

Straight A Fund Governing Board Meeting

MEETING MINUTES

September 11, 2013

Vernon Riffe Center, 31st Floor

Members of the Straight A Fund Governing Board

Dr. Richard Ross
Rep. Gerald Stebelton
Alex Fischer

Kristina Phillips-Schwartz
Supt. John Scheu
Colleen Grady

Ohio Department of Education Staff in Attendance

Dr. Susan Zelman
Brittney Cousins

P.R. Casey
Immy Singh

The first meeting of the Straight A Fund Governing Board was convened on September 11, 2013.

Executive Director of the Straight A Fund, Dr. Susan Tave Zelman, introduced the ODE and Straight A Fund Staff that were present and asked each Straight A Fund Governing Board member to introduce themselves.

Governor John Kasich made an appearance mid way through the introductions. Governor Kasich gave remarks regarding the importance of initiatives such as the 3rd Grade Reading Guarantee, the A-F Report card and the Straight A Fund. Governor Kasich encouraged all school districts to bring forth their own reform ideas to give the boys and girls of Ohio a greater opportunity for a better future and to make a difference in their school district. He expressed that the fund is looking for proposals that bring institutional and fundamental changes and that the fund is designed to help districts engage in these changes.

Legal Presentation to Governing Board

ODE Chief Legal Counsel, P.R. Casey, made a presentation to the Board regarding the Ohio Ethics laws and the Ohio Ethics Commission's policies on conflict of interest, confidentiality, Sunshine laws, and Open Meeting laws. Robert's Rules of Order were also reviewed and will be used as the guide to conduct all Board meetings. Mr. Casey proceeded to present the Board bylaws.

Assistant Legal Counsel, Immy Singh, presented the roles and responsibilities of the Ohio Department of Education (ODE), Governing Board, Grant Advisors, and Advisory Committee (the four bodies outlined in section 263.325 of Am. Sub. H.B. 59 of the 130th General Assembly).

Mr. Casey returned to review the bylaws so that the Board could vote to adopt them. He explained that the bylaws establish a Chairperson and Vice-Chairperson and that Mr. Casey will conduct the meeting until the elections occur. Board member Colleen Grady indicated that there were changes to the bylaws submitted to the Board on September 10, 2013 and that she wanted Mr. Casey to highlight those changes as he presented the bylaws. Mr. Casey indicated that Section D- Conflict of Interest was removed due to redundancy, as the Ohio Ethics laws address conflict of interest.

Mr. Casey proceeded to explain how a quorum is reached. He explained that a quorum would be reached by having the majority of the 9 member appointed Board present (5 members). Board member Alex Fischer asked if this definition quorum was outlined in the state law or if it was a definition that could be voted on by the board. Mr. Fischer further explained that all of the Governing Board members have not been appointed and due to the tight timeline of the program, it may be more practical to establish the majority (4 members) out of the current number of appointed members (6 members).

In response to Mr. Fischer's statement, Mr. Casey explained that the current definition of quorum and the processes of the Straight A Governing Board are modeled after the State Board of Education. Ms. Grady vocalized that taking Board action with less than 5 board members may be problematic. Mr. Fischer agreed and no changes are made to the bylaws.

Mr. Casey asked if there is a motion to adopt the bylaws. Board member Supt. Scheu made a motion and Ms. Grady seconded the motion. No debate. Motion to adopt board bylaws passed unanimously.

Selection of Chairperson and Vice-Chairperson

Mr. Casey opened the floor for nominations and asked if there were any nominations for Chairperson. Board member and Superintendent of Public Instruction, Dr. Richard Ross, nominated Mr. Fischer for Chairperson of the Straight A Fund Governing Board. No other nominations were provided. Ms. Grady moved to close the nominations for Chairperson and Supt. Scheu seconded. Votes were taken. Mr. Fischer abstained. Mr. Alex Fischer is voted Chairperson of the Straight A Fund unanimously.

Supt. Schue nominated Ms. Grady as the Vice-Chairperson of the Straight A Fund Governing Board. Chairperson Fischer motioned to nominate Ms. Grady as Vice-Chairperson. Board member Ms. Phillips-Schwartz seconded. Votes were taken, Ms. Grady abstained. Ms. Colleen Grady is voted Vice-Chairperson of the Straight A Fund unanimously.

Straight A Fund Program Overview

Dr. Zelman gave a brief overview of the Straight A Fund. In her presentation she explained that Straight A Fund provides seed money for the most creative and forward-thinking ideas. The fund will allow educators to pursue one or more of the three goals:

- Significant advancement in raising student achievement.
- Significant advancement in reducing spending in the five-year fiscal forecast.
- Significant advancement in utilization of a greater share of resources in the classroom.

Dr. Zelman proceeded to explain that House Bill 59 provided a total of \$250 million in appropriations for the Straight A Fund.

- \$100 million in fiscal year 14.
- \$150 million in fiscal year 15.

The design for the administration of the fund was informed by best practices in the field and lessons learned when awarding grants.

Application Process

Dr. Zelman explained the four project components including basic application information, project description, sustainability, implementation, and substantial value and lasting impact. First, each project will have to provide a project description where the applicant has to describe the project and how it meets at least one of the three goals. Second, the project must show sustainability and how the project will continue after the funding is gone. Third, applicants will have to outline their implementation process including a timeline and communication strategies with stakeholders. Last, applicants must show how their project will have a substantial value and lasting impact. Further, applicants must show how the project may be replicated and how the project can be benchmarked.

Supporting Application Documents

Dr. Zelman further explained that in addition to application components, applicants may also need to submit additional supporting documents. Supporting documents include the “Description of Nature of Partnership, the “Description of Consortium Relationship” and a Financial Impact Table.

Vice-Chairperson Grady raised a question in regards to the Financial Impact Table. She wanted clarification on the fact that entities such as ESCs are indeed eligible to be awarded a grant (which is specified in the legislation), and that since they do not have a five-year fiscal forecast, they won't be required to submit one. Dr. Zelman responded that the program suggests that such entities partner with school districts that have five-year fiscal forecasts and can show fiscal sustainability. Vice-Chairperson Grady replied that the notion is a problem since the statute lists that entities such as ESCs can apply. Mr. Casey vocalized that entities such as ESCs are not set up to demonstrate how they plan to address any of the program goals, such as student achievement, a reduction in the five-year fiscal forecast, and quantifiable results that can be benchmarked, but that ESCs are encouraged to apply despite these difficulties. Chairperson Fischer stated that he felt that the role of the Board is not to debate legislative intent but to suggest the best strategies on administration of the Straight A Fund.

Scoring Process

Dr. Zelman proceeded to explain the scoring process. During her presentation she detailed the call for scorers and requirements for fiscal and programmatic scorers. She also explained the two step scoring process which includes a sustainability review and a programmatic review.

Vice-Chairperson Grady vocalized that she felt that the fiscal sustainability components of the application and scoring processes were “gate keepers” and stopped entities from moving forward in the process that may have highly innovative ideas. She further stated that sustainability should be a part of the process but should be the second stage after the programmatic review. In addition, she felt the weights listed in the scoring rubric skewed the scoring towards fiscal sustainability. Dr. Zelman

responded by expressing that the Straight A Fund is different because we are asking that once the program is over that the project won't go away when the money goes away. She continued by stating that history has taught us that in order to make a more valuable and credible program it is important to do budgeting up front and examine what works and doesn't work to get funding from the state. She also stated that the Department has aligned application questions to those practices and the statute. Supt. Scheu reiterated that the fiscal sustainability component of the projects sets the fund apart from other innovation funds. A discussion on sustainability ensued that centered on the definition of sustainability and whether or not you can only demonstrate sustainability through financial benchmarks

Chairman Fischer suggested that we make a change to provide for entities that don't fit the current parameters an opportunity show how their project will be self-sustaining. He further suggested that a "not applicable" option be added to the scoring rubric and if an applicant checks "not applicable" then they would be prompted then to show more evidence of sustainability. Vice-Chairperson Grady motioned that the Board direct ODE to conform to the statute and show where questions can be "not applicable". She later withdrew her motion and asked staff to work during the meeting to see how the application could be changed to provide a not applicable option.

Ms. Singh, Mr. Casey and Straight A Fund staff members exited to discuss Vice-Chairperson Grady's request. Ms. Singh presented the changes to application questions 13, 15 and 17 and the addition of "N/A" to the scoring rubric for option #1, 2 and 3 on page 12 of 23 in the scoring document. Board members worked on the wording of the questions. Rep. Stebelton made a motion to incorporate changes in both sections of the application. Vice-Chairperson Grady seconded. The amendments passed unanimously.

Vice-Chairperson Grady motioned that the application with amendments and application process be approved. Rep. Stebelton seconded. The application with amendments passed unanimously.

Supt. Schue motioned to approve the scoring rubric and process. Rep. Stebelton seconded. Scoring rubric and process passed unanimously.

Grant Advisors

Dr. Zelman gives a brief presentation on the role of the Grant Advisors. The statute states that "These advisors shall evaluate proposals from grant applicants and advise the staff administering the program." Grant advisors were solicited from state education entities and primarily consisted of retired treasurers and retired superintendents due to their expertise. Advisors receive no compensation.

Chairperson Fischer stated that he would like to see more non- academic grant advisors on the list provided to the Board members to increase the diversity of expertise. Chairperson Fischer suggested the Board and ODE solicit these individuals from various foundations and chambers of commerce who are knowledgeable about education policy, but have a business background. A meeting will be held in 7-10 days to vote on the additional Grant Advisors

Chairperson Fischer asked if there was a motion to remove any person from the list. Vice-Chairperson Grady motioned to approve all as a group. Ms. Phillips-Schwartz seconded. Mr. Fischer read the names of the Grant Advisors including:

Margaret (Peg) Betts
Albert Skulich
Ronald A. Strussion
Mary Jo Scalzo
Roger Nehls
Karel Oxley
Michael Ruhe
Denise Callihan

Susan Rinehart
Robert Moffat
Christine Blue
Susan Hatcher
D. Steven Allen
Regis Woods
Benjamin McGee
Denise Schneider

Grant Advisors were all approved unanimously.

Chairperson Fischer motioned to approve the non-disclosure agreement for Grant Advisors. Vice-Chairperson Grady inquired about what information would be disclosed that is not public. Mr. Casey described the non-disclosure agreement and stated application scores and other important information that needs Board approval cannot be disclosed before the Board meets. Vice-Chairperson Grady motioned to approve the non-disclosure form and Dr. Ross seconded. Non-disclosure form was approved unanimously.

Chairperson Fischer motioned for adjournment. Supt. Schue seconded.

Meeting is adjourned.