

STATE CHARTER SCHOOLS COMMISSION MEETING

December 21, 2016, 10:00 a.m.

**State Charter Schools Commission Conference Room
East Twin Tower, Room 1470B, Atlanta, Georgia 30334**

Meeting Minutes

1. The meeting was called to order by Chairman Jennifer Rippner at approximately 10:00 a.m. Chairman Rippner verified that a quorum was present. Commissioner Suzanne Werner was absent.
2. Also present were Commission staff members Bonnie Holliday—Executive Director, Gregg Stevens—Deputy Director and General Counsel, Terence Washington—Financial and Operational Accountability Manager, Morgan Felts—Associate General Counsel and Petitions Manager, Katie Manthey—Academic Accountability Manager, and Sarah Beck—Business Operations Manager.
3. Approximately 20 members of the public also attended the meeting including representatives of charter schools, Georgia Department of Education staff members, and State Board of Education members Brian Burdette, Kevin Boyd, and Scott Johnson.
4. Chairman Rippner reminded attendees that the purpose behind this called meeting was to discuss Ivy Preparatory Academies' outstanding FY15 and FY16 audit. Chairman Rippner asked Director Holliday to give background information on Ivy Preparatory Academies problems with financial management. Director Holliday explained that Ivy Preparatory Academies has never submitted an audit by the required deadline since the schools' existence and that the school has continued to display a lack of financial capacity.
5. Director Holliday introduced Financial and Operational Accountability Manager Terence Washington to give a presentation about the financial compliance issues at the Ivy Preparatory Academies. Mr. Washington began by explaining the financial deficiencies of the school prior to the missed deadline for the FY15 audit. In particular, the school has failed to or have been late on submitting an audit for the past five years. The school has experienced repeated turnover in its Executive Director and CFO positions. Mr. Washington then presented a timeline of specific instances in which Ivy Preparatory Academies missed crucial financial compliance deadlines. Notably, the schools' FY15 and FY16 audits remain outstanding and corrective action plans set out by the SCSC has not resulted in systemic change at the school level.
6. Chairman Rippner then introduced James Bence from Mauldin and Jenkins (the schools' auditor). Mr. Bence explained the work that Mauldin and Jenkins has conducted already with the school and explained that poor bookkeeping and turnover within the CFO position has made it difficult for Mauldin and Jenkins to conduct an audit without a qualified opinion.
7. Chairman Rippner then introduced the Chairman of the Ivy Preparatory Academies Board, Tolton Pace. Mr. Pace provided assurances to the SCSC Commissioners that the school has put into place new safeguards to prevent future financial compliance issues. Mr. Pace said that the board is seeking new members who have expertise in finance since the schools' finance committee currently only has one member. The school has also been working with Elisa Falco of the Georgia

Charter Schools Association to implement her recommendations to strengthen the capacity of the board. Executive Director of Ivy Preparatory Academies Alisha Thomas Morgan shared that the school has made progress towards financial compliance since she took the position, but that there were many areas where the school needed extensive assistance to regain compliance. Ms. Morgan also shared that the school has hired an internal interim CFO to handle the school's finances. Ms. Morgan reported that while the school was a victim of fraud, the school has recouped much of the money that was stolen and has put in additional safeguards to prevent and future instance of fraud.

8. Chairman Rippner then asked Deputy Director and General Counsel Gregg Stevens to provide Commissioners with potential actions the SCSC could take against the school for its financial noncompliance. Mr. Stevens explained that when the SCSC returns excess funds from the SCSC's administrative withhold from schools, that the SCSC could require that the Ivy Preparatory Academies spend a certain amount of the returned funds on financial safeguards or a forensic audit. The SCSC could also begin closure procedures against the school immediately for being in breach of their charter contract. Commissioners agreed that since the schools would be up for renewal in 2017, the SCSC would continue to monitor the school for financial compliance and the school would be at risk for nonrenewal if it still remained financially noncompliant at the time of renewal.
9. Chairman Rippner then directed Executive Director Holliday to send a follow up letter to the Ivy Preparatory Academies summarizing Commissioner's recommendations to the school, including: 1) increasing governing board engagement and overall oversight off school operations; 2) revise operational practices to increase oversight and stability over financial practices; 3) develop a succession plan to ease the transition between changes in leadership; 4) invest in a forensic audit to resolve remaining concerns related to potential crimes committed against the schools.
10. There being no further business before the SCSC, Chairman Rippner adjourned the meeting at approximately 12:30 p.m.