



PRESENTATION IN SUPPORT OF THREE-YEAR RENEWAL OF CHARTER

STATE BOARD OF EDUCATION PANEL HEARING

JUNE 3, 2024



VOGEL LAW FIRM PLLC
AN EDUCATION LAW FIRM

WE SEEK A THREE-YEAR RENEWAL OF THIS ACADEMICALLY SUCCESSFUL CHARTER SCHOOL

- Families in Lenoir County, like families in other **rural communities** with **underserved populations** and a high percentage of **economic disadvantage**, are looking for educational options for their children.
- While **opportunity scholarships** enable students to attend private schools, Children's Village Academy has been and remains an important **public-school option** for these primarily Black families.
- CVA has a long history of **sound student academic outcomes** and not surprisingly enjoys the support of its families and the community.
- CVA does, however, need to considerably improve its **financial, operational, and board governance compliance**.
- With proposals from **Charter Success Partners** and **Vogel Law** – and with an impending **orderly transition of board members** – CVA will immediately improve its internal controls and compliance.

OUTLINE FOR THIS MORNING

- Legal Standard for Charter Renewal
- Three-Year Renewal Guidelines
- State Board's Standard of Review
- What is "De Novo" Review?
- History and Background
- Comparison with Lenoir County Public Schools
- Academic Recognitions
- Academic Comparability + Growth
- Long History of Growth and Exceeding Growth
- Abrupt Change of Renewal Recommendation
- OCS Identified Compliance Issues
- Checklist for Reforms



LEGAL STANDARD FOR CHARTER RENEWAL

The Review Board shall renew a charter upon the request of the chartering entity for subsequent periods of 10 years, unless one of the following applies:

(1) The charter school has not provided financially sound audits for the immediately preceding three years.

(2) The charter school's student academic outcomes for the immediately preceding three years have not been comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located.

(3) The charter school is not, at the time of the request for renewal of the charter, substantially in compliance with State law, federal law, the school's own bylaws, or the provisions set forth in its charter granted by the Review Board.

If one of the conditions set forth in subdivisions (1) through (3) of this subsection applies, then the Review Board may renew the charter for a period of less than 10 years or not renew the charter.

Source: G.S. § 115C-218.6 (Review and renewal of charters)

THREE-YEAR RENEWAL GUIDELINES

Three-year charter renewal is recommended where --

- Compliance Issues in the past 3 years that show a pattern of unresolved or consistent issues.
- Inability to provide sound audits for the immediately preceding year or the school is currently on Financial Noncompliance Disciplinary Status.
- Academic outcomes have not been comparable* to the local school administrative unit but the school has met growth 1 year out of the immediately preceding 3 years. CSRB may also consider the comparability of student subgroups or grade levels to the LEA.

Source: General Renewal Guidelines, Office of Charter Schools, N.C. Department of Public Instruction, <https://www.dpi.nc.gov/charter-renewal-guidelines-2023/open>

STATE BOARD'S STANDARD OF REVIEW

(b) The State Board shall review appealed decisions de novo. The party submitting the appeal, and the applicant or charter school affected, may provide any information to the State Board the party believes the Board should consider in reviewing the Review Board's decision.

(c) The State Board shall issue a written decision in any matter appealed under this section within 60 days of the date the notice of appeal was submitted. The State Board of Education has the final decision-making authority on the approval of charter applications, renewals, revocations, and amendments.

Source: G.S. § 115C-218.9 (Appeals to the State Board of Education)

WHAT IS “DE NOVO” REVIEW?



Under de novo review, the reviewing tribunal considers the matter anew and freely substitutes its own judgment for that of the lower tribunal.

Source: Community Success Initiative v. Moore, 384 N.C. 194, 210, 886 S.E.2d 16, 31 (2023)

HISTORY AND BACKGROUND

- Children's Village Academy was established in 1997, and it is the only charter school in Lenoir County.
- Over 80% of the CVA students are **Economically Disadvantaged Students** compared to 51% for the State of North Carolina.
- Nearly 100% of the students are **African American**.
- Serves about 150 students in grades K-8 in Lenoir County and surrounding areas. Offers one class per grade with an average of 17 students per class.
- It is a Title I school in a rural, high unemployment area known for its high rate of violent crime.



COMPARISON WITH LENOIR COUNTY PUBLIC SCHOOLS



- Children's Village Academy serves Lenoir County's 5th highest Economically Disadvantaged Student population (81%) of the elementary and middle schools.
- Achieved the 3rd highest growth score in 2022-2023 compared to the other elementary and middle schools in Lenoir County (81.3).
- Achieved a higher growth score than 2 of the 3 Lenoir County elementary schools that have a School Performance Grade of C or higher.
- The 9 other Lenoir County elementary and middle schools have a School Performance Grade of D or F.

ACADEMIC RECOGNITIONS



- School of Distinction (2005)
- Top 25% in EVAAS Growth (2015)
- Academic Growth Award (2017, 2018, 2022)
- Top 50% in EVAAS Growth (2018, 2022, and 2023)

ACADEMIC COMPARABILITY + GROWTH

2022 – 2023

-4% | Met Growth | CLP

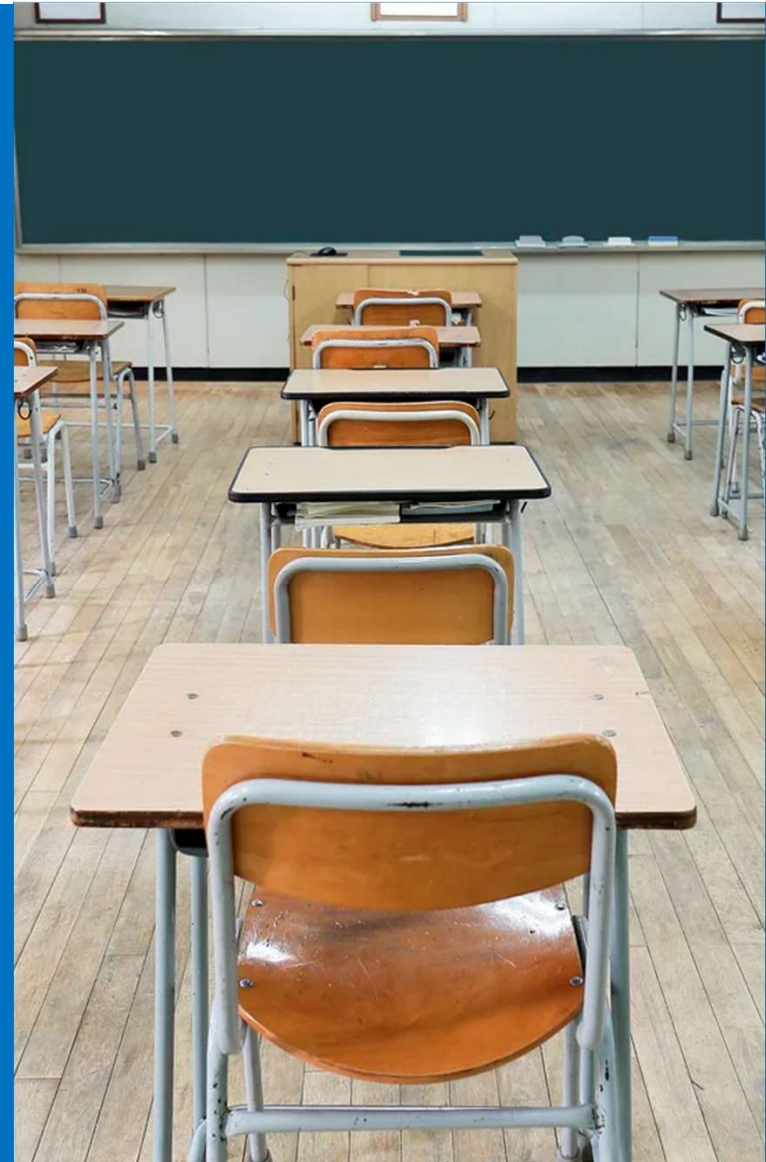
2021 – 2022

+1% | Met Growth | CLP

2018 – 2019

-16% | Did Not Meet Growth | CLP

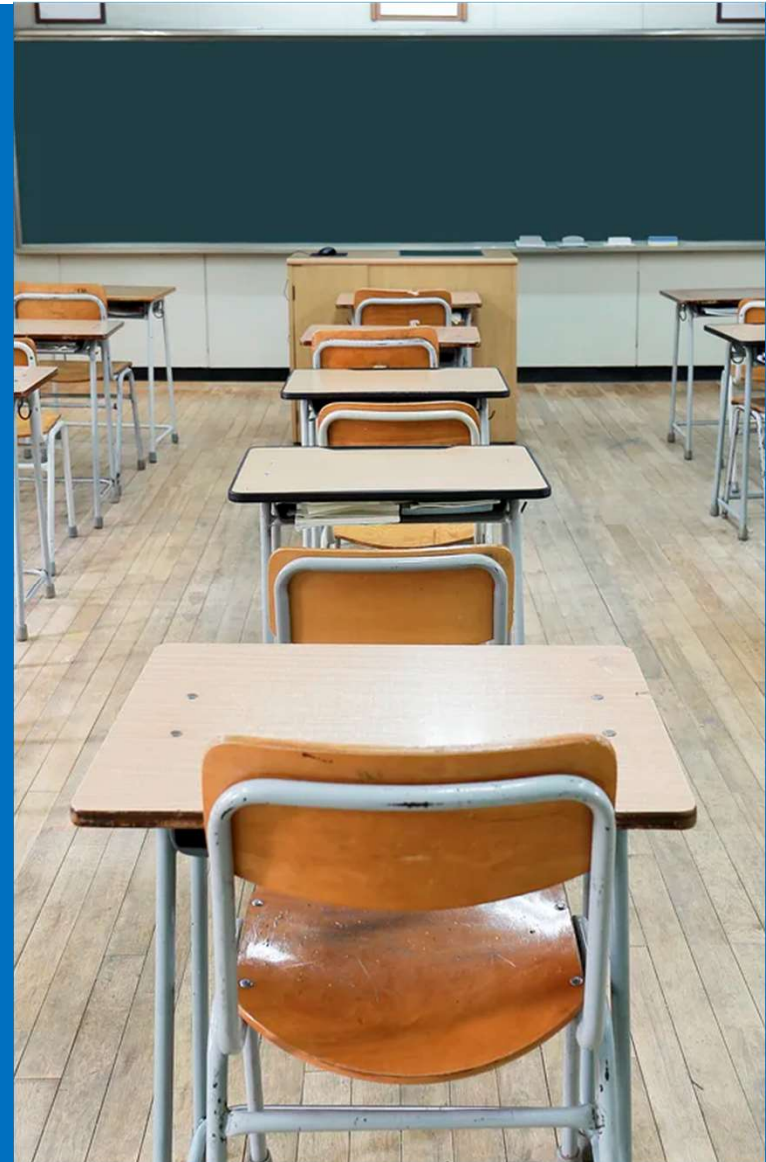
Source: Renewal Vote | Children's Village Academy,
Office of Charter Schools (May 6, 2024)



LONG HISTORY OF GROWTH AND EXCEEDING GROWTH

- 2022 – 2023: Met Growth
- 2022 – 2023: Met Growth
- **2019 – 2020: Did Not Meet Growth**
- 2018 – 2019: Met Growth
- 2017 – 2018: Met Growth
- 2016 – 2017: Met Growth
- **2015 – 2016: Exceeded Growth**
- **2014 – 2015: Exceeded Growth**

Source: North Carolina School Report Cards,
https://ncreports.ondemand.sas.com/src/school?school=54A000&year=2023&residing_district=540LEA



ABRUPT CHANGE OF RENEWAL RECOMMENDATION

November 2023

- OCS placed CVA at a 3-year renewal term due to being currently identified as a Continually-Low Performing School (CLP).

January 2024

- CVA was changed to a Non-Renewal Placement due to (1) material violations of any of the conditions, standards, or procedures set forth in the charter and (2) failure to meet generally accepted standards of fiscal management.

Source: Renewal Vote | Children's Village Academy, Office of Charter Schools
(May 6, 2024)



OCS IDENTIFIED COMPLIANCE ISSUES

- **December 2023** - Federal Programs presented findings of non-compliance with the 21st Century Grant program at CVA to the CSRB. Later settled to repay \$152,050.13.
- **December 2023** - School Business presented findings of non-compliance from investigations of reports given to both the Office of the State Auditor and directly to DPI. Remedial actions were taken by CVA, as presented by School Business in May 2024.
- **December 2023** - CVA was placed on Governance Non-Compliance Cautionary Status following failed requests for historical board minutes from OCS. Removed March 2024.
- **May 2024** – CVA did not repay \$152,050.13 by the May 8, 2024 deadline set forth in the settlement agreement, and Federal Programs issued a notice of intent to terminate the 21st CCLC subgrant.
- **May 2024** – School Business presented non-compliance with FMLA, FSLA and IRS regulations in the treatment of 13 employees related to changing the status of 13 employees to make them independent contractors. Later reversed by CVA.

CHECKLIST FOR REFORMS

Acknowledge	Acknowledge the internal control and compliance letdowns.
Repay	Repay the \$152,050.13 by June 30, 2024.
Respond	Respond to any outstanding requests for information or corrective actions from OCS.
Cultivate and nurture	Cultivate and nurture a relationship with the Office of Charter Schools
Empower	Empower the Principal to hire qualified operations staff .
Begin	Immediately begin the orderly transition of board members
Hire	Hire Charter School Partners and empower CSP to reform the financial internal controls .
Hire	Hire Vogel Law Firm and empower Vogel to reform the board governance practices and to counsel CVA on operational compliance .

CHILDREN'S VILLAGE ACADEMY SEEKS A THREE-YEAR CHARTER



- Lenoir County Public Schools is a Low-Performing District and Children's Village Academy is Lenoir County's only charter school.
- CVA serves an highly Economically Disadvantaged Student population.
- CVA is "academically comparable" to LCPS and met or exceeded growth in 7 of the last 8 years.
- Achieved the 3rd highest growth score in 2022-2023 compared to the other elementary and middle schools in Lenoir County (81.3).
- Acknowledges shortfalls with internal controls and compliance.
- Commitment to repay \$152,050.13 by June 30, 2024.
- Transition board members and hire qualified operations staff.
- Reform financial internal controls, board governance, and operational compliance.

QUESTIONS?

Children's Village Academy



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