

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
September 20, 2011

Directors Present: Larry Garatoni, Tracy Graham, Vivian Sallie, Rob Staley, James Summers, Suzanne Wiwi
Listening by phone: Steve Hartz
Also attending: Yolanda Turner-Smith, Charles Loeser

A meeting of the Board of Directors of Career Academy of South Bend, Inc. (the "Corporation") was held at the school, 3801 Crescent Circle, South Bend, Indiana, at 7:00 am on September 20, 2011, pursuant to notice posted at the entrance to the building.

- A. Call To Order: Larry Garatoni presided and called the meeting to order.
- B. Records & Review of Prior Meeting: Larry asked for approval of the minutes and the memorandum of the last meeting, on July 28. Upon motion duly made and seconded, the minutes and memorandum were approved.
- C. Amendment Of Articles: Charles presented an amendment to the articles of incorporation, which he explained was to include language required by the charter contract recently received from the Ball State University Office of Charter Schools. Since the amendment requires board approval, the contract was signed and returned to OCS with a letter explaining the articles would be amended after the next board meeting. Upon motion duly made and seconded, the amendment to the articles was approved.
- D. Property Tax Exemption: Larry explained the St. Joseph County Assessor has denied the school's application for a property tax exemption for the building and property, on the basis that the school didn't acquire the property until after March 1 and therefore the property cannot be exempt until 2012. The annual tax on the property is roughly \$160,000. An appeal has been filed.
- E. Treasurer's Report: Larry presented the updated treasurer's report, a continuation of the report presented at the last meeting, starting from the Corporation's formation. We don't have all the financial controls and reports that we need yet. Now we know the number of students for this year and we have fairly reliable information on operating costs, but we still need better information on utility costs, which we should have by the next board meeting. We're in the process of revising the budget based on updated information, but it's not completed or ready to present. It's expected we'll have a CFO hired soon, and after that, we should have improved financial reporting.

1. Approval Of Claims. Rob commented that from his experience, a standard procedure at public school board meetings is approval of claims; is that something we should be doing? Yolanda said she's also observed this, for public school, board approval is supposed to be before expenses are paid, but for charter schools, it can be done afterward.¹ Vivian commented she's involved with a couple of other school organizations, where the practice is to mail a claims list to board members before every meeting, then at the meeting, a claims list is passed around and every board member signs so that there's documentation of approval of claims. Larry said SBCA can do that. Larry noted we need to review what is required for accounting procedures and follow up with Ball State to make sure we are meeting all requirements, so this is one of the topics that needs to be covered. Larry said since Ball State requires that our procedures be reviewed by an independent CPA, he'd looked into finding an independent CPA to do this for us, and had spoken to Crowe Chizek, who recommended an individual Larry will be contacting.

2. Transportation. Rob commented he'd noticed in the treasurer report an expense for purchase of bus passes, which brings to mind the problem of transportation: it seems that this is one of the main reasons for potential students not coming to SBCA, so he would like to know if there's a strategy to deal with that.

Yolanda explained what's been done to-date: the school bought 200 city bus passes, good for a month, for \$30/each, which we sold to students at \$15 if they qualified for free lunch, \$20 if they qualified for reduced-price lunch, or \$30 if they did not qualify for free or reduced lunches. Going forward, we're looking into our own bus plan: we want to see how much it would cost to rent a bus and have our own pick up at four points around the city. We got some preliminary numbers over the summer, but now that many of the bus drivers have settled their contract with South Bend Community Schools and some of the surrounding schools, we think we can get a better number.

Rob said if SBCA decides to offer bus service, The Crossing might share the service & cost after The Crossing moves its South Bend school into the building. Rob said while public bus passes are ok, many parents would feel more secure if the school had its own bus service. Yolanda said that's true especially for the seventh graders, but to some extent for older students as well.

3. Improving Enrollment. Larry said he and Steve and Yolanda met yesterday about strategies for improving enrollment, and a better transportation solution is part of what's being considered, in addition to possibly adding higher grades sooner and a possible agreement with the City of South Bend. The first priority, of

¹ Legal reference: the statute requiring board approval prior to payment of expenses is IC 20-26-4-1, subsection (d)(3). Charter schools, per IC 20-24-8-5, are subject to some but not all of the statutes applicable to public schools, and IC 20-26-4-1 is not one of the statutes applicable to charters.

course, is to do a good job with the students we have, which will help build a reputation and attract students in future years, but we also want to consider other possibilities.

F. Review Of Action Plan

1. Larry explained as to the first item on the action plan from the July 28 meeting, the assets of CASB Realty Corporation were transferred to Career Academy of South Bend, Inc., at the end of July, so as of August 1, CASB Realty Corporation is dormant.

2. The second item, transportation issues, as just discussed, needs further investigation.

3. The third item was approval of the Staff Handbook, see #4.

4. The fourth item was approval of the Team Member (student) handbook. Both handbooks been completed and circulated. On motion duly made and seconded, the two handbooks were approved.

Rob asked that at the next meeting, Yolanda give a presentation on the most important parts of the handbooks, which Yolanda agreed was appropriate. Larry suggested that each board member take home a paper copy of the Team Member handbook, which Yolanda said could be picked up before leaving the meeting.

Larry commended Yolanda for a terrific job on the handbooks and so many other things, especially getting the school culture started and dealing with start-up IT issues (the wiring and technology for the building is at a very high level).

5. The fifth item on the action plan was listing all budget assumptions, which is largely done, but Larry said it's not yet finalized to the point to be presented to the board.

6. The sixth item on the action plan was planning what image we want the school to have in the community and how to achieve that, which has been considered but is by no means complete. Tracy commented that in reading the student comments from the survey that was distributed before the meeting, for the most part the school seems to be viewed very favorably by students, but there are some negative comments, which we should pay attention to.

Rob commented the school needs to be careful not to be characterized as a school for troubled kids, which is more likely to be a risk when it becomes known that The Crossing is also in the building.

James said he's heard that the way the school is managing discipline is creative and constructive: kids have been very surprised, when washing windows or other work is the price for behavior problems, that staff members have been there to do the work with them; that's not something students expect, and he's heard it's made a big impression, in some cases really changing how students see their relationship with adults. Larry said that's the kind of culture he wants the school to have, based on strong relationships with students, which The Crossing has done a great job with and can be a model.

Rob said some of what's done at The Crossing may not be transferable, since it builds on social relationships between students and staff including a lot of out-of-school contact, which public school administrators have warned him is a bad idea. James said that's similar to companies building team relationships with employees through outside-of-work activities, not everyone approves, but it's been shown to work as a way to make people feel connected.

Rob said as The Crossing has learned by trial and error, one of the things that really seems to make an impression is giving out school T-shirts: kids love them, wear them every day; and having people see students with the school name on them is great marketing, especially if people see students working together on a community service project.

Tracy said he thinks the school's image should focus on the idea of preparation for life as opposed to the standard outlook that high school is preparation for college. It's important that the school be understood as a good option for students who want post-secondary education, in fact as the best place to start earning post-secondary credits while still in high school; but since the majority of students don't go to college (especially if "college" is understood to mean the typical four-year program), it's a key point that SBCA, unlike most schools, will really prepare all of its students to get a good job and be able to live at least a middle-class life, whether they go to college or not. That's who we are, that's what our brand should be; we're all about career.

Rob said kids relate to that: The Crossing bought T-shirts for its students saying "Small Business Leader In Training" and the kids identify with that; many of them get very committed and serious about the mini-businesses that The Crossing helps them start (such as a tree service, which community business leaders have helped fund), paying close attention to budgets and profits; the business world is real to them, and it's when they see how math can be useful in business that they begin to care more about math.

Tracy said from his experience in business, he thinks Steve's vision about the need for skilled workers and entrepreneurial spirit is spot-on; that's what this community needs, and that's what the school's image should be. Larry said he's seen so many articles about the need for vocational training that he doesn't circulate them

because it would be overwhelming. James said a community shouldn't be depending on the minority who graduate from college to come back and start businesses; public education should teach real life skills to students so that everyone has the ability to start a business.

Tracy said he thought it could mean a lot to kids to have businessmen come in and talk to them about what business is really like. Rob said The Crossing does that, and it makes a big impression on kids. Rob said The Crossing is putting \$28,000 into putting two greenhouses on top of an apartment complex, where The Crossing kids are producing 5,000 pounds of food every 96 days, which they sell in a farmer's market. Yolanda said it's a great idea, in fact there's a greenhouse project underway at SBCA.

Tracy said the success of projects like that is proof that a career approach is attractive to kids, so to Larry's question whether we've finalized the image we want the school to have, the career theme should be it. Vivian said these comments bring to mind the slogan "High Tech High Touch," a late 90's idea that fits for SBCA.

7. As to the seventh item on the action plan, preparing a write-up of charter school finance, Larry said we're making progress. Charles explained that the consultant who helped us with the grant application we filed last month, Tim Ehrgott, suggested we meet with Gretchen Gutman at Ball State, who Tim said understands charter school finance better than anyone in the state, so we've contacted her and plan to visit her soon, but we'd like to do that after we have a CFO on board, since the CFO needs to play a key role in all our financial planning.

8. As to the eighth item on the action plan, preparing a breakeven analysis, Larry said we're making progress, he'll be following up with Steve & Yolanda and they expect to have a draft done before the next board meeting.

9. Item 9 was increasing enrollment for the seventh grade, obviously it's not only the seventh grade that needs work, as discussed earlier.

10. Item 10, completing the amendment to the charter application, has been done.

11. Item 11 was to set up a visit to one of The Crossing's schools, Larry said he thinks it's worthwhile to do, there's a lot that can be learned from The Crossing, but there's a potential problem in that The Crossing is faith-based, which seems to have a lot to do with its success, and SBCA as a public school cannot be faith-based.

Charles suggested the most important reason why The Crossing is successful may be that it's able to make an emotional connection with students and to get them to care about what they do in school and see how it's relevant to their lives; in the same way, if

the vocational emphasis at SBCA enables kids to see the relevance of school work and care about it, that can help with all types of learning, since caring is the biggest obstacle.

Suzanne said she hears constantly from students asking what's the relevance of algebra or other subjects, why do we need to study that and what's that have to do with my life? Rob said he'd seen an example recently how project-based learning and real life connections can get kids interested in learning: the kids working in The Crossing's tree service were cutting down a tree, and he gave them a geometry lesson, how to cut in to the tree to make it fall in the direction you want, it made the kids appreciate geometry.

James said that while a public school can't emphasize faith, it can emphasize ethics, and why that's essential in the business world.

Rob suggested even a public school can find staff to volunteer to have a Bible study before school. Yolanda said SBCA has organized a Fellowship of Christian Athletes group, and at there's a group of students that gathers for prayer before school, the students saw that some of the teachers were doing it and so the students decided to have their own. She's been careful to be sure that anything faith-based is student-led, so there won't be legal issues. Rob said The Crossing has had a lot of success with FCA, it means a lot to kids to hear from a professional athlete, someone they respect. Even in a public school, Rob said, this can be done as a club; it's voluntary, no one has to go, so a faith-based message isn't a problem.

Vivian said Stephen Covey's books work well with teenagers, it's a way to teach ethics emphasizing relevance in their lives.

Rob said that if SBCA is able to incorporate a faith-based component into the school, however it's done, that's likely to be useful in attracting students: if that becomes associated with the image of the school, a lot of parents and kids are attracted by that.

12. The last item on the Action Plan was to investigate the teacher evaluation process used by The Crossing and elsewhere in Indiana.

Rob asked about the school's experience so far with a non-standard approach to teaching, i.e., 90-minute blocks and project-based learning, which Rob commented is often tried & often unsuccessful, since there's a very strong tendency for teachers to pull back from PBL and retreat into relying on textbooks. The "comfort zone" for teachers is a "study hall" approach (the opposite of PBL), it's hard to prevent this from happening. As Rob and Suzanne and Yolanda discussed this, it was agreed that Rob and possibly Suzanne should visit SBCA. Rob commented that students should become accustomed to having people from outside the school come into the classroom. Suzanne and Yolanda agreed, part of the culture should be for it to be routine to have outside

experts coming into the school to help, as frequently as possible. Yolanda said there are lots of parents coming into the building already.

Suzanne described how at her school, they've had success with having teachers video-tape each other, so that the best teachers can be examples. Rob said that's a very important part of sharing knowledge and improving teaching. Charles commented that's a method stressed by leaders of the education reform movement as described in Steven Brill's recent book. Larry commented that's one of the methods used in Finland, which has remarkably successful schools and is a model the U.S. should study.

Rob said the SBCA should have a curriculum committee, and he'd like to be on it. Charles noted that at the first board meeting in February, there were a number of committees created, including an Academics Committee, with Rob as the chair and Tracy as the other member, but perhaps Suzanne should also be on this committee.

G. Status Of Enrollment: This agenda item was covered in discussion of the Action Plan.

H. School Leader Report: Larry asked Yolanda if she wanted to add anything to her written report previously sent to the board. Yolanda said there's a broad range of students, including some extremely high achievers. Enrollment is now at 163, at one time it was down to 130. The school asked about reasons for leaving, many mentioned transportation, some wouldn't say anything. One factor was that many public school principals and teachers called students and asked them to come back. This is a new development for public schools, since they've lost so many students, not only to SBCA but to open enrollments at Penn and Mishawaka, and to private schools with the new voucher program. Steve commented that's one of the predictable results of school choice: the public schools need to show that they care, so school choice (competition) ends up improving all the schools.

Yolanda reported one of the SBCA teachers quit abruptly, he'd given notice and was supposed to stay for two weeks but then walked out. Fortunately there was a qualified substitute who has the necessary subject qualification, and the substitute is now interviewing for that position. Tracy commented one of his business associates is a former teacher who knew the gentleman who left, she'd said she doubted he would be a good fit for the school, so it's not surprising. Yolanda agreed it was not a good fit: the gentleman had given notice, saying he was not being successful with the students, so she had someone observing the class to try to help; but when one of the students challenged the answer the gentleman had given to a question, the gentleman apparently decided he couldn't tolerate that, and when he left. Some of the students were upset that that was all it took to make him leave, but the substitute seems to be working out well, there have been no complaints. James commented he had spoken to the gentleman, and had doubts whether it would work, since the man seemed to have a very inflexible attitude. Yolanda said that was exactly it, he seemed to see everything as

“black and white,” as reflected by his statement “I teach to those who want to learn.” That approach doesn’t work here, everyone needs to learn, the curriculum is built on dialogue, teamwork and relationships. As a lesson learned, Yolanda has revised the hiring/interview process to emphasize finding out about a candidate’s flexibility.

The building still needs a few fixes, Yolanda said, but it’s progressing, the biggest issue now is getting frosting on windows, for some kids it’s a distraction if they can see another classroom. Students are using the flex-space and the green-space, which is working well; teachers like being able to take kids outside sometimes. There are still some issues with uniforms, getting kids to comply, but there’s been progress. Enrichment is working well, some clubs have had a lot of interest. The cross-country team went to its first meet on Saturday and did reasonably well. The school acquired a big collection of useful books from a Valparaiso high school for \$300.

In the special education program, the number of students involved is growing. There are a couple of students coming in today who have ASD, autism spectrum disorder. To reduce the stigma of special education, the room for the special ed program has been renamed “ACE” for Academic Center of Excellence, and is now used not only for special education but for any students who need extra support such as tutoring in reading or math, so it’s not uncommon now to see the room being used by students who aren’t special needs kids.

Yolanda described having implemented a writing program called “Six Plus One Traits.”

There have been behavioral contracts entered with some of the students, in some cases involving duties such as cafeteria clean-up. A group of students came one day out of uniform, so a meeting was held, in some cases parents came with the appropriate clothes, for some of the students there were bargains made that they could go to class out of uniform in exchange for community service, with the condition that if any members of the group show up out of uniform in the future, the whole group will be doing cafeteria clean-up again. The idea was to have students agree to be self-policing, and responsible for each other.

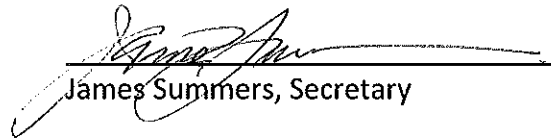
Tracy mentioned a program he’d been involved with in Cincinnati where one of the city’s major employers organized a volunteer campaign for its employees to help tutor kids in a troubled school, which produced impressive results; perhaps SBCA should investigate the possibility of a program like that. Yolanda said she’s trying to develop mentoring, there’s a men’s group that just started from 4 to 5 pm on Mondays, but more would be better. Suzanne mentioned one of her new students at St. Joseph had had a mentor at South Bend Community Schools, who is now going to come to St. Joseph as a mentor; perhaps some of the SBCA students might have had mentors at other schools who might be willing to come to SBCA. Yolanda said she’d looked into that, there was only one student with that situation, but she’s working on establishing

other mentor groups. Tracy commented the building has good settings for tutoring, and having tutors from the community is a good extension of the career approach. James commented he's working on a program with Eaton Corporation to bring businesses together in a regional inclusion strategy.

Larry said that's a great idea and we should follow up, but with all the matters Yolanda has to deal with right now, that probably needs to be on a list to do at a later point.

Having promised to keep meetings to a reasonable length, and having reached 9:00, Larry suggested the meeting wrap up. It being agreed there was nothing else on the agenda needing to be dealt with at this time, the meeting was adjourned.

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James Summers, Secretary