

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
April 27, 2021 via Zoom

Directors Present: Dan Adams, Kay Antonelli, David Balkin, Chad Hartzell, Marian Hodges, Larry Garatoni, Mark Melnick, Michael Garatoni
Staff Attending: Alex Hammel, Dean Fecher, Jeremy Lugbill, Nick Garstka, Kim Richardson, Sam ELLs, Emily Mares, Rob Kohler
Also Attending: Emily Gaskill, Charles Loeser, Sue Haynes

- I. Call to Order. Larry Garatoni called the meeting to order at 5:00 pm.
- B. Minutes. The minutes of the prior (February 23, 2021) meeting were approved.
- C. School Operations.

(1) High School Business Classes. Jeremy introduced Marie Foster-Bruns, who teaches business classes, and one of her students, Carl Nickels. Ms. Foster-Bruns, who has her MBA, is qualified through Ivy Tech so students can receive college credit from her classes. Carl, who is in ninth grade and is taking the first of the business pathway sequence of classes, participated in Trine's Innovation One challenge and Notre Dame's McCloskey challenge and was invited by Elevate Ventures to participate in the Elevate-Nexus competition. Carl said the business class taught him a lot about creativity, thinking outside the box and how to start a business from the ground up. Ms. Foster-Bruns described the second year classes and some of the student businesses such as Wolf Den, which sold Career Academy apparel, and Grab N Grub, which brought in a vending machine and tracked sales to concentrate on what maximized profit. The businesses classes have attracted more students every year. Mr. Balkin asked of the 160 students taking businesses classes, how many of them are earning dual credit with Ivy Tech? Ms. Foster-Bruns said about 20. Jeremy said that's only part of the dual credit arrangement with Ivy Tech: in 2018-19 Career students earned 392 dual credits with Ivy Tech, in 2019-20 that rose to 562 and this year rose to 1,091.

Dan Adams asked about internships, whether in summer or during the school year. Ms. Foster-Bruns replied that COVID was a major obstacle this year but the internship program is going to be expanded through Mr. Garatoni's work-based learning initiative, which is being organized to act as a hub between all area high schools and participating employers.

Emily Gaskill said that having seen Marie's classes and the Trine innovation challenge, she has been consistently impressed with how information is relayed to the students and how they are immediately able to apply it. She said the judges in northeastern Indiana where Carl presented for Trine could not believe that he was a freshman in high school. There's a reason why you are seeing such growth in this particular pathway, Emily said: it checks all the boxes of Career's mission and what we want to see in a classroom.

(2) Summer School: High School and Middle School. Jeremy explained this year's summer school for the high schools and middle school will be expanded. In the past it's been a half-day, this year it will be full day with breakfast, lunch, enrichment activities, and remediation activities. The high school will have a 6-week program, middle school a 7-week program, going through July. Academic work will be during mornings, when students are most focused. Afternoons for the middle school will be in partnership with the Boys and Girls Club, including community service events, STEM activities, PE, writing and art, and visiting businesses, manufacturing sites, and community organizations. At the high school the afternoons will include electives including band and CTE courses. Ms. Solberg and Ms. Cardines are going to run a college camp from 11:30 – 2:30 including helping students fill out applications to schools and for scholarships. They are going to have students engage in some social competency type of activities and visit some colleges here and in Chicago. Plans are ongoing. The goal is to have 150 – 180 students between the middle and the high school. As of 4/23 there are 75 high school students signed up and 31 middle school students. The middle school is inviting specific students, the 31 signed up are out of 90 invited. Once we get through the invitations, we will be opening up the summer school program for all students.

Kay asked if the college camp will include preparation for the SAT and ACT. Jeremy said yes, next year there will be a junior class heavily focused on that area but summer camp will include a week of coaching on reading and writing strategies for the SAT, which beginning next year Indiana will use as its accountability test.

Jeremy said he wanted to add he forgot in talking about summer school in high school: they are piloting something they haven't done before in terms of their core content; they are going to do a class with Algebra 1 and Biology. They are going to do a cross curricular class for students that have failed those classes in the past, so it's credit recovery. A licensed math teacher and a licensed science teacher will combine to teach and pilot this curricular project-based learning credit bearing. A combined class will also be done with English and World History.

(3) Summer School: Primary School. Dean said summer school for Success will be similar to the middle school's, with academics in the morning and activities run by the Boys and Girls club in the afternoon. As with Career Middle School, the Success Academy's summer school will be a 7-week program starting June 14th ending July 29th (Monday – Thursday). Breakfast and lunch will be provided. As with Career Middle, students were prioritized for invitation based on academic need: the students with the greatest learning loss are the ones we are inviting to summer school now. The cost is \$100. It's actually \$200 for the program but we are picking up \$100 of that for the parents. They felt it was important for the parents to have some skin in the game which is why we are charging \$100. The cost of only \$100 for 7 weeks including breakfast and lunch, academics, with activities from 8:30 – 5:30, is quite a bargain.

The Success summer school day will begin at 8:30 am with morning meetings and breakfast, with social -emotional activities during that time period, providing a chance for the

teachers to get to know the kids. Then come the 1-1/2-hour block of reading and English language arts followed by a 1-1/2 hour block of math. From 12 -1:00 is lunch and games and then from 1 – 5:30 are the various learning activities run by the Boys and Girls Club. Dean has hired a summer school principal so he can continue to work on the coming (2021-22) school year. The goal is 150 – 180 students, with a max of 30 per grade level. Staffing is to be 12 teachers so that's basically 2 teachers in each grade level, ratio of 15 students per teacher. They will also hire a special education teacher and a Success building staffer. The Boys and Girls club will provide an aide in each classroom. We will test at the beginning and end of each 3-week period so we can see how successful we've been. To-date 81 students have enrolled and we've confirmed 10 of the 12 grade-level teachers needed, plus the summer school principal, special education teacher and SASB staffer are onboard. We hope to enroll another 70-100 student. Our teachers are continuing to reach out to parents and students to encourage them to join summer school. The week of May 3 we are opening up the program to all current SASB students. The week of May 10 if the summer school program isn't full we will invite our newly enrolled students. If not full by the week of May 17, we may open this up to St. Joseph County.

Mike expressed surprise that this could be done for \$100 per student. Alex said it's costing us more than that but we're subsidizing it. Dean added there are scholarships available if parents can't pay the \$100. Kay asked if we will receive reimbursement from the Department of Ed for some of the summer school program, to which Alex replied yes.

Charlie asked how can we collect from both the students and the state? Alex replied because it's actually 2 different programs.

(4) Advanced Placement Tests. Alex shared that the school is considering teaching Advanced Placement (AP) courses, and asked Jeremy to explain. Jeremy said that AP courses provide students the opportunity to receive (from some but not all colleges) credit for high school courses meeting an appropriate standard for rigor if they score at least a "3" on the end of course test. Teachers must be trained for these courses. Career will offer next year an AP Principles of Computer Science and is considering adding more.

(5) 21st Century Scholars. Jeremy described how Career's Social Worker Jessie Whitaker is working with middle school and high school students to preserve eligibility for this scholarship program, which covers tuition at Indiana colleges for students who qualify financially (family income no greater than twice the level for free or reduced price school lunch) with high school GPA of at least 2.5. The problem is that kids tend to think about this only when they're juniors or seniors but that's too late if the student hasn't met the GPA requirement in prior years. So it's important to bring this up in middle school and keep reminding them. Ms. Whitaker is meeting with students quarterly to review each student's eligibility status and an academic improvement plan to reach eligibility. She is communicating with parents as well. As of March there were 24 students in the program who were on track and 40 who were at risk, but since the majority of at risk students are still in ninth and tenth grade, it's not too late to restore eligibility if students work for it. There are also requirements other than GPA that students need to complete. David Balkin commented that last year in Elkhart Ivy Tech held a

one-day session for everyone from 8th grade – 12th grade to review non-GPA related requirements. It was a pretty good success and if it would be helpful for Ivy Tech to do that in South Bend, he could see to that. Jeremy said that would be great.

(6) Early College. Jeremy that Career's early college program, now in its second year, has received full accreditation from the University of Indianapolis. This is a big plus for students. They can earn up to 30 college credits, valid in any public college in Indiana, while still in high school. This saves thousands of dollars in tuition costs. At the beginning of this year, Career High applied to the University of Indianapolis Center of Excellence and Leadership of Learning (CELL). Guests from the Center of Excellence and Leadership came last Friday, met with leadership and with parents and students in focus groups, and reviewed our data. Receiving full accreditation is a milestone. There will be a ceremony this summer.

Larry congratulated Jeremy and his staff and said that is outstanding. He knows the gentleman that led the CELL team, and he couldn't have been more complimentary.

Alex said most schools usually wait 4-5 years before they apply for accreditation, achieving this in our second year is a real credit to Jeremy and his team.

Jeremy said parental support was a factor. One of the CELL team's comments was of all the visits they've made, with roughly 40 schools in the state that are accredited, they have never seen that many parents.

D. Food Service Contract – Sam Ells. Sam said that Chartwells over the last 5 years has been a great partner to Career Academy: we transitioned from a provider that was costing us a lot for food that kids hated to Chartwells providing excellent food that in the long run costs us nothing in a normal year (that is, excluding the COVID year) since the revenue generated by the service is more than the cost. So while we published an RFP as required by law, he was very happy that Chartwells submitted a bid and we're not concerned that no one else did. The proposal:

- Five year extension with Chartwells to have four one-year options to renew
- Management fee increase of 2.5%: from \$3317/month to \$3400/month (ten months/yr)
- Administrative fee increase of roughly 7.5%: from \$0.0883/meal to \$0.095/meal
- Annual CPI adjustments to administrative & management fees
- Chartwells to loan \$220,000 at 0% interest over five years to fund an upgrade of kitchen equipment at Career Academy this summer. Current serving lines are ten years old and at end of life. From past experience we're confident this can be repaid from future food service revenue so from our cash flow standpoint is equivalent to costing us nothing.
- Chartwells to loan \$40,000 at 0% interest for vehicle to be used in delivering food between Career Academy and Success Academy or alternate sites (e.g., we're providing food service, through Chartwells, to Purdue Polytech High School).

Chartwells has been an important contributor to our students' health. Sam recommends approval of the contract, for which a board resolution is necessary.

Larry asked if Chartwell is going to take bids, as we should expect to be sure we're getting the best price for the equipment and the vehicle. Sam said yes, Chartwells got two bids for both, with the result that equipment that had been expected to cost \$180,000 turned out to be \$167,000.

Upon motion duly seconded, the board unanimously approved acceptance of the Chartwells proposal and authorized Sam to execute the contract.

E. Enrollment update – Rob Kohler. Alex explained that Rob is presenting enrollment numbers only; a comprehensive marketing plan will be presented at the next meeting.

Rob said enrollment is going pretty well. Applications are received daily. To-date 162 have been received. For Success this includes almost 50 kindergarteners, 17- 1st graders, 4th grade – 12 with a total enrollment of new students over at Success Academy of 98. For the middle school they have 43 total new students and for the high school 21. The principals are working through the applications that have been processed through as quickly as possible. They are usually looking at about 2 a day or so once it's on the principal's desk for review. They have continued to have some issues getting records from other schools. That has been an ongoing issue but it's much better than it was in the past. They do have a new position, an enrollment specialist that has focused on follow up of outstanding applications or records.

Of the 162 applications received, they are waiting on approximately 22 applications or records requests to come through. The rest have been processed or are in process of going through and registering. So far so good on everything and he is really liking the comparison by month by enrollment. This year they opened up enrollment on March 1st and that first month they had 132 applications. They still continue to see applications come in to date. He thinks that they are sitting pretty good as of right now. It usually turns on mid-June when folks start thinking about switching schools.

Larry asked are these all students who are not currently enrolled. Rob replied yes.

Larry asked if all of these are students that want to go face to face in the classroom? Or have any of them expressed interest in going virtual?

Rob said they do have a question on the application where they can select online or not. They do have a handful, 5 or 6 new students. That's not to mention the returning students that are current students, it's a fairly low number for new students. But they are focusing on some advertisement and recognition of the online program.

Larry asked if they could get the marketing plan before next the board meeting or do you have any idea when you might have it done? Rob replied that he could have it done by next week probably could get that done. Larry replied that would be great.

F. COVID Policy Review. Alex explained that part of applying for CARES Act funding requires having a plan of Return to Instruction. Career already met all the criteria since they have been back in session for quite some time. The current schedule, to be continued for the rest of the school year, is in person Monday through Thursday with all students being virtual on Fridays. The plan at this point is to continue to offer the virtual option for next year and beyond. So far the mitigation strategies have worked: there's not been any case that went from student to teacher, teacher to student or anything like that. Part of the process to apply is to give anyone an opportunity for public comment. If anyone has any questions or concerns that they want to share about what the current instructional model is, this is the time to share anything about our current schedule right now as we have it.

Larry commented that anyone that is on the call that is attending the meeting have any comments or concerns? There being none, Larry welcomed a motion to accept our COVID Return to Instruction Policy as outlined on the attachment. On motion made and seconded, the the COVID Return to Instruction policy was unanimously approved.

G. Financials. Kim Richardson presented the claims paid report listing all payments from February 1 to March 31, a total of roughly \$2.2 MM, plus a schedule detailing payments with the credit card. On motion duly seconded, the report was unanimously approved.

Kim noted the financial statement shows year to date revenue exceeding budget by \$106,000. Line item #1 and 2 has to do with ADM basic grant funding and the special education funding as she mentioned last board meeting. The count for special ed was higher than budgeted so that will be about a \$85,000 variance by the end of the year. For the second count day we budgeted 1,315 students but actual was 1,301 students. Book fees collected have exceeded budget by \$12,000.

Larry said considering what we are at \$10MM in revenue and we have missed the budget by \$100,000 he said that's pretty close budgeting. Kim said the variance was collecting \$100,000 more than anticipated.

Kim commented that revenue is easier to budget than expense, which fluctuates more. Expenses are under budget by \$312,000. After interest and depreciation, they are \$402,000 under budget. Then if you do the cash flow part with capital expenditures coming out and loan principal payments, they are \$331,000 below budget. That decreased because of the loan payments to Larry's foundation for the addition to the building, which were not budgeted.

Larry asked for a motion to approve the financials. On motion duly seconded, the financial statement through March 31 was unanimously approved.

Kim presented the audit report and said we're caught up with audit deadlines. The next audit is not due until December 2021 and the auditors are already scheduled to come in September to start. There was nothing significant in the current report, there were findings but technical, such as if you didn't take a deposit to the bank within 24 hours.

It was asked if there were any significant findings or deviation from the draft. Kim said no.

Charlie asked Kim to explain the \$30,000 per school. Kim said one of the questions that popped up on the audit for 19-20 was that a charter school has to set aside \$30,000 in a deposit account that is left there permanently until the charter school closes. Since we have three schools, the requirement is \$90,000. So that way there is money available to pay for fees and audit fees in case the charter school closes down. She was able to satisfy that requirement by using the reserve account and saying \$90,000 of that is for this. So, Kim asked, should she set up a separate account to hold \$90,000 or just say \$90,000 of the reserve account is set aside for that requirement?

Charlie said he would suggest since \$90,000 isn't usable the balance sheet should have a separate line for that. Larry said but not in a separate account. Kim said she could do either a whole separate checking account where it just sits there and collects virtually no interest.

Larry said there is a finance committee meeting coming up and they can make that decision.

Kim further explained that the audit did not change from the draft – they did the federal grant audit so there were a couple internal control findings. They are addressing those with a firm that Kim hired to help with the policy procedure and internal control manual, and they will have that done in a couple of months.

On motion duly seconded, the audit reports were approved as was Larry's view that the reserved \$90,000 should be shown on the financial statement but there is no need for another bank account.

Larry asked Kim to email the audit report to all the board members so there's complete transparency.

H. Trine Report. Emily Gaskill said this is usually the time of the year where they leave their schools alone and let them focus on planning aspects of summer and next year and testing and all those things, so they didn't have any site visits this month. They will not have any more for the rest of the school year. They did collect some attendance data that is consistent with what they have seen throughout the school year. She just noted the grade levels in parenthesis next to each school that are bringing their attendance rates down from what you are seeing here. Again, nothing that they are not seeing at their other schools and across the state during this time. In terms of financial performance, the indicators all changed last month. These are all based on December 31st, 2020 financials. Everything remained relatively the same except days cash has reached that approaching standard metric. So, we have gone out of the does not meet standard and now into approaching, so great job there. Obviously very excited to see that the fiscal year 20 audit has also been approved so now we are at meets standard in financial management. Continue to do a great job on getting caught up.

Dan asked if that \$90,000 will drop us down below.

Emily said she didn't know, she wondered how much those 2 interlapped.

Larry said let's have the finance committee take a look if we ever have a chance of meeting that particular standard.

Alex said it's a real small percentage of what they are supposed to have on hand.

Emily said in terms of partnership and collaboration that they already hit on Innovation One challenge when Ms. Foster-Bruns presented for the business pathway, but we also had some technology submissions with Mr. Ebersole's class as well. Everyone that participated received a t shirt and lunch from Trine and some swag. Typically, they like to bring them on campus, but this year was all virtual, so we weren't able to do that. Career Academy submitted 19 total ideas to the challenge, 7 teams were selected. She will say that the majority of the teams that presented were college and/or adult teams, so Career was one of the few high schools that were represented in this challenge and they really stood out with their ability to present their ideas and just their overall understanding of their business and technology concepts. They were exceptionally impressed by them as were the judges. She said she already noted that they participated in the early college accreditation piece with some of their dual credits, so they want to again congratulate Jeremy and his team on that accreditation. Finally, some partnerships and collaborations that they were able to provide over the last couple of months: Brenda worked with the team at Success to help provide some food items and egg dye kits to provide to families and some baskets that got sent home over the long Easter weekend. Their Greek life were anticipating maybe a slow turnout with COVID, but Brenda was able to fill up a 15-passenger van with canned goods and water, etc. to fill these baskets up from their Greek Life. That was pretty exciting to see them step up to support our families. With E-Sports, their Trine E-Sports coach met virtually with the Career E sports team just to talk about scholarship opportunities that Trine offers for their E sports athletes. They are trying to get together with them and provide them some mentoring opportunities to just support Career's e sports team as much as possible and getting them off the ground.

Emily mentioned a couple of upcoming events: CSP grant review is due in April to Ed One if you should apply for that.

Quarterly financials for March are due in May reporting so that is next month. Emily reminded of the survey requirement and said you always do a great job of having end of year satisfaction surveys, but they do ask that those be provided to Trine by June 1 so they can include them in the annual review. Just as a reminder they just need that one overall satisfaction question for each school from these so they can provide you a rating on that specific end of year.

Larry asked what is CSP – Emily replied it's the Charter School Program - grant dollars that are being provided. Larry asked if that is something they routinely do.

Emily said she doesn't believe they have taken as much advantage of this program as they have in the past. But it is something they are offering and have worked with some of their other schools to just go over their grants to provide feedback and looking at how previous schools have scored in monies that they have received. They have a little bit better insight as how these grants are judged, and the monies are awarded.

Kim asked if this was the one that is due in July to the DOE? Emily replied yes. Kim asked isn't it for facility expansion? Emily said she thought it could be for multiple things, but suggested Kim get in touch with Brenda.

Alex mentioned that it is on the radar already and they will make sure they apply for it.

Larry asked if Emily had any more comments or thoughts that she wanted to pass on?

She replied that they are just continually impressed with all the things that you guys are doing especially during this hard time. They are excited to see summer school. She did say that she wanted to note that the summer school plans that the teams have put together are really matching up with what research is showing as best practice in terms of doing academic in the mornings and enrichment opportunities in the afternoon to really increase that engagement in the program, so she was happy to see all of those things – so great job.

Larry commented that we really value our relationship with Trine and the support we receive from Trine.

Any comments from anyone? Hearing none, Larry declared the meeting adjourned.

Charles M. Loeser, Secretary