

Career Academy of South Bend, Inc.
 Minutes of Meeting of Board of Directors
 February 21, 2017

Directors Present: Daniel Adams, Thomas Coley, Larry Davis, , Marian Hodges, Lori Smith
 Absent: Larry Garatoni, Michael Garatoni, Dave Risner, Steven Van Bruaene
 Staff Attending: Lydia Jagger, Jackie Black, Tami Collins, Alex Hammel, Chad Roggow
 Also Attending: Charles Loeser, Emily Kleinschmidte

Thomas Coley called the meeting to order at 5:45 pm at the Career Academy, 3801 Crescent Circle, South Bend, and led the Pledge of Allegiance.

A. Minutes of Prior Meeting. The minutes of the prior (January 24) meeting were unanimously approved.

B. School Operations.

1. Appointment of Alex Hammel As Superintendent. Mr. Coley announced that Larry Garatoni had proposed the appointment of Alex Hammel as Superintendent overseeing the Corporation’s schools. Larry Davis moved that the Board approve such appointment, Dan Adams seconded, and the motion was unanimously approved.

2. NWEA Scores.

i. Career Academy. Lydia Jagger reported that mid-year NWEA scores show ninth, tenth and eleventh graders scores in comparison to national norms:

<u>Grade 9</u>	Math			Reading			
	Fall	Winter	Change	Fall	Winter	Change	
National	230.1	232.2	+2.1	National	220.2	221.3	+1.1
CASB	226.4	229.7	+3.3	CASB	220.0	218.9	-1.1

	Language Use			
	Fall	Winter	Change	
National	218.4	219.7	+1.3	<i>Gained in math but still 2.5 behind</i>
CASB	218.5	219.0	+0.5	<i>Lagged in reading, started close to norm</i>
				<i>Less than norm growth in Language use, started above norm</i>

Ninth graders started above or near the norm in all but math, and exceeded norm growth in math:

- In Math starting at 98.3% of the norm and ending at 98.9%
- In Reading starting at 99.9% of the norm and ending at 98.9%
- In Language Use starting at 100% of the norm and ending at 99.7%

<u>Grade 10</u>		Math			Reading		
	Fall	Winter	Change		Fall	Winter	Change
National	230.1	231.5	+1.4	National	220.4	221.0	+0.6
CASB	229.9	234.1	+4.2	CASB	218.9	219.1	+0.2

		Language Use			Excellent growth in math; now above norm		
	Fall	Winter	Change	Reading less than norm growth			
National	218.9	219.7	+0.8	Strong growth in language use; now above norm			
CASB	218.4	221.9	+3.5				

Tenth graders started near national norms in all subjects; by midyear passed the NWEA norms in math & language; slight decline in reading:

- In Math starting at 99.9% of the norm and ending at 101.1%
- In Reading starting at 99.3% of the norm and ending at 99.1%
- In Language Use starting at 99.8% of the norm and ending at 101%

<u>Grade 11</u>		Math			Reading		
	Fall	Winter	Change		Fall	Winter	Change
National	233.3	234.4	1.1	National	222.6	222.7	0.1
CASB	231.3	238.5	+7.2	CASB	224.6	223.4	-1.2

		Language Use			Excellent growth in math now above norm		
	Fall	Winter	Change	Reading declined but still above norm			
National	221.5	222.1	0.6	Strong growth in language use; further above norm			
CASB	221.9	224.8	+2.9				

Eleventh graders started at the national norm in all but math, and exceeded norm growth in math:

- In Math starting at 99.1% of the norm and ending at 101.7%
- In Reading starting at 100.9% of the norm and ending at 100.3%
- In Language Use starting at 100.2% of the norm and ending at 101.2%

Lydia said these scores demonstrate exceptional performance by many teachers, for example Nick Garstka, who teaches tenth and eleventh grade math.

Charles Loeser pointed out that CASB average scores are higher in comparison with NWEA norms with each higher grade, not only for these grades but in all grades tested (Kindergarten through eleventh grade): in the lowest grades our average scores are years behind national norms but with each higher grade our average scores are closer to the norms until passing the norms in all subjects in eleventh grade.

Dan Adams asked if there are NWEA scores available for other local schools for comparison. Lydia said there is no comparison data available; there are other local schools that use NWEA for self-assessment but this data is not published.

Marion Hodges asked whether NWEA norms are an appropriate measure for success, noting that there are international tests (such as the Trends in International Mathematics and Science Study, “TIMSS”) indicating that U.S. students score consistently below East Asian students. Lydia said she is not aware of studies comparing the current NWEA norms (established in 2015) with other test scores.

ii. Success Academy. Chad Roggow, SASB Assistant Principal, summarized the report submitted by Dean Fecher on mid-year NWEA test results for Grades K-1 and 3-4 (the results for Grades 2, 5 & 6 having been reported at the January meeting).

<u>Grade K</u>	Reading			Math			
	Fall	Winter	Change	Fall	Winter	Change	
National	141	151	+10	National	140	152	12
SASB	134	142	+8	SASB	130	142	12

Kindergarten grew **8 points** from Fall to Winter in **reading**. The expected growth for the semester is **10 points**, and the expected growth for the year is **17 points**. **On average, students have made just under the expected growth for the first semester.**

Kindergarten on average started the year with a pre-kindergarten level. By the end of this semester the reading scores are now equivalent to the first quarter of kindergarten. If they continue to grow at this rate, students will on average be at the third quarter of kindergarten by the end of the year.

Kindergarten grew **12 points** from Fall to Winter in **math**. The expected growth for the semester is **11 points**, and the expected growth for the year is **19 points**. **On average, students have made just over expected growth for this first semester.**

Kindergarten on average started the year with a pre-kindergarten level. By the end of this semester the math scores are now equivalent to the first quarter of kindergarten. If they continue to grow at this rate students will be on average at the third quarter of kindergarten by the end of this year.

<u>Grade 1</u>	Reading			Math			
	Fall	Winter	Change	Fall	Winter	Change	
National	161	172	11	National	162	172	11
SASB	149	160	11	SASB	149	160	11

1st grade grew **11 points** from Fall to Winter in **reading**. The expected growth for the semester is **11 points**, and the expected growth for the year is **17 points**. **On average, students have made the expected growth for this first semester.**

1st grade on average started the year with a reading score equivalent to the middle of kindergarten. By the end of this semester the reading scores are now equivalent to beginning of

the 1st grade. If they continue to grow at this rate students will on average be at the midyear point of first grade by the end of the year

1st grade grew **17 points** from Fall to Winter in **math**. The expected growth for the semester is **11 points**, and the expected growth for the year is **18 points**. **On average, students have made just under a year's worth of growth for this first semester.**

1st grade on average started the year with a math score equivalent to the midyear of kindergarten. By the end of this semester the math scores are now to the first quarter of 1st grade. If they continue to grow at this rate students will be **at grade level** in math by the end of the year.

<u>Grade 3</u>	Reading				Math		
	Fall	Winter	Change		Fall	Winter	Change
National	188	195	7	National	190	198	8
SASB	177	187	10	SASB	179	189	10

3rd grade grew **10 points** from Fall to Winter in **reading**. The expected growth for the semester is **7 points** and the expected growth for the year is **10 points**. **On average, students have made the expected growth for the year this first semester.**

3rd grade on average started the year with a reading score equivalent to the first quarter of 2nd grade. By the end of this semester the reading scores are now equivalent to the end of 2nd grade level. If they continue to grow at this rate students will on average be at the third quarter of the 3rd grade by the end of the year.

3rd grade grew **10 points** from Fall to Winter in **math**. The expected growth for the semester is **8 points** and the expected growth for the year is **13 points**. **On average, students have made over expected growth for this first semester.**

3rd grade on average started the year with a math score equivalent to the end of the first quarter of 2nd grade. By the end of this semester the math scores are now equivalent to the end of the 2nd grade level. If they continue to grow at this rate students will on average be about the third quarter of the 3rd grade by the end of the year.

<u>Grade 4</u>	Reading				Math		
	Fall	Winter	Change		Fall	Winter	Change
National	198	203	5	National	202	208	6
SASB	189	194	5	SASB	193	200	7

4th grade grew **5 points** from Fall to Winter in **reading**. The expected growth for the semester is **5 points** and the expected growth for the year is **8 points**. **On average, students have made the expected growth for the semester.**

4th grade on average started the year with a reading score equivalent to the beginning of 3rd grade. By the end of this semester the reading scores are now equivalent to the middle of 3rd grade. If they continue to grow at this rate students will on average be at the end of the 3rd grade reading level by the end of the year.

4th grade grew 7 points from Fall to Winter in **math**. The expected growth for the semester is 7 **points**, and the expected growth for the year is 12 points. **On average, students have made the expected growth for the semester.**

4th grade on average started the year with a math score equivalent to the end of the first quarter of 3rd grade. By the end of this semester the math scores are now equivalent to the end of the 3rd grade. If they continue to grow at this rate students will on average be about the third quarter of 4th grade level by the end of the year.

Chad said that growth in general is better this year than last year, which he believes is due in part to having more math interventionists this year and the reading program being more established.

Tom Coley said we should track students with us more than one year.

Lori Smith asked if fourth grade is an especially difficult year. Emily Kleinschmidt said it is a transition year: grades 1-3 are learning to read, grade 4 is the beginning of reading to learn.

Lori said that the strong NWEA results for Career Academy would surprise many people she knows who think of CASB as an alternative education program. Larry Davis, Dan Adams and Tom Coley concurred with Lori that the school should use this information in marketing. Alex Hammel introduced Rob Koehler, who recently came on as Marketing Director. Rob described his plans, beginning with the school websites.

Marion asked what's an appropriate key indicator for marketing success. Alex said an important measure of appeal to parents and students is how much enrollment declines during the year. Indiana schools, especially high schools, typically lose enrollment during the year, but this year that has not occurred: for the first time, enrollment as of the second semester Count Day is the same as for the first Count Day at the beginning of the year.

3. Appeals Update. Charles Loeser reported that a hearing on the high school and primary school appeals of 2015-16 accountability grades was held on February 7. Despite the regulatory language indicating that any objective evidence is a potential basis for appeal, the discussion at the hearing suggests that appeals are more limited. The principle of the high school's appeal – that using 2015-16 graduation and CCR data would result in an "A" and there is no basis in the rule for using 2014-15 data for the 2015-16 grade – was acknowledged as logical, but as prior year data has been used in the past, that cannot be changed. However, it was acknowledged that as a new school for accountability purposes due to the baseline reset granted last year, the high school is entitled to be evaluated solely on the basis of growth, and

since there is no growth data available (since the only test data is Grade 10 ISTEP and there is no ninth grade ISTEP to use for comparison), there is no data to establish a grade for the high school, which should therefore receive a “null” rather than any grade. For the primary school, consideration of growth as shown by NWEA data is not permissible but there will be a review to see if mistakes were made in what students were counted for the growth measure.

4. School Calendar. Lydia reported that the proposed 2017-18 school calendars (essentially identical) will include changes to reduce the burden on teachers and in response to parent input. For teachers, the school year will end a week earlier and the professional development programs have been rescheduled. As parents did not like having early dismissal every other Wednesday for professional development, that practice is to be discontinued. Upon motion duly made, seconded and unanimously approved, the attached school calendars for 2017-18 were approved.

C. Financials. Jackie Black presented the financial statements for January, 2017. The consolidated income statement showed January revenue of roughly \$772,000, which is roughly \$116,000 less than budget. That is more than half of the year-to-date revenue shortfall of roughly \$222,000 as of 1/31/17. Salary expense was unusually high in January since that is the month that first semester bonuses are paid: salaries expense for Career was \$265,773 for January compared to \$207,640 for December, and for Success \$289,400 for January compared to \$226,288 for December. Larry Davis and Dan Adams suggested that bonuses should take into account the financial health of the organization. Jackie said that for purposes of second semester bonuses she will review the status of the budget and the amount budgeted for bonuses (per the most recently revised budget as of 10/18/2016, an annual total of \$306,857).

Tom Coley said that it is disconcerting to hear that the Corporation paid roughly \$170,000 in mid-year bonuses while needing to borrow an additional \$450,000. Larry Davis suggested considering an approach that he uses: bonuses depend on profitability, and financial results are posted every month so that employees can see the prospects for bonuses. Larry also asked how subjective is the evaluation process for determining bonuses. Tami Collins said she would be glad to explain that in a committee meeting. Dan Adams asked what is the school’s financial goal. Charles Loeser said it is for the school to be able to pay for itself; it would be appropriate to follow up on this with the finance committee but to his recollection no one has been appointed to that committee to replace Tracy Graham, so for now the finance committee is Larry Garatoni and Mike Garatoni. Marion Hodges said she understood that she and Dave Risner were part of the finance committee, and in any event she’s willing to be.

Charles Loeser noted that per the consolidated income statement, with YTD revenue of roughly \$5.9M and YTD operating expense of roughly \$5.6M, there has been positive cash flow, as shown on the statement, of roughly \$322,000 in operations, i.e., before allocation to the Loan Repayment Fund (\$216,267 actual vs. \$53,489 budgeted) and Capital Expenditure Fund (\$175,000 actual and budgeted). As to actual cash flow, however, he noted that there may be a misunderstanding as to the \$563,500 booked as revenue designated as “Public Charter School Program/Charter Networks Grant.” There are two separate programs: the Public Charter School

Program grant (a one-time start-up grant for Success Primary School) should result in \$569,000 to be received this spring but no PCSP grant funds have been received to-date, which obviously has a negative effect on cash flow. In contrast, the Charter and Innovation Network School Grant (the \$500 per student per year capital expenditures grant to qualifying charter schools per Indiana Code 20-24-13, which based on enrollment of 1,147 = \$573,500) has been paid in full.

Marion Hodges asked whether the financial statement reflects food service operations. Jackie said she does not yet have the January financial report from the new food service manager, Chartwells, but she has received \$8,000 in student payments for food service and has booked that amount as a liability to offset the cash.

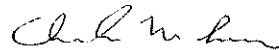
Dan Adams asked when is a 2017-18 budget to be prepared? Jackie said there should be a draft for review by the end of March.

Larry Davis moved that the financial statements be approved, Dan Adams seconded, and the motion was unanimously approved.

D. Questions and Comments.

Alex introduced Sam Ells, who has joined the Corporation as Special Education Director.

There being no further comments, the meeting was adjourned at 7:20 pm.



Charles M. Loeser, Assistant Secretary