

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
December 15, 2015

Directors Present: Thomas Coley, Larry Davis, Larry Garatoni, Michael Garatoni, Tracy Graham, Jinny Longbrake, Dave Risner, Vivian Sallie, Lori Smith
Staff Attending: Paul Schlottman, Lydia Jagger, Dean Fecher, Dan Fulcher, Charles Loeser
Also Attending: Lindsay Omlor

Larry Garatoni called the meeting to order at 6:15 pm at the Career Academy, 3801 Crescent Circle, South Bend, and led the Pledge of Allegiance.

A. Minutes of Prior Meeting. Larry Davis moved for approval of the minutes of the prior (October 27) meeting, Vivian seconded, and the minutes were unanimously approved.

B. School Operations.

1. Success Academy. Dean reported that the attendance rate for the primary school (K-4) has been good, showing that our students want to come to school. Attendance has been somewhat higher than the most recent figures reported for South Bend Community Schools:

Attendance %	Kindergarten	Grade 1	Grade 2	Grade 3	Grade 4
Success Academy	95.7	95.8	97.4	96.7	97.6
SBCSC (2013-14) ¹	93.8	94.5	95.1	95.4	95.6

For the recent parent-teacher conferences, 96% of parents participated, which is an excellent rate. Rates by grade:

Participation Rate for Conferences	Kindergarten	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
	97	95	95	97	96	99	95

Dean distributed charts showing the results of the Fall NWEA tests. As expected, Success Academy are beginning at levels below national norms: for most grades, roughly 70% of students scored in the lowest two quintiles of national scores. Fourth grade was an exception: 50% of fourth grade students were in the higher three quintiles for math, and more than 50% for reading, language use, and science. Sixth grade was an exception for science, with 57% in the higher three quintiles, 43% in the highest two quintiles.

Dean explained the Success Academy's Super Reader Program, using the Fountas & Pinnell Leveled Literacy Intervention (LLI) system², by which the school's literacy intervention specialist, working with two full-time aides and a part-time aide, work in small groups with students to improve reading skills. To-date the program has been used for 14 first graders, 15

¹ As reported at IDOE COMPASS, <http://compass.doe.in.gov/dashboard/attendance.aspx?type=corp&id=7205>.

² See http://www.heinemann.com/fountasandpinnell/lli_Overview.aspx.

second graders and 14 fourth graders. Results, as measured by the Fountas & Pinnell literacy levels system, have been excellent: over 90% of participants have moved up at least one level, most have moved up more than one level, over a third have moved up three levels. Dean believes the school's use of the Fountas & Pinnell system and the ongoing training of all literacy-teaching staff in the Orton-Gillingham system³ is exactly what is needed to help students improve literacy skills, which is key for improving academic skills generally.

The only drawback to the LLI program is scale and the heavy staffing requirements. Many Success Academy students are well below grade level (often they have not attended pre-school, so they arrive at kindergarten without knowing letters and numbers, already behind before their K-12 education starts). With two more part time literary teachers, the program will expand to 23 students in 1st grade, 20 students in 2nd grade, 20 students in 3rd grade 20, and 25 students in 4th grade. Next the program will expand to kindergarten, 5th grade and 6th grade, probably to serve another 25 students. The program can serve more students than the above figures since many students progress out of it. It starts with the weakest readers, then when a student reaches grade level, he/she leaves the program and the seat is assigned to another student. For some students, a quarter or semester in the program is all that is needed, others continue in the program all year. If a student in the program does not progress, more intervention is provided, and if still not progressing, the next step is evaluation for special education. This is an expensive program but it is exactly what is needed with a substantial number of students starting below grade level.

Dean explained he will be creating a database to track disciplinary incidents, there will be more about that at future meetings.

2. Career Academy. Lydia distributed charts showing the results of NWEA testing, comparing scores for Fall of 2014 to Spring of 2015 and also comparing Fall of 2014 to Fall of 2015. Growth during the 2014-15 school year were mixed as between grade levels:

- The seventh grade achieved stronger than norm growth in all subjects (reading, language usage and math), moving from roughly 96% to 98% of national norms in language use and math over the year, and from roughly 96% to 100% in math.
- Eighth grade had better than norm growth in language and math, with growth in reading at the national norm rate.
- Ninth grade had a strong language score (99.6% of the norm) to start but remained the same over the year, while achieving better than norm growth in math (ninth and tenth grades were not tested in reading).
- The tenth grade, beginning with weak scores in both language and math, achieved growth far in excess of national growth norms but at the end of the year remained below national norms.
- Fifth and sixth grades did not do as well as other grades: sixth grade had better than norm growth in reading but otherwise growth was less than national norms.

³ Orton-Gillingham is an instructional approach intended primarily for use with persons who have difficulty with reading, spelling, and writing of the sort associated with dyslexia, <http://www.ortonacademy.org/approach.php>, but is also beneficial for students who are not dyslexic.

The comparison of this year's Fall scores with last year's shows:

- This year's fifth grade is stronger in reading than last year's and at the same level as last year in language and math.
- This year's sixth grade is well below norms (less than 96%) in all subjects.
- This year's seventh grade is stronger in language and weaker in reading and math than last year.
- This year's eighth grade is stronger in language and math than last year's weaker in reading.
- This year's ninth grade starts at 99.1% of the norm in language, 98.2% in reading, and 98.3% in math, which is relatively strong.
- This year's tenth grade scored above national norms in reading and math, with a language score at 98.6% (stronger than last year's).
- This year's eleventh grade is at 97.8% in language and reading, 95.7% in math, well below this year's tenth grade but well above the starting point for last year's tenth grade.

The upshot, Lydia said, is that the NWEA scores generally show above-norm growth for the school as a whole, although differing considerably between classes. This should be kept in mind when ISTEP scores are announced sometime in the next month, as the Career Academy's passing percentage will be down substantially - as will scores for other schools across the state, due to the very different & more difficult test. As the IDOE has acknowledged, NWEA is a better test for growth than ISTEP.⁴

Lydia reported that attendance at the high school (grades 9-12) is at 95% and for the middle schools (grades 5-8) at 98%. Both rates are above the SBCSC rate (see footnote 1 above). It is typical state-wide that attendance rates are lower for high school.

Lydia noted that for the high school, the End of Course Assessment (ECA) tests in English 10 and Algebra I will be replaced by new ISTEP tests this year (the first time that tenth graders are taking ISTEP). Unfortunately even students who have already passed the Algebra ECA (roughly 2/3 of the school's tenth graders) will need to take the ISTEP Algebra test, which will require pulling students from other classes to Algebra refresher classes in preparation for the test.

3. CTE Program Update. This was deferred to the next meeting.

4. KPI Dashboard. Roger Johnson explained he is in the process of creating a dashboard for display of key performance indicators. This will require that LogicKey, the developer of the Harmony software used by the school, create an export of student data from the Harmony system. Completion is expected before the end of January. KPIs to be displayed

⁴ See <http://www.ibj.com/articles/51666-lawmakers-consider-national-test-to-replace-istep> (Superintendent Ritz recommending NWEA in lieu of ISTEP). But see <http://indianapublicmedia.org/stateimpact/> (replacement of ISTEP with NWEA barred by new federal statute, passed in December 2015, the "Every Student Succeeds Act" replacing the "No Child Left Behind" act).

will include enrollment, attendance, disciplinary incidents, and average class sizes. The data will be accessible by the board.

5. Trine Report. Lindsay Omlor explained that she has concluded it is not necessary to provide a monthly report as part of board meetings, she prefers to work with Lydia and Dean on any issues she discovers. There will be an annual report issued by Trine each May. Larry Garatoni said if there is any issue that is not cured to Trine's satisfaction before the next board (the month after the issue is identified), this should be pointed out to the board. Lindsay agreed.

C. Financial Reports and Projections. Larry Garatoni explained the background and context for the financial reports distributed by Dan Fulcher as sent with Larry's 12/15 email. Larry noted that there are three schools (primary, middle school and high school) located in two buildings, so for regulatory purposes (and for Trine) we need financial reports for each school (we'll refer to these as "School Entity Reports"). For management purposes, we also want reports for each location and for administration functions shared between the schools (we'll refer to these as "Management Reports"). The reports distributed with the 12/15 email are Management Reports. We will also want a consolidated statement including all of the above, which will be headed "Career Academy South Bend, Inc." (we'll refer to this as the "Corporation Report").

Unfortunately the Management Reports distributed 12/15 are not very informative because of a number of problems:

- A great deal of the new building start up labor costs, building supplies and some new building expenses have been paid as routine operating expenses.
- The status of some major grants that were initially budgeted is unknown at this time.
- There are significant miscoding errors on both income and expense items.
- The original budgeting does not line up with the requirements of the State Board of Accounts (SBOA), which schools must follow.

Nonetheless, we should review 12/15 statements for what they can provide.

Larry Davis asked if the statements show insurance costs based on the cost per month or just on the basis of what's paid in a month. Dan said that to provide statements on an accrual basis would be very difficult, but he is showing key expenses on an accrual basis. Charles Loeser asked if the statements were prepared on the basis of "Fund Accounting" as used by non-profit organizations and governments, now that the school has the Fund E-Z software designed for that purpose, and what fund restrictions there are, given that most of the revenue⁵ is from state tuition funding which is usable for any legitimate cost. Paul

⁵ Per the Management Reports: for Success Academy (K-6), \$1,755,038 Basic Grant revenue (for the five-month period shown, July through November of 2015, based on \$534.25 per student per month for 657 students), which is roughly 83% of total revenue of \$2,116,534; for Career Academy, \$1,090,067 Basic Grant revenue (based on 415 students) of total revenue of \$1,623,178, roughly 67%.

Schlottman said that a substantial portion of revenue is restricted, for example the recently approved Secured School Safety Grant (usable for the School Resource Officer and other safety costs). Lindsay Omlor noted that Title 1 funding, which is substantial, is for restricted use. Tom Coley said that with any restricted funds, regardless whether the amount is major or minor in comparison to revenue as a whole, the balance sheets should identify the restricted amounts and income statements should track the use of restricted funds.

Tracy Graham said for management purposes, we need accrual statements. Dan said that revenue is reported on an accrual basis but reporting expenses on an accrual basis is too difficult. Vivian suggested that the Finance Committee meet before the next board meeting to decide on the property format for financial statements.

Lindsay asked: what is the status of the audited statement for the fiscal year ending 6/30/2014? Dan said he is waiting to hear from the audit firm (Fitzgerald Isaac, Indianapolis).

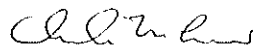
Larry asked if a bank detail/expenditure report has been prepared showing claims paid since the last report (the last claims report received was for August 8 through September 11, reviewed at the September 15 meeting). Dan said there was not.

Larry said after the start of 2016 there needs to be an improved accounting and budgeting process.

D. Questions and Comments.

Jinny Longbrake asked why is Success Academy advertising, isn't it full? Dean said Success has lost about 45 students since the start of the year, largely due to transportation problems. Charles noted it is routine for enrollment to shrink to some extent during the year and for some students to transfer over the Christmas break, so a limited advertising campaign at the end of the semester is logical. Lori Smith asked how many students have left the Career Academy since the start of the year. Lydia said about 30, including six seniors who transferred to the Excel Center, which is designed for adults. Jim Cebra, Assistant Principal, said some of the transfers from Career Academy were due to transportation difficulties, in other cases students decided they would not be able to meet the Career Academy's academic requirements or the work ethic necessary to succeed at the Career Academy. Paul Schlottman commented he is on the board of the Excel Center, which is an excellent program albeit not for a general school-age population.

There being no additional comments, the meeting was adjourned at 7:30 pm.



Charles M. Loeser, Assistant Secretary