



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

CHARTER SCHOOL REVIEW COMMITTEE

KEVIN INGRAM, CHAIR

Joyce Mallory, Vice-Chair

**Ruben Burgos, Melinda Scott Krei, Desiree Pointer-Mace,
Gayle Peay, and Glenn Steinbrecher**

**Staff Assistant: Linda Elmer, (414) 286-2231
Fax: 286-3456, lelmer@milwaukee.gov**

Wednesday, May 25, 2016

5:30 PM

City Hall, Room 301-B

Meeting convened: 5:41 P.M.

Members excused: Gayle Peay, Desiree Pointer-Mace and Melinda Scott Krei.

1. Review and approval of the minutes of the April 14th meeting.

Ms. Mallory moved, seconded by Mr. Burgos, for approval of the minutes. There were no objections.

2. [150544](#)

Communication relating to administrative matters of the Charter School Review Committee.

Sponsors: THE CHAIR

No action will be taken on the financial report as only four members are present. Carl Cira - ML Tharps and Associates presented the financial information on the schools and does an annual audit.

Mr. Steinbrecher had some minor revisions to be made to the report, which will be made. Mr. Tharp also noted another minor change on page 14 in the second paragraph. A financial scorecard was created for each school with a total of 100 possible points. Mr. Cira thought no school would ever achieve 100 points - a score of 95 would probably be the highest score any school could achieve.

The chair would like to get suggestions from Mr. Steinbrecher on how to make the scorecard final, rather than a pilot. Mr. Cira will also send a copy of the document created by Mike Daun for inclusion in the file.

Mr. Cira went through each school.

Downtown Montessori is one of the best schools out there with increasing enrollment and a surplus each year. They have net assets of \$1.2 million. The audit was submitted on a timely basis. Some of their monthly reports were submitted late, but they were received. Their financial scorecard numbers were also high.

Central City Cyberschool - the highest rated school in terms of compliance and financials. They consistently have increased their net asset balance in the past four years and now have \$1.2 million in net assets. As of June 7th, they will pretty much have no debt and their monthly reports are always very timely. Their score was 95

out of 100, which is an A+ on Mr. Cira's scale.

DL Hines Academy - also financially sound and are steadily increasing their unrestricted net asset balance in the past few years and have \$1.1 million in unrestricted asset balance. They have no debt, although they are renting their building. Monthly reports were also submitted on a timely basis and their score was 92 (up from 88 in the prior year, due to their timely submission of their monthly reports).

Milwaukee Academy of Sciences - Had some serious issues a few years ago with the audit, but no current issues. Score card is a 92, up from 90 in the previous year. Anything above a 90 is a very solid school. A 30-day extension was granted, but Mr. Cira wasn't concerned about the extension. He will check on why the bond amount increased. Most of their accounts receivables are Title 1 grants.

King's Academy - this current year is their last year. A solidly run school financially and they are very responsible with their assets and consistently show surpluses. No significant debt service and the only issue is some of their monthly reports were submitted late, but were received. They got a score of 87, a B+.

Milwaukee Collegiate Academy - also a very solid school that had some issues, but have turned things around. They have a solid fundraising effort, which has really helped their financial position. They had a break-even year this year, but accumulated assets in prior years. The school's principal didn't have her administrator's license renewed, which has been corrected and won't be a problem in the next audit. Their score is a 93 (up from 80 2 years ago).

Mr. Steinbrecher would like to see all the audit reports in October so he can review them. Mr. Cira will provide current and past audits to him as he has them in PDF form.

Milwaukee Math and Science Academy - In their 4th year of existence and their net asset balance of \$540,000 which is very solid after only four years. They did have a loan from the management company, that was paid off in full in the prior year. They did not submit all of their monthly reports from January-June and still have not been submitted. They were docked on their score for that lack. He is not asking for those reports as he got the audit report and a full report could be done for this body. Ms. Mallory would like to have CSRC notified if the monthly reports are not being submitted on a monthly basis. This body should be notified immediately if they are not in compliance. Their score was 85.

Escuela Verde - A rather solid position, although it's a small school. They have had an annual surplus every year and the budget is less than \$1 million annually. They have a surplus of \$100,000 this year and have unrestricted net assets of \$241,000. The audit was submitted late, even with a 30-day extension that was granted. They are looking for a new auditor.

North Point Lighthouse - this is the last year of their operations and they have a small deficit (which had been larger in the past), but they accumulated a \$500,000 deficit over the first 3 years. If they were to liquidate, they would barely have enough to pay their bills. One of the big issues is the audit was submitted extremely late, in March, which held up the entire report for CSRC. They were also missing documentation and had incorrect information in the report. They did submit the monthly reports in a timely basis. Their score was a 66.

Rocketship - He has some concerns about this school as they're bleeding money.

He has talked to them and they have a deficit of \$1.4 million and projecting another \$400,000 deficit for this year as well \$300,000 for 2016/17. The school says that after next year they will break even and then be generating a surplus in the following years. 2016/17 will be in the fourth year of a contract with the city. The parent organization is still financially supporting this school. Mr. Steinbrecher would like to get a copy of the monthly reports on this school as they come in as well as the budget-to-actual. One problem might be high salaries. They are only financially viable to continue as the parent organization is funding them. Ms. Mallory would like Rocketship to come before this committee to discuss these budget numbers, which will hopefully be at the next meeting. They have enough funds to meet their current obligations, but they are looking at a \$2 million long-term liability. He believes they are paying their employees and vendors in a timely manner.

*Dave Weingrod - had questions about Rocketship and its finances.
Lawrence Hoffman - had questions about North Point Lighthouse*

Sean Roberts - Milwaukee Charter School Advocates came to the table to request a proposed dissolution plan as part of the application process. CSRC currently has a plan, but he would like an earlier requirement so the process is already in place, rather than giving it to the school when it is closing. He also recommends a section that deals with student and staff transitions in terms of notifying students and staff in a timely manner and ensuring that the school has a transition plan in place to assist students and staff. He would also like the entire plan reviewed to make sure its still current and a third party who is responsible for student records. UWM has a dissolution plan similar to the city's and MCSA is working with UWM to modify their plans.

Howard Fuller - Marquette University, said a task force was convened several years ago to deal with the transfer of records. He would like to review if those procedures that were put in place are still in place. He thinks the agreement was that all of the records would go to MPS. Ms. Mallory moved, seconded by Mr. Burgos to look at their closure plans.

Administrative matters - Keep school files for two years, with most current attachments on top and add the month of the meeting on the administrative file, which will only be kept for one year before being placed on file.

Meeting adjourned: 6:58 P.M.

*Linda M. Elmer
Staff Assistant*

This meeting can be viewed in its entirety through the City's Legislative Research Center at <http://milwaukee.legistar.com/calendar>.