



Idaho Public Charter School Commission

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April 30, 2021

Monticello Montessori Charter School
4707 Sweetwater
Ammon, ID 83406

Dear Monticello Montessori Charter School Board of Directors:

This letter serves as an update to the investigation into the operational practices at Monticello Montessori Charter School (MMCS).

After reviewing the documentation provided by MMCS in response to our letter dated 3/31/21, some additional information is necessary in order to complete our review. The following pages provide an update on our investigation, and request additional documentation necessary to the investigation.

I appreciate the continued cooperation from your team in this matter. Please do not hesitate to reach out if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jenn Thompson".

Jenn Thompson
Director, Idaho Public Charter School Commission

1. Regarding the complaint made to the IPCSC:

A complaint was received on March 25, 2021. The school was notified on the same day.

(a) The complaint alleged that a personnel matter was handled unprofessionally by the school's administrator, causing young children unnecessary emotional stress.

As stated in our letter dated 3/31/21 IPCSC staff referred the complainant to the Idaho Professional Standards Commission, as that is the appropriate body to determine whether further investigation is necessary in that matter.

(b) The complaint also alleged that the board of directors may be receiving monetary benefits through contracts held by the school.

The IPCSC reviewed all revenue, expenditures, and services agreements that it received from the school. At this time, the IPCSC does not have reason to believe that any MMCS board director holds a financial interest in any company receiving payment from MMCS. However, the documentation provided by MMCS did not include financial reports for January, February, or March of 2021. In addition, there are several large expenditures identified as credit card payments that require further documentation, and there appear to be several services agreements which have not yet been provided.

Please provide the following documentation directly to the IPCSC:

- Check register reports, YTD budget reports, and expenditure reports for January, February, and March of 2021.

- Please provide all account statements for fiscal year 21 (July 2020-June 2021) for the following credit cards, for the purpose of verifying the validity of expenditures related to the following payments:
 - Card # 3749 – amount \$260.07 paid in December 2020
 - Card # 3764 – amount \$1,718.04 paid in December 2020
 - Card # 4055 – amount \$2,470.90 paid in October 2020
 - Card #8645 – amount \$4,867.06 paid in October 2020

(c) Finally, the complaint alleged that the board's grievance procedures do not allow grievances to be escalated to the board's attention.

MMCS's grievance policy appears to be a template policy that has not yet been customized to the structure of the school. For example, the policy notes that complaints are first taken up with the building administrator, then with the principal, then with the superintendent, and then with the board. For staff, the process also includes the human resources officer. The building administrator, principal, superintendent, and human resources officer are all the same person in the MMCS structure. In practice, the policy does not provide a path by which a grievance may be effectively escalated.

Additionally, while the board has strong policies and procedures in place for public comment at board meetings, the process for escalating grievances is not easily accessible or clear.

The lack of clarity in the language of the policy and the lack of accessibility of the correlating procedures may, in part, account for stakeholders' decisions to pursue other routes of grievance.

The IPCSC recommends that the MMCS governing board update its policy to reflect the school's specific management structure, and recommends that the board provide for public accessibility of the procedures.

2. Regarding MMCS's Articles of Incorporation

In the course of the IPCSC's research into the original complaint, it was discovered that the school's Articles of Incorporation were incorrectly filed. MMCS provided sufficient documentation verifying that this issue has been corrected. The IPCSC appreciates the school's prompt attention to this matter.

Please note that filing inaccurate information and allowing Articles of Incorporation to lapse may pose a legal risk. The IPCSC recommends that the board ensure its administrator has sufficient operational support to complete all operational tasks for which the governing board bears ultimate responsibility.

3. Preschool Structure

Documentation provided by MMCS states that a preschool is operated by the school, and that a preschool teacher and paraprofessional are direct employees of the school, though the preschool teacher's salary appears to be paid, in part, through preschool tuition collected from participating families. The school's Performance Certificate (operating contract) states that the school is only authorized to serve grades K-8, and Idaho Code Section 33-5203(6) states that "a charter holder may not operate enterprises other than the public charter schools for which it has been authorized." MMCS does not have IPCSC authorization to operate a preschool or to employ preschool teachers or paraprofessionals assigned to preschool students.

The current preschool structure is a violation of the school's performance certificate and may be considered cause for a non-renewal recommendation if the issue is not remedied.

Should MMCS wish to offer preschool on campus it is recommended that fee collection, employee management, and program implementation all be conducted by a third party vendor through a services agreement that defines allowable facilities use, exchange of funds, and additionally certifies that the vendor carries the appropriate insurance. Please also note that appropriate procurement procedures must be followed in selecting a vendor.

Additional concerns with the current preschool structure include:

- (a) Documentation provided by the school indicates that the school collects tuition from parents for preschool and that the funds are used to pay a proportionate share of utilities, facilities use, and the like. However, there is no documentation that identifies what this proportionate share is or how that amount is calculated, nor is such accounting reflected in the financial reports provided to the IPCSC.
- (b) The separation of preschool revenue and expenditures is not clearly delineated in the school's budget and expenditure reports. For example, the July budget projects \$0.00 in preschool revenue, but \$30,000 in preschool expenditures. In contrast, the school's December budget reports a collection of \$14,000 in preschool revenue, and \$0.00 in expenditures.
- (c) The school maintains facilities use policies, procedures, and forms (4210, 4210F, 4210F2, 4210F3, and 4210P) which provide appropriate guidance for negotiating a services agreement

of this nature. However, these policies and procedures were not utilized. This may be a matter of failure to implement existing board policy.

- (d) (d) If federal or state funds have been used to support an unauthorized enterprise, such action may be investigated as a misuse of public funds, and may require further reporting to the entity responsible for administering any relevant laws.

Please provide the following documentation directly to the IPCSC:

- Evidence that the preschool as an enterprise of MMCS has been dissolved.
- A copy of the services agreement with the preschool provider.

4. General Operational Concerns

The IPCSC letter issued to MMCS on 3/31/21 notes several issues of general concern.

- (a) Reporting - Several instances of late, incomplete, or inaccurate reports were noted in the letter. After a thorough review of the school's financial situation, it appears this may be due, in part, to significant budget cuts and extensive employee turn-over.

Regardless of the cause, the responsibility of successfully executing all duties of the administrator's position falls to the administrator. The governing board bears the responsibility to ensure that sufficient resources are available to the administrator.

At MMCS's board meeting held on April 15, 2021, Ms. Kemery, the school administrator, stated that she has not been provided with a formal job description. This is concerning as leadership evaluations, reflecting an administrator's success at performing the duties of his/her position, have been filed every year. However, even without a formal job description, Ms. Kemery is accountable to the [Idaho Standards of Effective Principals](#), which include stewardship of school climate, collaborative leadership, and instructional leadership. She is also required to abide by the [Code of Ethics for Idaho Professional Educators](#).

The governing board is required to conduct formal evaluations of its employees each year. The IPCSC recommends that the MMCS governing board immediately engage in this process not only because it is required of the board, but also because it will likely help identify the supports necessary for success at MMCS.

- (b) Special Education – The letter noted complications with a special education investigation. The State Department of Education has since provided the IPCSC with documentation of the issue. It appears that concerns about cooperation have been resolved and the school has a corrective action plan to execute. Pursuant to IDAPA 08.02.04.300.04, the MMCS governing board is obligated to provide the IPCSC with follow-up information regarding the issue, including details on the progress being made toward resolving this issue.
- (c) Expenditure Transparency – MMCS requested a two-week extension on updating its website. The IPCSC granted the extension. Please note that Idaho Code section 33-357 requires all public schools to provide transparency of expenditures on the school's website. Please also note that this requirement includes all active contracts/service agreements. MMCS provided services agreements for the following in the school's original response: Holinka Law, Generation Occupational Therapy, PLLC; T. Bates Counseling Mentor, Construction Trade,

and ATX Learning. However, based on the IPCSC's review of expenditures, it appears that several other contracts/services agreements exist. These must be provided to the IPCSC and must also be posted to the school's expenditure transparency website.

Please provide the following documentation directly to the IPCSC:

- Copies of all contracts/service agreements between MMCS and vendors that have not yet been provided to the IPCSC, including the following:
 - Celebration Physical Therapy;
 - Valor IT Support;
 - Hanes LLC Technology Support (specifically regarding SchoolDex); and
 - Remind101.

5. Financial Review Questions

In the course of reviewing MMCS's finances, a few issues were noted that warrant feedback to the MMCS board of directors and/or require further follow-up.

(a) Lease Agreements - IDAPA 08.03.01.301.01 requires that copies of lease agreements for student facilities be on file with the authorizer. It appears that the school services two debts related to its facility, one held by the Bank of Idaho and the other held by the USDA. The documentation for these debts may not be up to date in the IPCSC's files.

(b) D & O Policy - The school board's director and officer insurance policy was reduced from an anticipated expenditure of \$4,800 in July to \$0 in December. While it is clear MMCS has weathered significant revenue reduction during the pandemic, this is a necessary policy for the protection of the governing board.

(c) Health Insurance - The school's budget and expenditure reports do not appear to contain health insurance for full-time employees as a line item. Section 5F of the school's Performance Certificate requires all full-time employees be covered by health insurance, whether that be through the school or obtained privately.

(d) Reimbursements - Thirty-six (36) instances of reimbursements made to employees without explanation are noted in the school's expenditure reports (July-December). This is a more frequent use of reimbursement than the IPCSC typically sees. Additional documentation is necessary to verify the validity of the reimbursements.

The IPCSC recommends that the MMCS governing board review its financial policies and note its future expectations regarding reimbursements, either through a policy revision or a board resolution for the record. Additionally, the IPCSC recommends that the MMCS governing board consider implementing a purchase order process that would reduce the need for reimbursements, and ensure that teachers are not responsible for bearing the initial cost of necessary purchases.

Please provide the following documentation directly to the IPCSC:

- If the facility-related debt service agreements are leases, please provide copies of the full lease agreements. If these debt service agreements are direct loans to the school,

please provide a statement of attestation;

- A copy of the TEQ lease agreement, and note this services agreement should be posted on the school's website;
- Please provide proof of an active directors and officers insurance policy;
- Please provide more information regarding the health insurance benefits offered to full-time staff; and
- Please provide documentation of the specific purchases (i.e., purchase requests, approval, and receipts) for the following reimbursement which were greater than \$100.00:
 - Reference # 011057 – amount \$311.53 to Erica Kemery on 12/19/20
 - Reference #011063 – amount \$101.63 to Pauline Zweers-Asche on 12/20/20
 - Reference # 011074 – amount \$434.71 to Sally Mills on 12/20/20
 - Reference # 010925 – amount \$523.76 to Annalisa Blake 10/05/20
 - Reference # 010935 – amount \$121.97 to Sally Mills on 10/05/20
 - Reference # 010834 – amount \$309.13 to Erica Kemery on 8/19/20
 - Reference # 010866 – amount \$257.20 to Mauro Cabral on 8/19/20
 - Reference #010824 – amount \$116.23 to Maureen Miaullis on 7/31/20

Additional Feedback

- (a) District vs. LEA - The school refers to itself as a “district” on several formal documents, including service agreements and employment offers, as well as in various communications. Please note that MMCS is a “local education agency” as defined in 08.02.04.500.01. No charter school can hold the legal designation of “district”.
- (b) Payroll Advances - The school appears to have provided payroll advances to two employees in March. This is not a recommended practice. The IPCSC recommends that the governing board review its financial policies and note its future expectations regarding payroll advances either through a policy revision or a board resolution for the record.
- (c) Budget Amendment - The FY21 budget, approved by the school's board was amended sometime after the original board approval. The amendment appears to reflect a reduction in expected revenue by approximately \$550,000. However, none of the meeting minutes for the year reflect this amendment, nor was the IPCSC notified. Please remember that IPCSC policy requires that the IPCSC be notified within five (5) days of any budget amendment, and all motions made by the board should be noted in the meeting minutes.