

The Biggest Decisions You Will Ever Make

National Charter Schools Conference

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Algiers Charter School Association

4th Sector Solutions

Participants – Algiers Charter School Association

Adrian Morgan – CEO

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Algiers is the largest charter organization in New Orleans, and operates six charter schools serving 4,200 students. Algiers was the first organization to open new charter schools after Hurricane Katrina.

Participants – 4th Sector Solutions and You!

Joe Keeney – Founder & CEO

4th Sector Solutions provides non-academic services to charter schools including CFO, HR Director, Operations, Foodservice Administration, and Facility Financing. It also operates the online resource Charter School Tools (www.charterschooltools.org).

You!

During this session we invite you to ask questions of the panelists and share your experiences as we discuss the big decisions.

Big Decisions



Big Decisions

Hire/Fire School Leader

Add High School

Executive Director?

Become a CMO

Hire/Fire Management
Organization

Replicate in New Market

Recruit/Roll off Board
Members

Add Facility Debt

But first – Are these *board* decisions or *management* decisions?

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But first – Are these *board* decisions or *management* decisions?

B = Board

B/C = Board/CEO

B/M = Board/Management

B

Hire/Fire School Leader

Add High School

**B/
M**

B

Executive Director?

Become a CMO

**B/
M**

**B/
C**

Hire/Fire Management
Organization

Replicate in New Market

**B/
C**

**B/
C**

Recruit/Roll off Board
Members

Add Facility Debt

B

Big Decisions

Board Decisions

- *Hold leadership accountable for meeting goals promised to authorizer*
- *Strategic – expansion, debt, management organization, any other material change to charter*
- *Approve policies*

Big Decisions



Hire a School Leader

- Importance: Board can't make a good school, but it can support a good leader
- Hard to predict success
- After the honeymoon, relationship will evolve -- rapture to reality
- Always be recruiting!
- Like seeing a demo lesson before hiring a teacher, visit their school, see them in action
- Retention challenge: like in sports, many leaders are free agents who are in great demand after one good year
- Retention tip: Speak with one voice to the leader
- Offer letters not contracts
- Compensation – check www.guidestar.org

Big Decisions



Fire a School Leader

- Goals/performance measures should be known up front
- Fire a bad teacher immediately, but school leader?
- Danger zone: teacher votes of no confidence; anonymous letters to board
- Who delivers news; do they talk to teachers?
- Separation and release agreement
 - Pay over time not lump sum
 - Confidentiality
 - Non-disparagement
 - Non-solicit

Big Decisions



Executive Director?

- When does a school need an Executive Director in addition to a principal? Ideas:
 - When there are three or more sites
 - When there is a substantial fundraising program
 - When there is a special academic program that is funded
 - When there is a management organization
- Executive Director vs. Chief Executive Officer
- Goals and performance expectations important
- Evaluation rubric:
 - Academic performance
 - Financial performance
 - Stakeholder satisfaction
 - Fidelity to design or accountability framework
 - External relations
 - Growth (if applicable)

Big Decisions

Hire/Fire Management
Organization (EMO/
CMO)

- Investment, scale, systems, facilities, people
- Key issues:
 - Principal control
 - Budget control
 - Real estate control
- Importance of building reserves
- Is the school “paying more: for an 18% management fee than a 9% management fee?”
- And what are real estate development fees
- Importance of goals, performance measure, communication – evaluation instrument
- Disengagement checklist

Big Decisions

Recruit/roll off board members

- Board skillset:
 - Non-profit board experience
 - Finance
 - Development/Fundraising
 - Legal
 - Technology
 - Community
 - Education/charter?
 - Parents?
- The blessing and curse of monthly meetings
- Attendance
- Conflict of interest (family members, real estate)
- Staggered terms
- Role of Nominating Committee
- Average turnover 15%/yr = 75% by renewal
- Invest in board training

Big Decisions

Add High School?

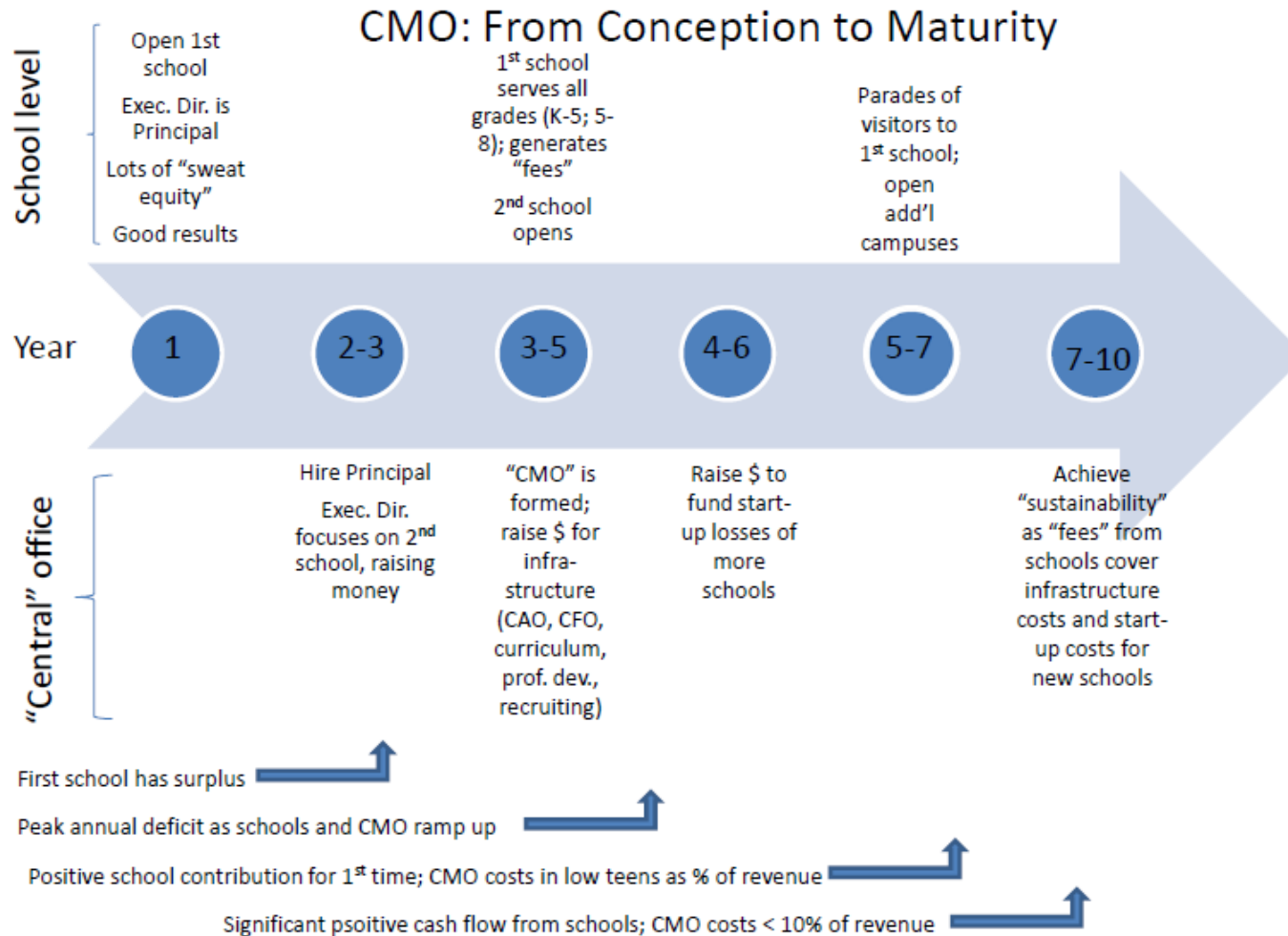
- Scale of high school important: 300-600 ideal
- Hire high school experience (true at all levels)
- Facility expense can be higher
- Importance of sports

Big Decisions

Become a CMO?

- Growth attracts talent and invigorates organization
- Authorizer relations and support
- Cost of start-up (CMO sustainability)

Big Decisions



Big Decisions

Replicate Beyond Home Market

- Importance of pull vs. push (e.g., EMO)
- Organizational maturity – academic systems, finance and HR systems
- Separation anxiety or uncertain roles between “founding” school board and CMO board/leadership?
- Stress between perfecting the model at home and pursuing attractive growth opportunities – including opportunity to be a player on national ed reform landscape?
- Articulation of school design or turnaround model

Big Decisions



Take on Debt

- Working capital increasingly available
- Bad facility deals major cause of school failure
- Need expertise, sometimes significant board member involvement
- We are in the best charter school real estate financing market ever! But...
 - What is a reasonable percentage of revenue to spend on a facility lease or loan?
 - Are financing fees reasonable?
 - Managing risk – when yes means no, and when no means yes
 - *Tip: Be very wary of private developers*
- NMTC warnings
- Ask for help!

Relevant Resources on Charter School Tools

www.charterschooltools.org

Just type into Search box....

- Creating an Effective Governing Board Guidebook
- Does the Charter School Board Need to Vote on EVERYTHING?
- Principal Offer Letter
- Charter School CEO/Executive Director Evaluation Rubric
- EMO/CMO/Contractor Evaluation Instrument
- EMO Disengagement Checklist
- Finding Facility Financing
- Financing: Speed Date Your Lender

Thank You!

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Presentation will be uploaded to

www.charterschooltools.org