

APPROVED



Gestalt Community Schools

Minutes

Board Meeting

Date and Time

Wednesday June 15, 2016 at 8:00 AM

Location

PCA High School - 5390 Mendenhall Mall - Conference Room

Directors Present

A. Evans Blackwell, C. Leon, D. Sisnett, K. Walker Burt, M. Levine (remote), M. Parson, P. Ray, T. Williams, Y. Lewis

Directors Absent

None

Directors who arrived after the meeting opened

K. Walker Burt

Guests Present

A. Krafcik, Adrianna Butler, Bobbie Turner, M. McFarland, Rene Fumich

I. Opening Items

A. Record Attendance and Guests

D. Sisnett invited the staff members present to introduce themselves and talk about their roles and responsibilities.

B. Call the Meeting to Order

C. Leon called a meeting of the board of directors of Gestalt Community Schools to order on Wednesday Jun 15, 2016 at 8:14 AM.

C. Approve Minutes

Y. Lewis made a motion to approve minutes from the Board Meeting on 02-17-16 Board Meeting on 02-17-16.

T. Williams seconded the motion.

The board **VOTED** unanimously to approve the motion.

II. Committee Updates

A. Academic Committee

Y. Lewis presented a report on progress toward the annual academic goals. She noted we are waiting for some numbers, such as ACT (July) and TNReady (Oct.—high school only), and no TVAAS data for any school this year since the State of TN elected not to administer a statewide assessment.

The NWEA RIT target is 60-75% for the network. Result: we're at at 53% for the network. PCAES made the target at 69%. KPA regressed at 47%. PCAMS regressed midyear at 40%. Change of leadership had an impact. HPA increased to 52% (from 42% last year). July 1 will show more updated data and subgroups, including ELL.

Community Service: HPA had most hours at 2801.

Positive Behavior Logs: Slightly down overall. HPA and PCAES had increases.

Culture: Increase in parent report card rating across the network.

Teacher Retention Rate: For the current school year (based on returning teacher info) the network is low overall at 54% compared to the 85% target. HPA exceeded target. KPA and PCAMS below target, although PCAMS did exceed their retention rate from last year. M. McFarland noted that in exit surveys and interviews many teachers say they are leaving to relocate for convenience. The GCS staff is working with school leaders to ensure good fit for employees. Listening is key. The team has invested lot of time to retention this year.

Student attrition: Concerning overall. Looking at overall factors with School Leaders, climate data. KPA a challenge. More KPA parents filled out the climate surveys this year than last and seemed to indicate greater satisfaction, so this needs further study. Possibly high mobility rate is a factor.

Teacher attendance: rate up this year. Possibly the attendance incentive bonus played a role.

B. Scholar Enrollment & Recruitment

Enrollment Tracker: The board was provided dashboard data to review current enrollment figures. Y. Lewis noted that every year North Memphis families wait until the last minute to enroll. East Memphis schools are on target, and now must engage families to complete the process and lock them in. Data dashboard tool very helpful for seeing the full situation.

C. Finance Committee

R. Fumich, Director of Finance & Accounting, presented a draft of the FY2017 budget. The final budget could not be presented because Shelby County Schools has not yet communicated what the BEP allocation will be. R. Fumich also presented a FY15-16 vs. FY16-17 comparison, a balance sheet, and financial analysis ratios.

R. Fumich shared that the Gestalt finance team looked at historical info to inform this year's budget. Worked with School Leaders about their needs and "wish list" and enrollment projections. Personnel is our largest line item. Budget includes a 2% pay increase across the board. Communities In Schools social workers and student services contractors are reflected in the consultants line item.

The board was welcomed to review the budget and ask questions. H. Coleman asked about Line Item 248: capitalized expenses for PCAMS. R. Fumich said it is mostly the note on PCAMS, the principal portion. Same for PCAHS. Also laptop purchases.

M. Levine asked about the financial analysis ratios. R. Fumich talked about the overall financial health of the organization as reflected in the CMO ratios in the document provided, such as months and days cash on hand. She said most of Gestalt's ratios are good. Looking to reduce the salaries to BEP ratio. These are the ratios as of the end of March, and will be recalculated at end of June. They will be provided to the board quarterly.

C. Leon asked R. Fumich to talk about the cash situation now versus this time last year, and projections for the next 2-3 months. R. Fumich said the cash flow for the summer will get us through October. Income expected: \$900,000 due from FEMA, \$550,000 outstanding from ASD (received SIG \$456 yesterday). The State Board of Education is working hard to get our Title 1 reimbursements to us. We also have 3 lines of credit we can access, and the Regions and Suntrust purchasing cards to assist with accounts payable.

H. Coleman said we annually set an enrollment target that's a stretch, which artificially inflates the budget, and then we lose students over the year, which affects the budget.

She suggested budgeting on 97% of the enrollment target. R. Fumich suggested including a 3% shortfall in the expenses. H. Coleman said we also need to start schools building cash reserves and suggested building this into the budget.

D. Sisnett noted the need for transparency—how do we communicate this 3% cash reserve line item to School Leaders so they understand fully and embrace the idea? Need to decide how to message that this isn't "extra" money, but money that truly shouldn't be spent. H. Coleman noted we will HAVE to have cash reserves—not just as a backup, but to make evaluation targets set for us for funders and to access credit.

Y. Lewis said the attrition rate is higher at certain schools, especially in November. She suggested adding student retention to the A+ Goals and to budget for the impact of midyear attrition.

C. Leon asked for thoughts on voting on the budget without confirmed BEP numbers from Shelby County. After group discussion, M. Levine suggested an email vote after the final numbers have been received. The group agreed unanimously.

K. Walker Burt arrived.

III. Closing Items

A. Adjourn Meeting

D. Sisnett made a motion to adjourn the meeting.

A. Evans Blackwell seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:12 AM.

Respectfully Submitted,

A. Krafcik