

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
July 24, 2018

Directors Present: Daniel Adams, Larry Davis, Larry Garatoni, Michael Garatoni, Marian Hodges, Lori Smith
Absent: Steven Van Bruaene, Thomas Coley, Dave Risner
Staff Attending: Alex Hammel, Kim Richardson, Rob Kohler, Dean Fecher, Greg Dettinger
Also Attending: Charles Loeser, Lindsay Omlur, Emily Gaskill

Larry Garatoni called the meeting to order at 5:40 pm at the Career Academy, 3801 Crescent Circle, South Bend.

A. Minutes of Prior Meeting. The minutes of the prior (May 22) meeting were approved.

B. Financial Statements. Kim Richardson presented financial statements for May and June, focusing on the 2017-18 fiscal year ending June 30. The consolidated year-end statement in the state-approved format, which is essentially a cash flow statement, shows positive cash flow of roughly \$458,000 after allowance of roughly \$492,000 for capital expenditures and \$413,000 for loan principal payments.¹ The positive cash flow was considerably more than the roughly \$40,000 that had been budgeted. Contributing factors included receipt of a number of grants which had not been budgeted: Lilly grant of roughly \$54,000,² High Ability Grant of \$47,971, Teacher Appreciation Grant of roughly \$38,000 (more than twice what had been budgeted), Title 2 Professional Development grant of \$54,000, Vocational Education grant of roughly \$66,000 more than had been budgeted; and Title I funding of \$36,406 more than budgeted. The largest single factor was net profit of \$126,750 for the school lunch program, which had been budgeted at break-even. Overall the 2017-18 financial statement reflects a welcome break from prior years of net operating losses (subsidized by the Garatoni foundation) and suggests an improving fiscal condition for the schools going forward. Upon a motion duly seconded, the May-June and fiscal year 7/1/2017-6/30/2018 financial statements were unanimously approved.

C. Budget For 2018-19. Kim presented the proposed 2018-19 budget and a list of adjustments from the prior version presented to the Finance Committee on May 4. The budget projects positive cash flow for 2018-19 of \$108,327 after allowance for \$399,645 in loan principal payments (none to Larry or his foundation) and allowance for capital expenditures of roughly \$328,000. Dan Adams asked what are the budgeted capital expenditures. Kim said \$200,000 is for parking lot renovation (adding a lane at Career to improve the traffic flow of drop-off and pickup). There's also allowance (detailed in the Excel version of the budget available upon request) for lap-tops for new teachers, new TV's, and classroom construction (splitting a large classroom into two). The budget was based on projected enrollment of a total of 1,315 students: 650 at the primary school (formerly K-4, now K-5), 345 at the middle school (6-8) and 320 at the high school. Since state tuition per student per year differs from school to school depending on student demographics, the total tuition revenue depends both on the total number of students enrolled and the distribution of students

¹ There were no principal payments of loans from Larry Garatoni or his foundation, but debt owed to the foundation was reduced by \$1.8M by forgiveness of debt, i.e., conversion of \$1.8M in debt to donation. Since the 1.8M donation is "income" for accrual accounting purposes, the Corporation's 2017-18 income per GAAP (generally accepted accounting purposes) was 1.48M (after deducting depreciation expense; the \$458,000 net cash flow does not include any cost or allowance for depreciation).

² Total grant of \$104,900, of which \$53,592 was for 2017-18.

between the three schools. School lunch revenue is projected as a net positive \$119,953. Upon motion made and duly seconded, the budget for 2018-18 was approved.

D. Proposed Board Meeting Dates. Alex's suggested meeting dates of August 28, September 25, October 23, December 4, January 22, February 26, March 26 and April 23 (May-June TBD) were approved.

E. School Operations.

1. Enrollment Update. Rob Kohler reported on the status of summer marketing and enrollment to-date. Some grades are already enrolled over capacity, others are close to capacity. As of today, there are 1,302 students enrolled with 15 applications in process, so we are on-course to meet or exceed the budget projection of 1,315.

Marion questioned why the advertising for Success Academy features girls in pink and boys in blue, isn't that stereotypical? Lindsay said the tech orientation/image of the schools tends to attract more boys than girls; the schools should work on attracting girls and encouraging them to get into tech.

2. Building Project Update. Alex said the new entrance to Career Academy to improve traffic flow³ and other projects should be finished before school starts on August 8.

3. Summer Professional Development.

A. Success Academy. Dean reported Success Academy teachers are enthused about the training they received in the PBIS (positive behavior intervention & supports) system for school culture and the Singapore Math system for improving academic performance. There will be new teacher orientation next Thursday and Friday, August 2-3. Teachers will also work the following Monday-Tuesday, August 6-7, before students begin school on Wednesday. On August 1 there will be a training for lead teachers to help them in that role.

B. Career Academy. Greg Dettinger said his first priority as principal of the high school and middle school will be to strengthen relationships and build a high-motivation culture. There will be increased emphasis on use of data to guide instruction and extra classes for those needing help, but the most visible focus will be character education and motivation. Teachers will be assigned "advisory" groups for whom they'll be advisors, not just subject matter teachers. The need for discipline should be reduced with the PBIS system but when teachers need to refer a student, the administrative team needs to provide quick support (an improvement software/communication system should help). Greg will lead teachers and students to "212" culture, which he's done at other schools. Greg is deeply impressed with what Career Academy has already achieved but believes it can be better yet.

F. Trine Annual Review. Lindsay presented Trine's accountability review for the three schools for 2017-18.

1. Success Academy Primary School. Overall the Success Academy did not meet the charter agreement accountability standards for 2017-18. In part that was due to factors affecting all three schools:

³ Shown in photo on Career Academy's Facebook page, <https://www.facebook.com/careeracademysb/photos/a.111588012255820.19641.109552069126081/1873536379394299/?type=3>

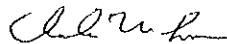
many of the reports required to be submitted to Trine were not sent, and the audits for 2015-16 and 2016-17 were not completed. In other respects, SAPS fell short of the achievements of the middle school and high school. SAPS students earned 84.5 growth points for English/Language Arts and 70.1 growth points for math as measured by ISTEP, resulting in a State Accountability grade of "C". The percentage of SAPS students who outgrew their peers as measured by ISTEP year to year scores was 39% for English/Language Arts and 28% for math, resulting in a rating of Does Not Meet Standard. The ISTEP pass rate for SAPS legacy students (those enrolled for two or more years) was well below the state average. Growth targets per the SAPS-selected benchmark test (Northwest Educational Association), based on Fall 2017 and Spring 2018 tests, were met by 57.4% of SAPS students for English/Language Arts (resulting in a rating of Does Not Meet Standard) and 62.8% for math (resulting in a rating of Approaching Standard). SAPS performed better than comparison schools (based on geographic proximity and similar demographics) in eight of 16 measures (Approaching Standard).

2. Career Academy Middle School. Overall CAMS was graded as Approaching Standard for 2017-18 under its charter agreement. CAMS students earned 97.4 growth points for English/Language Arts and 117.5 growth points for math as measured by ISTEP, resulting in a State Accountability grade of "A". The percentage of CAMS students who outgrew their peers as measured by ISTEP year to year scores was 47% for English/Language Arts (Does Not Meet Standard) and 63% for math (Approaching Standard). The ISTEP pass rate for CAMS legacy students (those enrolled for two or more years) was well below the state average. Growth targets per the CAMS-selected benchmark test (Pivot), based on Fall 2017 and Spring 2018 tests, were met by 66.7% of CAMS students for English/Language Arts (Approaching Standard) and 70.9% for math (Meets Standard). CAMS performed better than comparison schools in all measures (Meets Standard).

3. Career Academy High School. Overall CAHS was graded as Meets Standard for 2017-18 under its charter agreement. CAHS students earned 129.7 growth points for English/Language Arts and 140.9 growth points for math as measured by ISTEP⁴, resulting in a State Accountability grade of "A." The ISTEP pass rate for CAHS legacy students (those enrolled for two or more years) was 56.1% for English/Language Arts, which was 4.4% below the state average, and 43.9% for math, which was 7.1% above the state average (Meets Standard). Growth targets per the CAHS-selected benchmark test (Pivot), based on Fall 2017 and Spring 2018 tests, were met by 81.4% of CAHS students for reading (Exceeds Standard) and 79.3% for math (Meets Standard). CAHS performed better than comparison schools in both proficiency and growths (Meets Standard).

In summary, Lindsay said, the primary school needs to show improvement, the middle school has achieved excellent improvement, and the high school has achieved impressive excellence.

There being no further business, the meeting was adjourned at 7:40 pm.



Charles M. Loeser, Assistant Secretary

⁴ These growth rates placed CAHS among the top ten high schools in the state for growth (8th of 371 high schools). Source: IDOE data set received 10/16/2017 via link at <https://www.doe.in.gov/sites/default/files/accountability/af-2017-school-grade-placement.xlsx> (link no longer functional).