has the agenda
5 in the front. It had the organizational framework.
6 It had the academic framework options.

7 So on Page 6 of the organizational
8 framework, you do have the financial management
9 oversight metrics. If you can find those, that's
10 what I have listed up here. And there's this
11 question of -- another around this topic of
12 financial.

13 Is there anything else, kind of thinking,
14 looking at this, that you feel should be on here?
15 Criteria statements or indicators related to
16 financial health? We mentioned a couple that came
17 up earlier in our conversation for consideration.

18 THE CHAIR: I know yesterday, we --
19 yesterday, I think we just noted the issue of taxes
20 and retirement and so on, and any annuity, you know,
21 any individual retirement annuity programs, that
22 those monies are being actually paid; because they
23 weren't -- they were all, in fact, deducted from the
24 staff salaries, their wages. But the fact that they
25 weren't -- they didn't push the "Send" button to the

1 appropriate agencies. So...

2 MS. POULOS: This one is hard to measure.
3 It actually doesn't come out in the audit.

4 THE CHAIR: That's the problem. Because
5 then we ended up, you know, two years later sitting
6 there with a school that hadn't paid. And, you
7 know, is there -- is there any way that we can, you
8 know, measure -- see that? So that it -- so that we
9 can get that assurance, outside of it, just, you
10 know, relying on them being honest and checking a
11 box saying, "Have you?" But I don't know.

12 COMMISSIONER ARMBRUSTER: I think they
13 would have said, "Yes."

14 MS. POULOS: They would have said, "Yes,"
15 absolutely.

16 THE CHAIR: That's what I'm saying.
17 Outside of relying on someone's honesty of checking
18 the box, "Yes", is -- I don't -- there probably
19 isn't any way that we can get that assurance.

20 COMMISSIONER JOHNSTON: If you look at
21 2.f. -- because I think that's where it starts out
22 is where this happens is that position of Business
23 Official is either filled from a giant group, or is
24 filled -- is transitioning -- I think we talked
25 yesterday about changes in positions. There's not a

1 consistency there. That's about -- I mean, if we
2 monitor that, that's going to translate into --

3 THE CHAIR: Unfortunately, if I recollect,
4 this was a stable financial -- this was the same.
5 And it was certainly a licensed and everything. So
6 that wouldn't have helped us in seeing that problem.

7 MS. POULOS: She was licensed. She had
8 been there for a while.

9 THE CHAIR: She had been there for a
10 while. So it wasn't that there was a change, and
11 that's why it's happening. They were robbing Peter
12 to pay Paul, you know.

13 MS. POULOS: But I think it would be
14 interesting to see where they landed on those other
15 measures. That could have been applied for why they
16 were doing that. It might have. I don't know.

17 THE CHAIR: Yeah.

18 MS. POULOS: I think -- you know, I think
19 that one is one that potentially, these -- we put it
20 in here. We likely don't have evidence, other than
21 complaints or reports from NMPSIA, or whoever it is,
22 or the IRS -- right? -- that come to us at some
23 point. But it's probably too late to catch it
24 previously. But we still get to use it as a measure
25 that you don't meet the standards, because you

1 didn't pay taxes for -- right?

2 THE CHAIR: Because, unfortunately, you
3 know, it's the State that has now this ginormous
4 liability. And you -- and I think it did impact,
5 short-term, some staff that could have retired, but
6 things had to be fixed --

7 MS. POULOS: Yeah. Yeah.

8 THE CHAIR: -- before they could actually
9 fill the paperwork out appropriately and things like
10 that. So you try to avoid -- you know.

11 MR. TIM FIELD: It would be interesting to
12 see, like, does the current -- if you look at the
13 current ratio for that school. Because if they were
14 appropriately -- at least, if the liability of
15 paying taxes and paying retirement -- that would be
16 on -- that would be there. Whether they actually
17 did or not is a tougher thing to follow.

18 THE CHAIR: Right.

19 MR. TIM FIELD: And so ostensibly what's
20 happening, if they're robbing Peter to pay Paul,
21 they have these other liabilities they were paying
22 instead of paying taxes. In theory, that current
23 ratio would have popped; because you'd have seen,
24 "Wait a minute. You're going to have a problem
25 here. You've got these liabilities. You don't have

1 the assets and the revenue."

2 So you maybe would see that. It would be
3 an interesting case study to see.

4 COMMISSIONER ARMBRUSTER: They kept having
5 a huge sum of extra money every year, like \$100,000
6 or something. If you have a thousand, you think,
7 "Oh, look what I did." \$100,000 seems like you
8 ought to say, "Whoa. I have that much extra?"
9 That's a lot of money, to me.

10 MR. TIM FIELD: In that case, you see this
11 really high revenue-to-expense ratio. Why are you
12 having -- it would be a question mark of what's
13 going on?

14 That's really all we have to review. We
15 did not do an exit ticket for this one, because we
16 didn't -- we felt it was probably less about asking
17 you guys to choose Option 1 versus 2.

18 We recognize that there are lots --

19 THE CHAIR: We have no options.

20 MR. TIM FIELD: There are no options.
21 That there's going to be a need to run these and
22 verify that -- what the trends should be, and are
23 they collectible. That will be part of your
24 decision-making process going forward.

25 COMMISSIONER ARMBRUSTER: That's where it

1 has been mentioned -- I'm not sure we decided --
2 where you can have "Meets standards" or "Working to
3 meet" or "Far below." Is it going to be just "Meet"
4 or doesn't? Or "Meet" or you need help?

5 MR. TIM FIELD: I suspect part of it will
6 come down to you, as well, is this notion of
7 quarterly dashboard reporting versus annual
8 framework.

9 What I think will probably come back is
10 for the annual framework, it will make sense for
11 most measures to have kind of the three-tier
12 response. But for our quarterly, it may be a -- in
13 the standard, it's not. Like, you're in the range
14 of -- you know, a safe space, or else you're in an
15 area of concern. We'll see about that.

16 But I do think there are metrics where
17 there is some value to having three-tier. But
18 maybe -- for the annual.

19 THE CHAIR: For the end of the year, yeah.

20 MR. TIM FIELD: For the end of the year.
21 But we'll kick that and test that out. But I think
22 that's probably where we're going to end up.

23 Other questions? And we're going to, I
24 think, end early for lunch; although, when is lunch?

25 MS. POULOS: It's here.

1 MR. TIM FIELD: Oh, yes. It's been
2 delivered. So I think we'll -- my recommendation is
3 that we'll take our hour. We could go longer and
4 start -- but take our hour. And if we end up early
5 for the day, that would be a plus for everyone.

6 THE CHAIR: Not to my pocketbook; because,
7 then, I'll get to go --

8 MR. TIM FIELD: Shopping.

9 It's 11:55 now. So we'll come back at
10 five till 1:00. 12:55.

11 (Recess taken, 11:55 a.m. to 12:57 p.m.)

12 MR. TIM FIELD: Okay. I want to bring us
13 together. If you all can grab seats, is everyone
14 ready?

15 So I'm just going to flash the agenda up
16 on the screen here. And I made a quick
17 modification. Lunch actually ended at 1:00, because
18 we started early. Our plan for this next hour -- it
19 may not take an hour, maybe shorter than that -- is
20 to talk about the accountability plan, which is part
21 of -- there's the framework; there's the
22 accountability plan.

23 I'll review that. We talked about it
24 yesterday; but we'll look at it again. We'll use
25 that time.

1 I think we're leaving early today. But I
2 wanted to go ahead and ask the group, we do have --
3 we have time in the agenda. We weren't sure exactly
4 how long some things would take. Is there any
5 desire to cover -- besides this session about the
6 accountability plan, any other topics that you want
7 to use this afternoon, that you want to propose?
8 And leaving early is, also -- obviously,
9 disadvantages to that, as well. But anything else
10 you feel like you need to discuss?

11 (A discussion was held off the record.)

12 MS. LYRIA BOAST: But can I also just say
13 I think we really appreciate the work that you did
14 yesterday? Because we were sort of concerned about
15 covering all this material, and being in a good
16 position to do a trial run and really test the
17 indicators that you all prioritized.

18 So thank you; because I feel like we are
19 leaving with great sort of confidence that we're
20 testing the right things. So appreciate it.

21 THE CHAIR: Great. Great.

22 COMMISSIONER RUIZ: Thank you.

23 MR. TIM FIELD: So just a quick refresher.
24 Yesterday, we talked about this. You've always been
25 saying, "The performance framework and the

1 accountability model." Just a reminder what we mean
2 by these two things.

3 The framework, all these measures, these
4 metrics that define what are the standards, how
5 we're going to measure those standards. That's the
6 framework. That's sort of what we're creating.
7 We've got three: Organizational, academic,
8 financial.

9 The accountability model does this very
10 important step of how are these standards going to
11 be applied to evaluate schools, what are the
12 consequences and interventions that an authorizer
13 will take, and how will they be used in
14 decision-making.

15 If you recall from yesterday, one of the
16 things we talked about early on was the operator
17 feedback. And one of the most -- and the operators,
18 in our phone interviews, were actually much more --
19 like, top of the line for them was more the
20 accountability model, how is this going to be
21 applied. I think they care about both, certainly.
22 But there is a lot of just angst and just concern
23 about that, that there's more clarity about how are
24 these standards going to be applied.

25 So part of the work throughout this year

1 is creating a very clear process and policies around
2 how the framework is used.

3 We're going to start that conversation
4 right now by looking at a sample of what we think
5 represents a good accountability plan; not because
6 everything in there is -- you might modify and do
7 things a little differently. But we think this is a
8 good example of clarity about how frameworks and
9 standards are used for decision-making.

10 So here's what we're going to do. So
11 Lyria just passed out "Louisiana Believes." And
12 this is -- this is a -- what I would call an
13 accountability plan. They call it a "Charter
14 Performance Compact," from Louisiana Department of
15 Education. And Louisiana, they have a state
16 authorizer. They also have district authorizers; so
17 not too dissimilar from what you have here in
18 New Mexico.

19 And I don't know the size of the number of
20 schools Louisiana authorizes, but a fair number.

21 MS. LYRIA BOAST: Yeah. I think maybe
22 close to 100 or something more.

23 COMMISSIONER CRONE: I think after Katrina
24 that virtually all the schools were turned into
25 charter schools.

1 COMMISSIONER RUIZ: They are, yeah.

2 MR. TIM FIELD: In New Orleans, certainly.

3 MS. LYRIA BOAST: Some of them are
4 authorized by districts; but a large number are
5 authorized by the state authorizer. And then
6 there's some transfer back to districts. So there's
7 some flux. But many of the charters, you know, this
8 applies to.

9 COMMISSIONER ARMBRUSTER: Tim?

10 MR. TIM FIELD: Yeah.

11 COMMISSIONER ARMBRUSTER: I'm going to use
12 it, just because I want to use it once. This is not
13 only applying to this, but just in general. And I
14 don't know what they have in terms of schools. But
15 do they have virtual schools, too? Do they have
16 for-profit charters? Or are they all -- we have
17 two -- one -- two.

18 MS. POULOS: We have zero for-profit
19 charters.

20 THE CHAIR: There's a difference between
21 for-profit and virtual.

22 COMMISSIONER ARMBRUSTER: So what is
23 Connections?

24 THE CHAIR: Because a for-profit could be
25 a brick-and-mortar school.

1 COMMISSIONER ARMBRUSTER: Right. Right.

2 THE CHAIR: Connections is a virtual.

3 COMMISSIONER ARMBRUSTER: Online virtual.

4 Do they have those, too?

5 MR. TIM FIELD: I don't know offhand.

6 MS. LYRIA BOAST: They do have -- there
7 are some virtual schools; I believe it's a
8 Connections Academy, possibly another. I am not
9 sure whether they are authorized by the district or
10 not. I can -- I can --

11 COMMISSIONER ARMBRUSTER: I just wondered
12 if you can apply the same things we've been doing
13 before this moment in time to those, in terms of
14 financial, in terms of accountability, all those
15 things we've been talking about. And I meant to ask
16 that.

17 MS. LYRIA BOAST: So for virtual and for
18 for-profit?

19 COMMISSIONER ARMBRUSTER: If we have no
20 for-profits, then I guess no, I don't know.

21 MS. LYRIA BOAST: I think it's very
22 important -- so, sorry. We'll go off of that. I
23 think it's really important to think about virtual
24 school accountability in a similar way that you're
25 thinking about your SAM schools. Because there are

1 some different concerns, some different metrics that
2 can be applied, some different accountability and
3 monitoring.

4 I would definitely, at this point, put it
5 in that Phase 2 with the SAM schools. And we can
6 also share with you -- we have -- well, I have
7 worked on some studies, looking at, you know, what
8 are -- many authorizers are grappling with this:
9 How do you -- how do you provide oversight for
10 virtual schools?

11 And so I would say that many of them have
12 not -- they're in the process of it. So I think
13 there are one or two authorizers that are either in
14 the process and almost finalizing sort of a separate
15 framework specifically for virtual schools. There's
16 at least one state that established a separate
17 authorizer solely for virtual schools.

18 It is something that needs to be
19 addressed. So I think that some of the metrics are
20 the same; but there are definitely some other ones.
21 And many of the other concerns -- the concerns in
22 terms of oversight are around -- as simple as
23 attendance. What is the definition for that? How
24 can you ensure that there is financial -- you know,
25 that you are --

1 MR. TIM FIELD: Assessment. A lot of --
2 there's such incredible turnover challenges in
3 virtual schools that even who is tested. So few
4 students -- so results are, in general, across the
5 nation, very bad. Like, they aren't doing well.
6 And only a fraction of students are even being
7 assessed. And it should be to those virtual
8 schools.

9 MS. LYRIA BOAST: So lots of issues. I
10 think you definitely should have it on your radar as
11 a Phase 2, probably, yeah.

12 [Off-the-record comments by Commissioners.]

13 MS. LYRIA BOAST: So we can definitely
14 share some resources that we have, and we can extend
15 those to you and give them to Katie; and, certainly,
16 we can help if you need to immediately think of some
17 alternative metrics. Yeah.

18 THE CHAIR: Because we also have -- going
19 along with that is financial concern; because I
20 think there's that conversation about they get
21 funded the same as any other charter or traditional
22 school; yet their expenses shouldn't be the same.
23 But somehow, they're using the monies for offices
24 and support staff and so on and so on; so that it's
25 digging into the roots of that. But it's probably

1 not something we can do.

2 [Off-the-record comments by Commissioners.]

3 MS. POULOS: I think the challenge,
4 obviously, now, is it's based on the current
5 contract. It's based on whatever's been in place.
6 I don't think we can add new standards now. If they
7 continue to operate, what are the standards that we
8 hold them to.

9 MR. TIM FIELD: I think the focus,
10 exactly, will be what should be in the contract. I
11 mean, a rigorous renewal process; but thinking
12 forward about what terms, goals, expectations are
13 going to be. Okay. So --

14 MS. LYRIA BOAST: We'll provide -- we can
15 give you some guidance there.

16 MR. TIM FIELD: Okay. So back to the
17 accountability plan. So our thinking is that it can
18 be very valuable, is to start this conversation,
19 because our plan, timeline-wise, is to come back at
20 our next meeting, which we think will probably be in
21 November in person.

22 But we want to start drafting an
23 accountability outline, at least; so laying out, you
24 know, what are the tiered interventions and start
25 putting that together with the framework. But we

1 thought it would be really valuable if you guys
2 spent a little time looking at a sample plan. Our
3 proposal is to do kind of a close read of this
4 document and to note what you like and don't like
5 about it and what are the things that really kind
6 of -- that you might consider for the PEC
7 accountability plan.

8 So here is my suggestion for how we do a
9 close read. And we'll give you a fair amount of
10 time to do this. I hope you're feeling energized,
11 not slow from lunch.

12 But one is just as you're going through --
13 it's about eight pages long, and it's not
14 super-dense text, so it's fairly accessible -- is
15 just kind of highlight -- whether you have a
16 highlighter or circle just messages and concepts you
17 like.

18 So some of this is about communicating how
19 is this -- how are the framework and standards going
20 to be applied? What should the expectations of
21 schools be? What is the responsibility of the
22 authorizer?

23 So where you see concepts that you think,
24 yes, this is -- this is how I view us, or how I
25 view -- making a circle and highlight, and make a

1 note.

2 If there's something you think that you
3 really want to make sure that you have in the PEC
4 plan, maybe put a star there. These are
5 suggestions. And if there's something that you see
6 and you say this definitely does not apply to us, I
7 want to make sure we aren't communicating this, put
8 an "X."

9 This is a good example of clarity about
10 how is a framework used. But it doesn't mean it's
11 necessarily the best accountability plan. It may
12 fit good for Louisiana; but New Mexico is obviously
13 a different place.

14 So my proposal is you spend maybe 15,
15 maybe 20 minutes or so going through this, doing
16 this close read. Then we'll have a discussion
17 answering these kinds of questions about -- some of
18 the questions you have about the compact; but also
19 what you like and don't like about it.

20 COMMISSIONER TOULOUSE: Can I, out of
21 curiosity, ask one question? On the Louisiana Board
22 of Elementary and Secondary Education, are they
23 politically appointed, or are they elected?

24 MS. POULOS: They're elected.

25 MR. TIM FIELD: Elected? Okay.

1 COMMISSIONER TOULOUSE: I know that I
2 recall higher education is politically appointed.
3 And that has created a big problem, especially after
4 Katrina, with their community colleges and their
5 universities. So I just wanted to make sure;
6 because that also looks -- there's more stability if
7 you -- I think; because, otherwise, your appointees
8 disappear every time there's a new administration.

9 So if this is elected, then that -- you
10 know, there should be overlap like ours and have
11 more continuity with this work.

12 MR. TIM FIELD: I would say Louisiana and
13 BESE, the Board of Education and Secondary
14 Education, has been viewed as a strong authorizer
15 for some time, their policies and procedures and how
16 they go about authorizing.

17 COMMISSIONER TOULOUSE: Because of my
18 knowledge of what they did with higher ed, I was
19 curious. So, thank you.

20 MR. TIM FIELD: Do those directions make
21 sense for the close read? We'll check in in 15
22 minutes and see where we are. If you need more
23 time, we'll give you more time.

24 (A discussion was held off the record.)

25 MR. TIM FIELD: So, great. I -- so let's

1 dive in. And I think maybe we'll use these
2 questions. I'd say, one, actually, Danielle just
3 started.

4 What questions do you have about the
5 compact itself?

6 So before we dive into what you like and
7 don't like, what questions do you have about it, or
8 what questions do you wonder about as you review it?

9 THE CHAIR: I think, to me, it was fairly
10 clear.

11 COMMISSIONER RUIZ: Me, too.

12 COMMISSIONER ARMBRUSTER: I liked the
13 clearness of it. And I'll tell you what took me a
14 long time. What is that "LDE" again? Oh, that's
15 probably "Louisiana Department of Education." You
16 know, we use a lot of alphabet soup. The IEP, which
17 I got 504s, and talking about the IDEA; you got it.

18 So I just personally feel that when we do
19 ours, we should use words instead of -- or at least
20 have said the words and then put, in parentheses,
21 whatever, "CSD," or something like that, only
22 because I had to go back and think what it was
23 talking about.

24 But I did like the transparency. I'm not
25 sure we don't have one -- but Patty would tell me

1 because I know she knows -- whether we have
2 something like that that explains all the PEC things
3 that we do and what our job is and that type of
4 thing.

5 THE CHAIR: No.

6 COMMISSIONER ARMBRUSTER: So I did like
7 that. But as I said, "What does that mean?" That's
8 what took us so long.

9 MR. TIM FIELD: What else? What did
10 people like?

11 COMMISSIONER JOHNSTON: I really liked the
12 use of active verbs and concrete verbs. "This will
13 happen." "This describes." "This demonstrates." I
14 liked that. I think that gives less wavering.

15 MR. TIM FIELD: Ambiguity. Yeah.

16 THE CHAIR: This was the intervention
17 ladder that -- because I went back to my notes on
18 what -- when we had the discussion. And this is
19 what I had written down when we were -- when we were
20 discussing changes and things like that. It's
21 almost exactly what were in my notes.

22 And same thing with the -- the performance
23 framework. It's -- you know, it's in my notes; so I
24 like it.

25 MS. LYRIA BOAST: Good. Good.

1 COMMISSIONER TOULOUSE: I liked the
2 intervention ladder. It lets people know exactly
3 where they are and doesn't take them by surprise.

4 COMMISSIONER JOHNSTON: I have one further
5 question about Louisiana. And when everybody was
6 talking about earlier about the charter schools in
7 New Orleans, I have no understanding of how the
8 charter school system is set up in the state of
9 Louisiana. Is it like New Mexico? Or is this --
10 are we looking at a --

11 MR. TIM FIELD: Just, like New Mexico, you
12 have district and a state authorizer.

13 MS. LYRIA BOAST: Applicants have the
14 choice of where to apply. So in some states, that's
15 not the case. There's more of an appeal structure.
16 So, similarly, an applicant could decide to apply to
17 BESE, or to a district. So they have that
18 flexibility.

19 COMMISSIONER JOHNSTON: You can have an
20 entire charter district, then, I guess.

21 MR. TIM FIELD: What happened in New
22 Orleans was very unique. New Orleans had the
23 Recovery School District, which the Recovery School
24 District became responsible for operating the
25 schools in New Orleans. But the actual authorizing

1 of the charters was actually done by the Department
2 of Education.

3 COMMISSIONER JOHNSTON: Okay.

4 MR. TIM FIELD: So they -- so the LRSD
5 doesn't authorize the schools. It is the state who
6 authorizes the schools. That's led to a significant
7 increase in the number that the state authorizes
8 because of the huge transition of charters in
9 New Orleans.

10 COMMISSIONER JOHNSTON: Okay. That gives
11 me some idea. Thank you.

12 THE CHAIR: I think we'll have to take
13 New Orleans out of the --

14 MR. TIM FIELD: What's more relevant is
15 how they articulate their process is probably the
16 most important thing.

17 COMMISSIONER TOULOUSE: Are they for
18 profit or nonprofit?

19 MR. TIM FIELD: I think they acquire only
20 nonprofit operators.

21 COMMISSIONER TOULOUSE: Because that's
22 what we are is nonprofit.

23 MR. TIM FIELD: I think they have that
24 requirement in Louisiana.

25 What else do you like about the compact,

1 what's in here and how things are worded and what's
2 communicated?

3 THE CHAIR: Well, I certainly like the --
4 the piece where there's expedited renewal for -- for
5 schools.

6 COMMISSIONER JOHNSTON: I like the use of
7 partners and -- the word "partner," "collaboration,"
8 "shared responsibility" at the very beginning;
9 "collaborative effort with common objective";
10 "mutual obligation." Those are very positive words
11 to me.

12 MR. TIM FIELD: Yeah.

13 COMMISSIONER ARMBRUSTER: And I like the
14 differentiation between high-achieving schools --
15 I'm not sure that's a definition, because that's --
16 I've always said -- I told you the ones -- yeah. So
17 they're a "B" school, two "D"s and an "F." And
18 maybe you only need to address those areas, not
19 everything. And that CSD in our case, would, you
20 know, kind of have a walk-through type of thing,
21 rather --

22 COMMISSIONER JOHNSTON: And tours.

23 COMMISSIONER ARMBRUSTER: Tours of good
24 schools who are not in deep need. You can kind of
25 differentiate.

1 MR. TIM FIELD: Yeah. The concept that
2 I -- and it was refreshing, my memory of what's in
3 here as you all were reading -- they differentiate
4 site visits. So they have, like, a school tour,
5 which is still -- they're both meant to be
6 accountability. But one is a much lighter touch for
7 high-performing schools. And the school visit or
8 whatever is actually the more in-depth. So they
9 differentiated their review process.

10 THE CHAIR: Right. A site visit with a
11 middle-of-the -- you know, whatever -- whatever the
12 hallmark number is that we determine, takes
13 significant time on CSD's part, and also, the
14 school's part, to get ready for it, so that a school
15 that isn't of significant concern shouldn't have to
16 take that time away. And CSD should be able to
17 spend more time with those other schools.

18 MR. TIM FIELD: And what do you think of
19 that? I know you've talked about expedited renewal.
20 There's different ways of kind of rewarding or
21 recognizing. What do you all think of the idea of
22 having a differentiated site visit process?

23 THE CHAIR: I think it's a great idea.

24 COMMISSIONER JOHNSTON: I like it.

25 COMMISSIONER RUIZ: Me, too.

1 COMMISSIONER TOULOUSE: I would ask the
2 schools. I know one or two who aren't happy now,
3 where the site visits aren't what they used to be,
4 where there is time to sit down and discuss issues
5 that need to be discussed before they get the site
6 report. I like that idea; but I would like to know
7 what the schools --

8 THE CHAIR: Or this would add a burden.
9 But I guess there's always that qualifier that if a
10 school wants it, you know -- you know, because they
11 might. They might feel that it's an opportunity,
12 you know, maybe not for a big dig-down; but they
13 might feel that this is the opportunity to say,
14 "Look-it. We want to show you -- we want you out
15 here, and we want to show you this," so that that
16 site visit time would be that opportunity, if they
17 feel the need for anything additional, to notify
18 that, "Yes, we would -- we would also like to
19 discuss this," or, "We want you to take a look at
20 this," or whatever.

21 Maybe it's a new program that they want to
22 say, "Hey, you know, look-it. We'd like to pilot
23 this," or, "We have been trying this," or whatever;
24 so that there's always that qualifier to still leave
25 it that we're listening to the schools.

1 COMMISSIONER JOHNSTON: I like -- I like
2 the -- the obligations on both sides that we focus
3 on student outcomes rather than inputs. I like
4 "outcomes." And just "fact-based feedback." I like
5 that term.

6 And where did I see -- there's a
7 definition that they talk about incentives. And
8 that's what we were talking about is the incentives
9 for a high-performing school. That's on Page 2.
10 But there's somewhere in here that extracts -- here,
11 on Page 2.

12 "The performance compact describes methods
13 that seek the optimum balance between oversight and
14 independence."

15 Because there has to -- and then
16 "autonomy" is used. But there's the oversight. So
17 that balance. I like the way they do that.

18 THE CHAIR: And our statute actually
19 requires that we have that in the contract, that
20 ultimately, one of our primary responsibilities is
21 to maintain schools' autonomy, that whatever we do,
22 it should not be -- you know. And there is a
23 balance there.

24 MR. TIM FIELD: What do you think -- on
25 Page 1 -- not in the Table of Contents, but they

1 actually list obligations. And Danielle liked it.

2 Did others besides Danielle like the
3 obligations? They're very -- "This is our
4 responsibility," that they're kind of owning up to
5 what they're responsible for. I'm curious. This
6 concept of -- I think there's a piece about autonomy
7 here.

8 COMMISSIONER JOHNSTON: It's the third
9 one: "respectful of the autonomy... ."

10 MR. TIM FIELD: Do these reflect what you
11 think the obligations are when you think about your
12 own responsibilities as a Commission?

13 COMMISSIONER JOHNSTON: Yeah. I think
14 Charter School reflects that, also, the Division. I
15 think we're all working towards this. That's why I
16 asked how long this had been in place, because
17 they've done some work here. I'm impressed.

18 MR. TIM FIELD: And I'm sure they
19 struggle. They say this. "we have this optimal
20 balance." Do they always hit the balance? I'm sure
21 they don't. They're going to have their own
22 problems because of capacity or tensions or what
23 have you.

24 COMMISSIONER JOHNSTON: But they have good
25 words.

1 MR. TIM FIELD: But they have good words.
2 They strive for this.

3 THE CHAIR: Do they stand -- I actually
4 put in, as a bullet, the support for maintaining the
5 schools' autonomy, that I didn't think it was
6 necessarily strong enough just having it in that
7 bottom paragraph, where the mention is oversight and
8 independence, that it doesn't seem to be as
9 forceful, you know. So I put it in as a bullet
10 there.

11 COMMISSIONER JOHNSTON: They have it in
12 Section 2, also, as the objective. They talk about
13 ensuring autonomy.

14 THE CHAIR: I didn't think it was strong
15 enough.

16 [Off-the record comments by Commissioners.]

17 MS. POULOS: I do think that's exactly
18 right. We believe autonomy is important; but if you
19 ask school leaders, they'll say, "I don't believe
20 autonomy is important." So I think clarifying it --

21 THE CHAIR: But this lays out more what
22 that autonomy area is. It's -- you know, "This is
23 clearly what we're going to do. This is clearly
24 what's left for you to do."

25 MS. POULOS: Right.

1 THE CHAIR: So that's -- the lines are
2 more defined. It's not just this nebulous, "Oh, no,
3 we get -- we're autonomous."

4 MS. POULOS: Yeah.

5 COMMISSIONER JOHNSTON: "This is your
6 accountability; so you can be autonomous."

7 THE CHAIR: "This is what we're saying
8 we're going to dig into. The rest is up to you."

9 COMMISSIONER JOHNSTON: Yeah. "do this
10 and you're good."

11 MR. TIM FIELD: Another concept they have
12 in here -- and they had -- the organizational
13 framework is -- is pretty extensive to. It's
14 probably different than you'll come up with.
15 They've got, like, points for each question and
16 such.

17 One concept they have in here, which they
18 talk about, is this notion of a critical indicator.
19 And I'm curious -- and, Katie, your opinion, as
20 well, on this. So they essentially have all these
21 criteria around organizational framework. But then
22 they also say, "This one's critical."

23 Like, "This one, if you -- if you fail
24 this one, then that -- that escalates where we are."

25 COMMISSIONER JOHNSTON: You receive a

1 notice of breach. I read that and highlighted that.

2 MR. TIM FIELD: They skip over.

3 COMMISSIONER ARMBRUSTER: New Orleans.

4 Breach.

5 MR. TIM FIELD: That concept, the notion
6 that there are certain things in your framework
7 that, like, escalate the intervention ladder? I
8 don't know. Just comments?

9 THE CHAIR: I can see that. I would think
10 that, you know, there's certainly an audit issue
11 that could escalate something pretty quickly. I
12 think -- well -- and, of course, there's the caveat
13 there, also, that at any point in time, if there's a
14 "significant health and safety."

15 But I can see that it's -- it's possible,
16 that certain things may be weighted, that if this
17 is -- you know, "Falls far below," then we could be
18 heading to a -- you know, to at least a
19 conversation.

20 COMMISSIONER TOULOUSE: And definitely
21 some of the financial issues, those are what -- the
22 majority of the schools we've closed -- it hasn't
23 been many in the five years I've been here -- have
24 been on financial problems. And most of them, we
25 don't find out until it hits critical.

1 THE CHAIR: So if we could, you know, cut
2 it off before it -- it grows into a bigger problem,
3 so that they've got that notice, and they have time
4 to fix it before it -- it's too late for us to try
5 to fix it, I -- you know -- I'm certainly open to
6 that conversation.

7 And then, you know, once we've got it all
8 look- -- you know, worked out, to say, "Okay, these
9 are the areas that, you know, are really
10 non-negotiable."

11 MS. LYRIA BOAST: Right. Right. And on
12 Page 6, where there is the intervention ladder, and
13 they have these concerns, notice of concern, notice
14 of breach, I know yesterday in the conversation,
15 there was some concern about confusion with an
16 intervention plan, versus -- like, so does this --
17 this would almost allow you to sort of pull out the
18 actions that you would take.

19 What is your thinking in terms of that,
20 especially given the concerns about confusion on the
21 schools' part?

22 THE CHAIR: I think this lays it out
23 fairly succinctly, you know. And there shouldn't
24 be -- I don't think -- you know, I don't think there
25 should be any confusion. But, of course, I think we

1 all acknowledge that whatever this ends up looking
2 at, it's going to take some educating on what this
3 all is; so that there -- therefore, there should be
4 less, you know, questions about, "I didn't
5 understand that."

6 Well, you know, if everyone's done their
7 due diligence with getting it out there, you know,
8 we're not hiding anything, this is what it is. Tell
9 us your concerns, ask the questions so that there
10 shouldn't be any after the fact, "Well, this isn't
11 fair because I didn't understand it."

12 MS. LYRIA BOAST: Right. Right.

13 MR. TIM FIELD: And just to be clear -- I
14 believe the intervention ladder in this case, I
15 think, is specific to the organizational and
16 financial, if I'm reading this correctly.

17 THE CHAIR: Oh, see? I saw it across all
18 areas.

19 MS. LYRIA BOAST: Right. Because it says
20 at the top, "Academic standards may not be met."

21 MR. TIM FIELD: Okay. Maybe it is for
22 both. It is for both, yeah.

23 THE CHAIR: Because I don't see how it
24 wouldn't also apply to those academic areas.

25 MR. TIM FIELD: This is separate from a

1 renewal. I think this is kind of -- separate from
2 the renewal process.

3 THE CHAIR: Right. This is just a daily
4 routine -- this is an ongoing process on anything,
5 that they've fallen out of compliance with. Right.

6 COMMISSIONER ARMBRUSTER: And I would
7 think -- unless I missed it, which is quite
8 possible -- that you might, in some instances, go
9 from Level 1 to 3 and not get to 2.

10 THE CHAIR: Oh, it says that it -- yeah,
11 it does. You can escalate.

12 COMMISSIONER ARMBRUSTER: Okay. Because
13 of -- for our school that we knew nothing at all
14 about and only found out from a parent, which then
15 escalated to the IRS, I think you just "Do Not Pass
16 Go."

17 THE CHAIR: And there's this -- and the
18 bottom paragraph, the PEC would always maintain
19 that. You know, you can go to revocation -- you
20 know.

21 COMMISSIONER ARMBRUSTER: I saw that one.
22 I just didn't see those exact words. I guess I was
23 looking for one thing and thought it must be in
24 here.

25 COMMISSIONER JOHNSTON: This is just me

1 again. But I thought they weaseled a little bit on
2 this. Because they used "occasionally" and
3 "unfortunately." And I feel like that softens it,
4 or that doesn't make it concrete enough. "Because
5 if academic standards may not be met, financial
6 soundness may become an issue. When these
7 situations occur, schools enter into an intervention
8 process."

9 That is not "occasionally." That is
10 "when." And so I just highlighted that -- I just
11 thought some of those adjectives -- and I like these
12 flow charts. That, to me, is very clear.

13 MR. TIM FIELD: I was talking to
14 Nashville's authorizing office. And they have a
15 dynamic there -- anyway, dynamic aside. But they
16 have also an intervention-ladder-type thing. But
17 they talked about they're having to be judicious,
18 and -- when the office issues a notice of concern,
19 partly because -- you know, the board is somewhat
20 anti-charter.

21 And what they're doing is they're -- they
22 have to be, when is it important enough to actually
23 raise the flag and create the attention? So that's
24 going to -- you're going to have that same question.
25 It may not always be easy to say, you know,

1 exact- -- I don't know. That's something you have
2 to struggle with, what rises to the level of -- of
3 even the first level of concern. That would be
4 something you'll have to wrestle with and be some
5 judgment, ultimately, I suspect.

6 COMMISSIONER JOHNSTON: And that's where I
7 thought "may" was appropriate. Because it is true.
8 There may be an academic standard that is not met;
9 but it's -- it doesn't rise to the level of "may not
10 be." That would be the definition. But, again, I'm
11 hassling words. This is just Danielle right here;
12 so --

13 MR. TIM FIELD: Other things you like or
14 don't like about the document?

15 COMMISSIONER ARMBRUSTER: One thing that I
16 didn't like -- and now I have to find it again. But
17 what it said was, in essence, CSD could only go for
18 one day for a visit.

19 And I'm thinking -- that just bothered me,
20 only because not that I think they want to be there
21 for two days or three days; but if you're really
22 investigating, and you want to do it correctly, I'd
23 rather you be there to do X, Y, and Z on day one,
24 and A, B, C on day two. It depends on how much
25 intervention a school needs.

1 So it didn't -- I didn't like having it
2 there. I'm not saying that they would normally not
3 do it; but I don't think it's -- it's very limiting.
4 What if they don't finish in one day? So then you
5 can't go back for six months?

6 COMMISSIONER JOHNSTON: Weren't they just
7 talking about the daily routine?

8 THE CHAIR: No. I know where it --

9 COMMISSIONER JOHNSTON: I didn't see that.

10 COMMISSIONER ARMBRUSTER: It says, on
11 Page 5.

12 THE CHAIR: "No visit will last longer
13 than one day."

14 COMMISSIONER JOHNSTON: Oh, I missed that.

15 COMMISSIONER ARMBRUSTER: I'm not saying
16 all of them will, or all of them should.

17 THE CHAIR: I think you just don't put a
18 time frame in there.

19 COMMISSIONER ARMBRUSTER: Yeah, it might
20 be that.

21 THE CHAIR: And there might be some --

22 MR. TIM FIELD: Page 7 talks about charter
23 extension renewal. And they -- and part of this is
24 also what are you legally -- what does -- allow you
25 to do. My question here, here they talk about

1 different links. What are you allowed to do? You
2 talked about --

3 THE CHAIR: Five.

4 MR. TIM FIELD: No flexibility? You can't
5 be longer or shorter?

6 THE CHAIR: We can do shorter. To me,
7 that's where this comes in, then. If someone hasn't
8 received -- to me, you get -- you start -- my vision
9 is you start out with three. That's where you start
10 out at. And you get your little bonus points.

11 Okay. You've gotten -- you've -- you've
12 met standard and your organizational and your
13 financial in your last three years; so you get
14 another year. And now you've met, or you've
15 exceeded in your academics for the past three years;
16 so you get another year. So there's your five.

17 So now, you've got the automatic renewal,
18 because you hit the two additional bells; whereas,
19 another school, maybe they got -- maybe they met
20 standards in their financial; so they get another
21 year. But they didn't do it in the academic; so
22 maybe they -- so it's, in all likelihood, that
23 you're only going to get maximum four years.

24 MR. TIM FIELD: Have you all -- has the
25 PEC given out shorter terms? Have you done --

1 THE CHAIR: Yes.

2 MR. TIM FIELD: You have. Okay.

3 COMMISSIONER ARMBRUSTER: We have a couple
4 of schools under FBI investigation. I mean, that is
5 true; so we thought maybe we should just do three,
6 because...

7 THE CHAIR: No, they got five.

8 COMMISSIONER TOULOUSE: No.

9 THE CHAIR: No, it was the other one.

10 COMMISSIONER ARMBRUSTER: And we renew
11 with conditions, sometimes, with a school.

12 THE CHAIR: Usually, if there's been a
13 serious financial issue, and there's concern that
14 way -- or, obviously -- we've had a number -- we've
15 had a couple of schools that have come from
16 district-authorized that there hasn't been clear
17 information when they've -- when they're
18 transitioning over. So there's concerns, and we're
19 really not sure. So they've received shorter terms.

20 MR. TIM FIELD: Okay. Okay.

21 THE CHAIR: Just because, you know.

22 So that it's possible. I think -- and
23 people can disagree -- but I think if it's less than
24 three years, it becomes very difficult to get the
25 information. So if you're doing -- you're going to

1 get a two-year, we're turning around and starting
2 this process completely over again. And it just
3 doesn't make, to me, a whole lot of sense.

4 COMMISSIONER TOULOUSE: But if you
5 remember, we did a two-year, and I objected to it
6 because of that.

7 THE CHAIR: Me, too. Me, too.

8 MR. TIM FIELD: Maybe you have the
9 authority. You can do as few years as you want.

10 THE CHAIR: We could go as few as we
11 wanted to; but it makes it logistically --

12 COMMISSIONER TOULOUSE: Albuquerque Public
13 Schools did one year in one of the ones that
14 transferred from us to them. They denied them, and
15 went back and gave them one year.

16 THE CHAIR: I don't know how you show any
17 valid --

18 MR. TIM FIELD: There is the renewal
19 length. There is the notion of, like, expedited or
20 automatic renewal.

21 COMMISSIONER TOULOUSE: I don't think we
22 can do automatic renewals. We could do an expedited
23 one; but I don't think --

24 THE CHAIR: I got you. I got you.

25 COMMISSIONER TOULOUSE: Expedited, yes.

1 Automatic, no.

2 THE CHAIR: Yeah. There would have to
3 be --

4 MR. TIM FIELD: Kind of a renewal process.

5 COMMISSIONER ARMBRUSTER: We might give
6 you five years with a condition.

7 MR. TIM FIELD: You could put that in a
8 contract.

9 THE CHAIR: And identify the financial or
10 academic areas we're concerned with, yeah. I -- you
11 know, I would like a -- like a -- if it's a
12 five-year contract -- or, like, a three-year,
13 review, so that the school -- you know, the school
14 is clear on where they're standing at that point in
15 time. It gives them the opportunity.

16 They still have two additional years. So
17 maybe they could increase in some areas, look at it,
18 and maybe, you know, ring the bell, and maybe not
19 get an expedited, but guarantee them a better
20 opportunity. And it gives us a chance to take a
21 look going forward at what the renewal process is
22 looking like.

23 COMMISSIONER ARMBRUSTER: And if this were
24 mine -- I'm going to be picky, like Danielle. Words
25 like, under this -- Page 6 -- not that they're bad

1 words; it's not that. It's just that they're not
2 defined words.

3 And it says, on level 1 -- I'm on the
4 second paragraph -- "All schools..." -- that one --
5 "...begin outside of the intervention ladder..."
6 blah, blah, blah.

7 "Schools in good standing receive
8 non-invasive, regular oversight."

9 So I'm not -- which may be -- it's not --
10 I'm just not --

11 MR. TIM FIELD: "Leave your gloves at
12 home" kind of thing.

13 COMMISSIONER JOHNSTON: Their definition
14 of "non-invasive" may be different.

15 COMMISSIONER ARMBRUSTER: It's a clarity
16 of language. I think I could guess what they meant.
17 But I'm not going to guess that one.

18 THE CHAIR: Truthfully, I looked less at
19 the language, because I figured the language is what
20 we would do. And I looked more just at the process.

21 COMMISSIONER ARMBRUSTER: Fine. I could
22 do that, too. But I did like this. That was not a
23 complaint. I'm just saying when you're clarifying
24 language -- but this whole process -- to me, what --
25 one of the reasons we did it was to make it very

1 transparent, very clear. So when we said, "It has
2 to be six," we didn't mean five or seven. We meant
3 right in the middle. And so I thought that's what
4 we were doing to clarify, for everybody, what --

5 COMMISSIONER JOHNSTON: We want something
6 that --

7 MR. TIM FIELD: Yeah.

8 THE CHAIR: That's okay. On No. -- on
9 Page 5, with the components, I was just looking at
10 that. And I don't know -- I don't -- with the
11 school leader interview and the "assess the school
12 leader's operation of the school," is that something
13 that -- see, I don't know, when we're looking at
14 autonomy, I don't -- I guess I need a little clarity
15 on what that assessing what the school leader's
16 operation of the school would look like.

17 MS. POULOS: And I would just say that
18 this probably doesn't align with what we do. And so
19 I don't know.

20 THE CHAIR: I would propose to take it
21 out.

22 MS. POULOS: I would say that if we're
23 going to have something like this, we need to talk
24 together about what our site visits do look like
25 with that performance framework in hand -- right? --

1 to really talk about why we're doing these and what
2 parts are relevant.

3 MS. LYRIA BOAST: I was just going to say,
4 obviously, this needs to be modified for, you know,
5 your practice. But I think especially the
6 components would start to -- would really, I think,
7 be welcomed by the schools, given the feedback that
8 they gave, wanting to know, like, what -- right?
9 But, yes, it needs to reflect your practice and your
10 priorities.

11 MR. TIM FIELD: Yes, I think you've talked
12 about it, and you see it in the framework. "File
13 audit" is a term I think you all use. So that kind
14 of is a component. But the school should understand
15 what the heck that means. It means, "We're going to
16 pull records, and we're going to look at this."

17 Another thing that I think is a good
18 practice that isn't here -- maybe they have it, but
19 it's not linked -- if there's a site visit protocol
20 that exists that you want to make public, here's
21 where you make a link. There's -- like, there's a
22 protocol. You don't have to spell it all out here,
23 but maybe hypothetical components. But you'd have a
24 link to your site visit protocol. That would be a
25 way to make it -- increase clarity.

1 COMMISSIONER ARMBRUSTER: Katie, do
2 governing councils make up their own evaluations of
3 the school leader? Or do we give them guidance? Or
4 how would they know what to do?

5 And I'm sure the answer is "No," but I'm
6 going to continue; because I'm not sure that that's
7 not a really important part of, again, some of the
8 issues that come up that we end up dealing with.
9 And I don't know -- I don't think it's our place or
10 your place to say, "Here's the form that you're
11 going to use."

12 But in those trainings that you're doing
13 for governing council, "These are things that you
14 night want to consider. Certainly, this would be
15 important. This is" --

16 MS. POULOS: We're having great
17 conversations with our boards about that. Like, you
18 know, "Hey? How do you evaluate your school
19 leader?"

20 It's really based on your interactions
21 with them at their board meeting.

22 That's not their job, is it?

23 They're fun conversations, because our
24 board members go, "You're right. We could do this.
25 We could have surveys with our parents. We could

1 have surveys with our families. We could have
2 interviews with our teachers."

3 So they're starting to think more about
4 that. And they have asked for guidance. And there
5 is some guidance available in statute and regulation
6 on what's required for principal evaluations; right?

7 There's nothing about what's required for
8 superintendent evaluations or charter school leader
9 evaluations. But we are giving them guidance. And
10 I think they're getting excited about this idea of,
11 "Oh, our job is much larger than we thought," which
12 is a great thing.

13 THE CHAIR: And some have contracted out
14 to -- not every year. But some have a cycle, so
15 that they do -- they have an outside concern come in
16 and do a big review, which does include a lot of
17 those things. And I think some may feel more
18 comfortable.

19 COMMISSIONER ARMBRUSTER: And I actually
20 say that, because of -- not a form that you have to
21 use; but I believe that when you have new --
22 particularly our new schools, and there's governing
23 council people that have not done that before, it's
24 nice to have samples of things that you might want
25 to consider in -- not just the evaluation, but other

1 kinds of things, too. Because otherwise, you're
2 reinventing the wheel again for, like, how many
3 different items.

4 So, I don't know. That's just my opinion.

5 MR. TIM FIELD: Any final thoughts --
6 we'll wrap this part of the discussion up.

7 Any final thoughts about the compact?

8 COMMISSIONER JOHNSTON: I think it's a
9 great -- a great -- it clarifies.

10 MR. TIM FIELD: Well, our next step will
11 be to have an outline. We'll work with Katie's
12 team, as well. Because part of this is going from
13 what's already in place.

14 So already, we already have a site visit.

15 What other components have you articulated
16 in the site visit protocol? That's -- I would
17 also -- I would encourage you also to -- you know,
18 what you like, plagiarize, to some extent. I mean,
19 make it your own. But if there is things -- if you
20 want to have -- if you want to proclaim what are our
21 obligations or our guiding principles, and you like
22 these five and want to add a sixth, go for it.

23 There's no -- I think it's also good to
24 not reinvent the wheel too much on what you like.
25 Use it, and what you don't, change it. Go ahead.

1 COMMISSIONER JOHNSTON: I have a process
2 question. The performance framework flows to the
3 accountability performance compact, or the
4 accountability model. And that is where this
5 compact fits in as an example of an accountability
6 model.

7 MS. LYRIA BOAST: Right.

8 COMMISSIONER JOHNSTON: And from that
9 accountability model, then we will further determine
10 how we get all of the -- the fact-based feedback and
11 outcomes that --

12 MS. LYRIA BOAST: Remember what we talked
13 about? Our intention, or suggestion, is that you
14 would have your version of this, with the language
15 and the framing and the title, what you want to call
16 it. You may want to call it a "performance
17 framework." It might be that you want to call it
18 the "accountability model." It will be side by side
19 with the accountability -- with your performance
20 framework.

21 You might even have it in the same
22 document. It could be that at the end of this, some
23 authorizers will have the framework first, and then
24 this follows, sort of saying -- or, you know,
25 together. But the idea is that they are together.

1 It is almost a package.

2 COMMISSIONER JOHNSTON: And then the
3 requirements that -- the obligation that we have to
4 the charter and the charter has to us are
5 demonstrated in what they provide us; back to the
6 framework, almost.

7 MS. LYRIA BOAST: Right. Well, this is --
8 this should be laying out the relationship. And
9 then the rubber hits the road. And, hopefully, this
10 is being implemented. And that's why I think the
11 level of stakeholder engagement that is -- that has
12 been built in, and you all sort of agreed to doing,
13 it's very important; because you want your schools
14 to have feedback in this and to see this and for you
15 to engage with them about it and to make -- you
16 know, to make sure that there is some agreement
17 about, 'Okay, this is what, you know, everybody's
18 responsibilities are."

19 THE CHAIR: And that's what we do in the
20 contracts now. The --

21 MS. LYRIA BOAST: It's just laying it out
22 so there's some clarity.

23 THE CHAIR: -- the relationship. And then
24 we move into the -- I think they just use the word
25 "compact" instead of contract. I think it's a

1 warmer fuzzier word than "contract."

2 MS. LYRIA BOAST: They have contracts.
3 They came to this language as, "Our agreement with
4 you."

5 MR. TIM FIELD: One thing that's not in
6 here, looking at Page 7, Charter Section Renewal.
7 They reference Bulletin 126.

8 And I think -- so I don't know. I should
9 go -- I'm curious what that says.

10 But clarifying the process and criteria
11 for renewal is critical. It's actually not really
12 stated in this document. And it's something you
13 want to state. Maybe for them, it's time. Because
14 Bulletin 126, whatever it is, may be a perfectly
15 clear document.

16 Louisiana has a bit of a history, like,
17 "You get an "F," you're out." They were closing --
18 "F" schools were being closed. So they were taking
19 a fairly --

20 THE CHAIR: Automatic closure.

21 MR. TIM FIELD: They had a fairly
22 aggressive policy toward closure in that sense,
23 which may or may not fit where you all want to be.
24 But renewal needs to be an important part of your
25 documents.

1 MS. LYRIA BOAST: Bulletin 126 are their
2 charter regulations.

3 THE CHAIR: The RSB, yeah. I think -- and
4 it's a conversation that we've not actually engaged
5 in. But I think there -- I see some language about
6 the closure policy being in there; because it's --
7 it's come up. We've faced it with the Legislature.

8 So that I think if we don't step up and
9 establish, it's going to be foisted on us. And we
10 may not like what ends up happening. So that I
11 think if we're clear so that we assuage the fears of
12 all those out there that think that -- you know,
13 that there's -- there's nothing much going on, I
14 think we can -- I think we can make it -- make
15 schools feel a little bit safer, that they're not
16 going to be at the will of some legislative
17 document, that they'll have -- you know, we'll have
18 no recourse with.

19 MS. LYRIA BOAST: So in terms of next
20 steps, I think we -- it makes sense to us that we
21 would take this feedback, and we could either bring
22 back to you -- obviously, we're going to need to
23 find out, you know, what changes need to be made and
24 some -- but what works best?

25 We could bring back either an outline, or

1 even a draft with the trial run. Or is this
2 something that -- you know, who would take the first
3 stab at this? What would be most useful to you all
4 in terms of how you would generally sort of review
5 and revise this document?

6 COMMISSIONER RUIZ: A draft.

7 MS. LYRIA BOAST: Bring a draft back to
8 you? Okay.

9 MR. TIM FIELD: I do think schools want to
10 know this. As much as we're pushing the framework
11 so far, they're going to really crave a better
12 understanding of how the heck this is going to be
13 used.

14 THE CHAIR: Exactly.

15 MR. TIM FIELD: I think we can transition
16 to kind of wrap -- unless there's any other topics,
17 we can kind of wrap our meeting -- a couple of
18 things we wanted to just review, one of them being
19 project timeline. It's up on our screen right now.
20 And you have -- you do have maybe the yellow sheet
21 that has the timeline.

22 So we think we've gotten what we need to
23 do the trial run for the three frameworks. And each
24 one will be a little nuanced in terms of what that
25 trial run looks like. We've talked about this.

1 Hopefully, that's fairly clear to everyone.

2 We think that it's going to take a couple
3 of months. It may take a little longer for some
4 frameworks. We'll work as quickly as we can to make
5 progress there.

6 Our expectation is that we come back, we
7 think, during the November meeting, potentially. I
8 think it's the 17th or 18th. Maybe there's -- maybe
9 there's a half-day we work on where we go over the
10 trial run results, maybe a draft accountability
11 plan. I think it'll be incumbent upon us to get to
12 you something you can review in advance in order to
13 make that an efficient review process.

14 But that is the -- and then we would want,
15 from the Commission at that point, feedback on the
16 trial run, you know, confirming weightings, you
17 know, indicators, and a whole range of things.
18 We're going to want pretty robust feedback on it at
19 that point.

20 We'll then go into a stakeholder feedback
21 period. So even though we're -- you're not
22 finalizing the framework at that point; but you are
23 giving more shape to it. You're also probably going
24 to give guidance, approval for, "Yes, let's now go
25 out to operators and stakeholders and get feedback

1 on what we're proposing to the world."

2 MS. LYRIA BOAST: Which would still be
3 communicated as a draft or a proposed. So, again,
4 we're not trying to get to a final version yet.

5 MR. TIM FIELD: And we were just talking
6 to Kelly of the Coalition. And they do have an
7 annual meeting in December. And, one, could be a
8 great chance to bring to the Coalition, you know,
9 the results of the work to date at that point. We
10 have to work with you to decide what exactly you
11 present; because I think, you know, some things will
12 be maybe well -- in a good place, and some things
13 may still be under development. But we do think the
14 early December date could be a good time to really
15 engage operators.

16 MS. LYRIA BOAST: And this is
17 especially -- I think we talked a little bit
18 yesterday about sort of the challenge of that stake
19 school feedback. They are busy. They are -- and as
20 we said, I think, also yesterday, we have been
21 involved in different types of -- of feedback.

22 We have done, you know, in-person
23 meetings. And there are certainly authorizers who
24 have a small enough number of schools that they can
25 meet individually. There are meetings.

1 There -- in sort of the lightest touch,
2 it's e-mailing out and saying, "Please give us
3 feedback," that usually gets the least amount,
4 because, again, schools are busy, and it's one more
5 thing.

6 We've done webinars. Those are a little
7 bit better; but still you tend to have partial
8 participation.

9 You all have done the listening tours. I
10 think that will be a valuable component.

11 But I think really being able to hit or
12 provide as many opportunities as possible. And it
13 does seem as though if this is a meeting that the
14 schools will be attending, anyway, sort of ready to
15 engage and participate -- it's going to be a little
16 bit tight to get things ready by December; but we
17 would hope you would consider that.

18 COMMISSIONER ARMBRUSTER: Do you know when
19 in December that was?

20 MR. TIM FIELD: We weren't sure. She
21 mentioned first or second week in December. She
22 came by. She mentioned that to us. They think
23 they'll confirm soon.

24 COMMISSIONER ARMBRUSTER: Well, just two
25 things. I mean, we have --

1 THE CHAIR: We have the LESC in December.

2 COMMISSIONER ARMBRUSTER: December 6, 7,
3 8, and PEC 14th, 15th, and 16th.

4 THE CHAIR: Four- --

5 COMMISSIONER ARMBRUSTER: That's what I
6 have.

7 THE CHAIR: The PEC meeting is the 14th
8 and 15th.

9 COMMISSIONER ARMBRUSTER: That's what I
10 have down. Hopefully, they know when we have a
11 meeting; so...

12 MR. TIM FIELD: We can circulate other
13 dates.

14 THE CHAIR: And LESC is the week before.

15 MR. TIM FIELD: I don't know how involved
16 you all have to directly be in that meeting, also.

17 COMMISSIONER JOHNSTON: The problem with
18 schools is it's the end of a semester in all of the
19 high schools and some of the mid-schools. And I
20 don't know about attendance for them, because it's
21 one of the busiest times.

22 MR. TIM FIELD: Kelly felt like it would
23 be high attendance. It's already a planned meeting;
24 it's not something they're doing on behalf of this
25 work.

1 THE CHAIR: And I would think that they're
2 not scheduling their -- any kind of large meeting at
3 the same time as the LESC. So my guess is it's
4 probably earlier in that week. That would be my
5 guess.

6 COMMISSIONER JOHNSTON: I think it's great
7 that it would go to them at that point.

8 THE CHAIR: I do, too.

9 MS. LYRIA BOAST: So we can share with
10 you, obviously, to make sure that the dates all
11 work. Because it would be nice to have --

12 COMMISSIONER ARMBRUSTER: Because it was
13 time-intensive to do that listening tour, for
14 everybody.

15 MR. TIM FIELD: And she seemed very
16 eager --

17 THE CHAIR: To have the listening tour
18 done in November.

19 COMMISSIONER ARMBRUSTER: If we were doing
20 a listening tour, it is time-intensive.

21 MR. TIM FIELD: This is an efficient way
22 to get feedback, on their terms, on their space, and
23 giving them -- so I think that the scope of what you
24 present, we can also figure out -- we can tailor
25 that, based on where we are.

1 Okay. Following that, that can be the
2 beginning of the feedback. There can be more after
3 that, in-person meetings, webinars. All of those
4 methods are conceivable. The intent is based on
5 that feedback, another round of revisions to the
6 accountability plan, and the framework.

7 And then in the spring time frame, the PEC
8 is formally adopting a new framework and
9 accountability model and releasing reports based on
10 that.

11 Our recommendation is that you really -- I
12 mean, there is also a contract cycle. But in terms
13 of, like, holding schools accountable to this new
14 plan, you'll probably wait until at least, you know,
15 like, the '17-'18 date. You won't want to
16 retrospectively go back and say, "We're going to
17 hold you accountable."

18 MS. LYRIA BOAST: Or even publish reports;
19 because even if a school is not on a plan, you can
20 start to say, "This is our framework; this is how we
21 are reporting out performance of our charter
22 schools."

23 THE CHAIR: And in an ideal world, I think
24 we've got some schools that may just want to buy
25 into this new system, because it could benefit them.

1 "Hey, you know. I'm not up for renewal; but there's
2 that whole, you know, fast-track; so...."

3 MR. TIM FIELD: I'm in.

4 THE CHAIR: "I'm on it. I want to do
5 that."

6 So, you know, hopefully, there's enough
7 little cookies in there that it'll attract some.

8 MR. TIM FIELD: Okay. Any other questions
9 about timeline? We'll continue to recommunicate
10 this and update and make sure you all are -- we're
11 on track, and that you're aware of the next steps.

12 I think with that, we do -- we will
13 request -- we have a simple feedback form on the
14 last two days.

15 MS. LYRIA BOAST: No math. No math.

16 COMMISSIONER JOHNSTON: If you want to
17 leave early, that's --

18 MR. TIM FIELD: So we do appreciate your
19 feedback. And similar to the last time, we ask
20 questions about achieving the objectives we set out
21 and the overall feedback on the two days.

22 Thank you, all, then, for engaging in the
23 last two days and the chance to work with you all.
24 We've got a lot of work ahead of us. But I thought
25 the day was great. We certainly have what we need

1 to move forward.

2 THE CHAIR: I think we have far greater
3 vision of what this is going to really look like.
4 So I appreciate that.

5 COMMISSIONER CRONE: I wanted to
6 compliment the three of you in your cool,
7 coordinated colors. And I want -- I admit to you
8 guys, you didn't have my full undivided attention.
9 My brother was visiting this past week. And he
10 lives in Houston. And he just now got home. And so
11 he was sending me pictures of his house and
12 apartment.

13 MR. TIM FIELD: How are things?

14 COMMISSIONER CRONE: Well, they're fine;
15 but their property isn't.

16 (A discussion was held off the record.)

17 (Proceedings concluded at 2:23 p.m.)

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1 BEFORE THE PUBLIC EDUCATION COMMISSION

2 STATE OF NEW MEXICO

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7 REPORTER'S CERTIFICATE

8 I, Cynthia C. Chapman, RMR, CCR #219, Certified
9 Court Reporter in the State of New Mexico, do hereby
10 certify that the foregoing pages constitute a true
11 transcript of proceedings had before the said
12 NEW MEXICO PUBLIC EDUCATION COMMISSION, held in the
13 State of New Mexico, County of Santa Fe, in the
14 matter therein stated.

15 In testimony whereof, I have hereunto set my
16 hand on September 15, 2017.

17
18
19 _____
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