



*Mill Falls Charter School creates life-long learners by providing an intellectually rich and challenging experience delivered through the Montessori tradition. In a safe and peaceful setting, dedicated educators foster students' individuality, creativity and critical-thinking skills to fully prepare them for future scholastic, civic and personal success.*

— Mill Falls Founding Mission Statement

Good morning and thank you for inviting me to speak with you about Mill Falls and share with you some of our experience in operating our NH public Charter school.

We have a great friend of Mill Falls and all public school children in your colleague, Rep. Mary Heath, who has been a mentor to me in many ways since this project first began.

My name is Meryl Levin. I am an original Founder of Mill Falls, I served as the Founding Board Chair from March 2011 when we received approval from the Board of Education, until this past February, when I stepped down to take the role as Acting School Administrator which was interim by design. During that time, we did a careful assessment of our administrative model, and arrived at one that balances our educational programming with our operational needs. We have just hired our Executive Director, Jen Bisson, who has experience as a non profit leader and is also a trained social worker. I have now returned to the School Board.

We are NH's first public Montessori school. We opened our doors in the fall of 2012 with 93 students in grades k-3; this year have 144 students, and offer grades k-5.

### **A: MFCS' Budget Process**

At Mill Falls (MFCS), preparation for our budget is a thorough and thoughtful process. Our budget work is slated to begin in January with a goal of approving the budget at the April Board meeting.

In preparation for this current year's budget – the budget for our 3<sup>rd</sup> operational year – we looked at our program needs, and at spending trends – we reviewed everything from paper towel usage to iPad purchase (to prepare for the Smarter Balanced Testing next spring). This will echo our approach in future years where initial analysis is conducted first by the school leader (me last year, Jen this coming year) in collaboration with our educational leader and in consultation with our office manager to insure organization-wide review. The Executive Director then develops a first draft of the budget, which she then shares with the Finance Committee. The Finance Committee is made up of our Treasurer, our Board Chair, and at least one other Trustee – currently that Trustee is a CPA, with extensive audit experience. The Executive Director also sits on that committee. Like our School Board meetings, Finance and other Board committee meetings follow open meeting policy.

Once the Finance Committee is satisfied with the draft budget and all related reasonings/corrections/amendments for any program growth or cuts, the draft budget is shared with the full Board well in advance of our Board meeting. This gives the Board time to review and consider the draft. At the first spring Board meeting that addresses the budget, the full Board *discusses* the draft budget brought forth by the Finance Committee. The Finance Committee then takes into consideration Trustees' questions and/or suggestions. It is not until the following Board meeting that the budget is voted on by the full Board.

Once approved, our budget and related notes/information are posted on our website, along side many other Board related documents. It is also available for inspection at any time at school.

Once our fiscal year is closed out, any roll over funds are added into the budget, and that too is reviewed by the Board, generally in September (this year October). That revised budget will then be uploaded to the website and is also available for inspection at school.

### **B: Role of the Board of Trustees in MFCS' Fiscal Management**

The Board of Trustees Finance Committee and Treasurer play a key role in leading the oversight of the school's fiscal management. As a Board, we have adopted many financial policies in our first years of operation, and continue to refine our procedures leading us to best financial practices. Those policies include, our Fiscal Management Policies for Operation, Audit, Capitalization, Fiscal Fraud, Whistle Blower, Expense Reimbursement, among others.

Our Treasurer signs the payroll reports and the bank reconciliations prepared by our Business Manager. The Treasurer reviews our bank activity on line weekly, and either he or the Board Chair is called upon by the Executive Director to approve expenditures over \$500. That approval is obtained in written form and filed with the receipts. The Treasurer is in regular contact with the Executive Director (and as needed with the Business Manager), regarding any issues that arise outside of the regular Finance Committee meeting schedule.

On behalf of the Finance Committee, the Treasurer delivers a report regarding finance-related issues and reviews our budget to actual at our monthly Board meetings.

### **C: Private Sector Funds & the MFCS School Budget**

As you know, charter schools receive \$5498 per elementary school child and less for kinder students. No other public schools are expected to educate their public school students at that level of state funding. Charter schools are expected to make up any gap between state aid and program costs. I am reminded of the day we got our approval from the Board of Education. The then Chair of the Board, John Lyons, hit the gavel on the table, congratulated us – the founders - and then told us to go out and raise a million dollars. In that first year, before we opened our doors, we started our fundraising journey, in preparation for the complex financial picture that we were told to expect. In this year's budget, some of those initial dollars raised by the Founders, will help offset our deficit and will appear as a line item.

The Founders of Mill Falls Charter School developed a project model that included a separate organization – the Mill Falls Charter School Foundation – that sits beside the school. That Foundation which was organized in October of 2012 is a 501c3 and is populated by community leaders and parents. The members of that Board take seriously their role in helping to secure Mill Falls’ long-term sustainability, the Foundation’s singular purpose for being.

The Foundation has worked over the last 2 years to attract partnerships in support of our school’s mission. Sometimes that has been by securing individual donations, sometimes that has been support from local business leaders (at times in multi year giving pledges), and sometimes that has been through the acquisition of grants. This year, with our Executive Director’s leadership, there will also be a significant effort made to further engage school families in fundraising. Those efforts may be at a smaller level, but each dollar raised is both hard fought and significant, and we value everyone’s efforts and contributions to the well being of our school. All fundraising work is done in partnership with the school, insuring that fundraised dollars address the school’s needs and fill in the budget gaps.

The school has not yet needed to request funds from the Foundation, but now that our Federal start up grant period has come to an end, we expect that this will be the first year that the Foundation will regularly provide the dollars it fundraises to the school.

#### **D: Outside Funding Levels**

To date, we have raised over \$227,000 since our approval in March 2011. This includes donations from well over 250 individuals and businesses as well as grants. Some donations have been at the \$10 level, others have been able to give at far higher levels.

We have been very targeted in our grant writing, and our asks have been driven by our programming needs. In our first year, by mid-fall it was determined through assessment that many in our first cohort of 93 students had a major reading deficit - 40% of the 1<sup>st</sup>-3<sup>rd</sup> graders arrived at our school reading below grade level. Our Educational Leader made known her urgent need for additional and unforeseen tools for our teaching staff. The Foundation applied for and received \$10,000 grant from a local trust in support of our Literacy Program. By January, the funds had been received and the new tools were in use by our teaching staff. By the end of year one, with hard work by our teachers and their students, 27% of our students were reading below grade level. Obviously – still very high, but an amazing turn around for the first year of a school!

Last year we requested support from another Manchester-based Foundation, the Bean Foundation, in support of further growing our Literacy Program, which included teacher training. We received the full request of \$16,500 and an additional \$8500 in unrestricted funds from them. They explained this additional giving by saying that they believe in our work and appreciate the financial challenge of running a NH charter school.

We have also received smaller grants for our literacy program from the Manchester Rotary, Merchants Motors. Just about 10 days ago, another small trust partnered with us to the tune of almost \$3000 in support of our Music Program. That comes to about \$40,000 in grants in our first 2 years. Assessing program needs and targeting interested individuals and organizations will always be a key component of our fundraising work.

As you know, as a public school, we can't require our parents/guardians to contribute, but we do aim to establish a culture of giving. This makes it possible for us to go out into the world and ask for significant support from others while being able to say that all of us in the Mill Falls community shoulder the weight of the school's deficit, and take seriously the school's well being.

### **E: Annual Audit**

We work with an auditor annually, as the DOE requires of all NH public charter schools. Like all NH charter schools, we pay for that audit and budget annually for its cost. All audit results are filed with the DOE, as per their direction. Our audit is also posted on our website. The FY14 audit is currently being finalized.

### **F: Meeting State Standards & Requirements**

From the earliest stages of our project, the Mill Falls team has worked to meet the state standards and requirements put forth by the DOE. Some examples of this include the following:

- Our public school students in 3<sup>rd</sup> grade and above participate in public school testing.
- All but 2 of our Montessori Lead Teachers are certified. Of interest - most were public school teachers before they moved into the Montessori pedagogy. Many of our assistant teachers and other staff have certification as well.
- Each year we provide an updated version of our Family Handbook, which is available on line (or on paper for those families without access to computers). That document houses our school and student related policies and is posted on our website.

In our peaceful and respectful Montessori school, safety for our students and staff is of utmost importance. If staff and students don't feel safe, they can't teach, they can't learn. We not only have policies related to this, but we work with the staff, students and parents to ensure their understanding and practice of the proper and related behavior and procedures from bullying to technology, attendance to volunteer requirements. Some policies are school-based, while others require Board review and approval. Schools are a living breathing organism and as such we are always fine-tuning this and other areas to ensure our best practices and update these items as the laws change and evolve.

We utilize the i4see and other data collection areas of the DOE's website to report on student, teacher and school data and utilize DOE forms, email and snail mail as needed for other required reporting. We are in close contact with the folks at the DOE regarding reporting requirements and support as needed. We have a great relationship with both the charter office and the data teams, and appreciate their work with us as a still young school.

## **G: DOE & MFCS Budget Preparation**

Like all charter schools we are responsible to develop our own budget, which is then approved by the Board as described above. We consult with the DOE as needed.

## **H: MFCS Admission Policy/Procedure**

Early each January, we begin our lottery enrollment process, which lasts through mid-March. Our Lottery application is available on line and paper. The application asks basic contact and family information, each student's age, grade, and previous education. There is no other requirement to enter the Mill Falls Lottery, though we do strongly encourage families to attend one of the four information sessions we hold during the Lottery enrollment period.

To publicize the lottery enrollment period, we hang fliers in towns across southern NH and run information in community newspapers about these sessions and our Lottery, and engage our parent community in sharing the word. In addition to these events, we partner with over 15 service organizations in and around Manchester to help us spread the news of the upcoming Lottery. Those partner organizations work with and provide services for families who might not otherwise know about our school.

A core value at Mill Falls is to build and sustain a diverse student body – one that echoes the faces you'd see in any public school in southern NH. When you visit us, you will see we have done just that. We have 8 languages besides English spoken in the homes of some of our families. While about 65% of our students reside in Manchester, our student body comprises students from a total of 12 sending districts from Concord to Derry; Deerfield to Nashua. We are in the process of verifying families who qualify for Free And Reduced and we expect to see the need level at about 20-30%.

We have had tremendous turn out each time we have called for applications and have always had a public lottery to build our student body and related wait list. In our first year we had 269 applicants for the 93 spots we were allotted. Last year we had 188 applicants for 15 open spots – most of our students have stayed with us year to year, so at this point it is the Kinder classroom that is the gateway into our program for most families.

On lottery day – generally mid-march, we have a non-school affiliated official – last year it was Judy Reardon, Chief Council to Sen. Shaheen - pull our lottery numbers. Each and every number is pulled on Lottery Day. As the numbers are pulled, if there is an available spot in that child's grade, they are assigned a spot. If not, then they are put on the wait list according to grade and in the order in which they were pulled on Lottery Day. Our waitlists rollover from year to year. As you might imagine, at this point our waitlist for many of our grades is significant.

Our lottery policy/procedure has not changed, though there have been small tweaks and language clarification in our policy based on our experience since our first Lottery in 2012.

**You've asked, "What is the 'push out' rate?"** We don't have a "push out" rate. We currently have children from diverse cultural, economic and experiential backgrounds. We have a wonderful breath of cultural diversity because we have sought to build it. We have students with severe learning issues; we have children with significant health issues; we have children on the autism spectrum; we have children who arrived barely speaking or reading English; and we have children who are working well above their grade level. These are just some aspects of the beautiful diversity we have at Mill Falls.

Last year we created 2 new positions – ELL Coordinator and a Reading Interventionist – both of whom support those students in need of extra skill building.

This year we prioritized in our budget the creation of a new position – Student Services Coordinator to support our special education students and our teachers in all areas from RTI (Response to Intervention employed to help children who are struggling academically or behaviorally) to 504 plans to IEPs (Individualized Education Plans). While the state average for special education students in traditional public schools is said to be close to 13%, we are at 15% and expect to be close to 20% in the near future.

We embrace our children and all that they bring along and we have adopted our program and staff to meet the broad needs of our students. A 'push out' policy has never been and would never be discussed or considered at Mill Falls.

### **I: Maximum Capacity**

In this first charter period, we mapped out our elementary program: K-6<sup>th</sup> grade. Next year we will reach that and expect to serve not more than 171 students in grades K-6 as the capacity for the program and space at this time. As requested last spring by the DOE's Office of Business Management we have certified that number (our Board Chair signed and returned the form they sent out) and appreciated that process as an organized and recorded means of sharing our planned program growth with the DOE for the next biennium budget development.

### **J: Communicating & Connecting with Traditional Area Public Schools**

This year our students come from 12 different districts. We are in close contact with these towns when there are students receiving special education services, as that work requires a team effort between Mill Falls, the sending district and of course the parents/guardians.

We have a special relationship with the Manchester School District. About 65% of our students come from Manchester, and from the start we have had a great relationship with the District Leadership, especially with now deceased Tom Brennan, and Karen Burkush, and with Mayor Gatsas. They and the current Superintendent Livingston have visited our school and are quite supportive of our work and program. Many of our students are bused to school using District buses, and of course we have Manchester students who receive special education services.

Mill Falls reviews the annual calendar created by the Manchester School District to align our extended school vacations with the District's schedule given the busing agreement we

have. Related, weather or emergency closings of the District result in our closing as well to accommodate our students who travel by Manchester District bus.

## **K: Connecting with Community**

Soon after opening we began providing Montessori Morning Tours. In the first two years, more than 300 community members – educational, community, business and political leaders have attended our tours which are offered at least monthly.

We have a number of community partners, some of which include:

- UNH's STEM Lab – Last year our 4<sup>th</sup> graders partook in the rollout of UNH's STEM lab project for elementary students.
- Food Bank – Located right around the corner, the Food Bank was our first service learning partner. In the spring of our first year, we did an all-school service at the Food Bank packing up over 5000 servings of mac n' cheese for food insecure families across southern NH. This relationship continues and just last week some of our 4<sup>th</sup> and 5<sup>th</sup> graders did a project there. This tradition of educationally related service is an important element in the Montessori curriculum.
- SNHU – Our first and largest fundraising event - our 1<sup>st</sup> Annual Leadership Breakfast - was hosted by SNHU as part of their service learning program in the school of hospitality. Last year, a class of SNHU business students did a viability study related to our establishing an after care program.
- Last spring we hosted a 6 Traits Writing Workshop for our Teacher's Professional Development as part of one of the grants we received. We opened that up to community educators – I believe 6 teachers joined us for the Professional Development Day.

I have been asked to present to numerous community and state audiences about our school including:

The 2014 Amoskeag TedX Conference, the 2013 Economic Development Summit of the Manchester Chamber, the UNH Panel on Families/Education and annually since 2011 at Leadership NH's Education Day. This year Mill Falls will be hosting the 2014 Leadership NH Education Day. We have had several stories written about Mill Falls since our approval.

Our landlord, the Union Leader Corporation, has been generous with their facility personnel and resources and we consider them a community partner. Even the Pizza guy around the corner is working with us on a new parent/student-run Pizza Fundraiser that will kick off this month. We have been firmly embraced by our community!

## **L: Stage of Development**

This is the start of our 3<sup>rd</sup> operational year. Our start up grant ended in July.

## **M: MFCS Sustainability Goals**

As a guide, in the summer of 2013, the Treasurer and I as then Board Chair revisited our initial, pre-opening budget projections and revised them using our first operational year as a guide to expected costs for the remaining years of our first charter period (charter period is 5 years). This projection continues to be our guide as we build our budgets annually,

and is the guide to our fundraising efforts as well. The projections are based on only modest program growth, and include firm numbers on those costs we can know (our lease costs and salary ranges, for example). But that said, there are other areas that may not be included in that projection. I would expect after this operational year that we would seek to again revisit this projection, looking forward to the next 5 years.

In effect, this need to raise funds will always exist unless and until there is an increase in state funding. We are currently on track with our sustainability goals. This year's deficit is covered, so the dollars we are raising and the relationships we are building now, are with an eye on our future, immediate and long term.

The MFCS Foundation aims to raise enough funds in this first charter period to meet the needs annually (currently a projected gap of about \$140-150,000 per year) AND to leave some funds for the start of the next charter period. This will be accomplished by ensuring excellent educational programming and continuing to grow our presence and stature in the community. It is our hope that at some point in the near future, there will be an increase in funding for innovative public schools like ours, but until that time, we will do what it takes to sustain our high quality program.

**Have our goals changed?** The goals of the founders, and the founding board have always been to support our high quality, public Montessori program. We understood from the start that to accomplish this would require fundraising. As the first urban charter school approved, there was not an obvious example in the state to look to for guidance in terms of expected costs and issues related to an urban NH charter school. So while the basic goals have not changed, our understanding of the fundraising required to fill the gap between state support and even our close to the bone budgeting, has evolved.

## **N: Fiscal Challenges**

In so many ways, we face fiscal challenges every day. When new programming needs present themselves, when a child has a new 504 requirement added to their support, when we need additional support for our growing technology program, when the photocopier breaks down, again.

Our budget is tight and so when unplanned needs arise, we are fiscally challenged. I appreciate the opportunity to share with Committee the ever-present quality of fiscal challenges given the funding level at this point, which is far less than 50% of what NH traditional public schools receive.

Interestingly, it is not only charter schools that are working effectively and enthusiastically with business leaders to meet their students' growing needs, at a time when public dollars are lacking. Some of you may have been at the roll out event of the New Hampshire Center for Public Policy Studies' report on Manchester District Schools. That event featured the District's efforts to seek out and build public-private relationships to provide innovative and effective programming for the Manchester's students.

I hope that what you take away from this process is a sense that our public charter schools are all doing amazing work, and are building innovative programming AND using innovation to problem solve. But I hope too that you will see how strongly the financial struggle tugs at our ability to focus on the kids, as we are so busy seeking ways to meet the bills.

Again, no other type of public school is expected to educate their public school students for \$5498 per student, per year. Even when we talk about the state average, these numbers are 'fuzzy.' For example, Mill Falls is located in a commercial building. Because we are in an urban setting, the cost is higher than similar settings in other parts of the state. (Of note, often district schools do not pay rent to their town rent). Our rent is about 15% of our annual budget.

But you have asked for specific challenges we anticipate, herewith a small sampling:

- Teacher Retention & Competitive Pay– our teachers are what make Mill Falls soar; they make it special and successful. They work their hearts out every day and leave nothing on the table! We must continue to give them what we can to keep them with us and attract new talent as we grow.
- Technology – reaching and maintaining technology at levels appropriate to 21st Century learning needs matched to our Montessori approach. Those needs continue to evolve, as will demands for more machines for our growing student body and for the delivery of standardized testing.
- Meeting the continuing needs of our students both those who need support for deficits AND those who need additional academic challenges.
- Facility upkeep (carpets, paint, etc.)
- New safety measures – which continue to evolve in this post-Newton tragedy world we now live in.
- Teacher and Staff Prof Development opportunities – this is key to keeping our staff engaged and creative and in helping them to grow professionally.

That concludes my testimony. I want again thank you for your time and public service, and to close by again extending an invitation for you to come visit us. Our next Montessori Morning Tour is October 24<sup>th</sup>. We will follow up with an invitation, and I do hope we will see you there.

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