



Special Board Meeting (held via video conference)

DRAFT Board of Trustees Meeting Minutes

July 28, 2021

Members Present:

Patricia Sosa, Chair
Brahim Rawi, Vice-Chair
Margaret Yao, Secretary
James Moore, Treasurer
Allison R. Kokkoros, Member
Bo Pham, Member
Hector Torres, Member
Johan Uvin, Member

Members Not Present:

Yeshimebeth Belay, Member
Vilma Rosario, Member

Staff in Attendance:

Alejandra Amaroli, Communications and Development Manager
Kristine Dunne, General Counsel
Gerardo Luna, Chief Financial Officer
Karla Vasconez, Executive Assistant to the CEO

Quorum: Yes

Welcome

Prior to calling the meeting to order, Board Chair Patricia Sosa shared that this is a special board meeting being held today. A special board meeting is by definition one that is not previously scheduled, and is scheduled at the last minute. Tonight's meeting is not one of our previously scheduled quarterly board meetings. We post a notice including planned agenda for every board meeting on our website in advance, whether they are regularly scheduled or a special meeting like this one. We try and keep such meetings to a minimum but sometimes in the course of our governance a special meeting is needed for the Board to move our work forward. In this case, the purpose of our meeting tonight is to discuss and approve the FY22 Budget and to consider the Harvard Street Campus lease renewal. The date and the agenda for this meeting were finalized within the last few days. The meeting notice was posted on our school's website as required at least 2 days in advance. We commit going forward to providing as much notice as we are able.

Patricia Sosa thanked those people who are joining us for the meeting. She invited all Board members to introduce themselves.

Call to Order

Board Chair Patricia Sosa called the meeting to order at 6:05 PM.

Review of Agenda

There were no proposed changes to the planned agenda.

Finance & Development Committee: Initial Budget Discussion

Brahim Rawi shared that Finance Committee met with CFO Jerry Luna to go over the financial statements in advance of the proposed budget being presented to the Board today. Overall, the organization is financially healthy. There is an anticipated deficit due to reduction in student enrollment and there are funds to replace those monies. He turned it over to CFO Gerardo Luna to provide more information.

Jerry Luna explained he would first go through high-level budget items and then proceed to closed session for discussion of personnel-related and lease-related items.

Jerry explained that when PCSB does the financial and audit report, they use the consolidated financial statements (this includes the School and CCC). As a reminder, the CCC Board is controlled by the School's Board and that is the way it was set up as a supporting organization to the School. He went over the proposed budget including a projected loss of \$450,000 with an expected cash flow of \$825,000. When combine those numbers with the expected results from our support organization, they project a relatively small loss and combined positive cash flow of \$1.1 million. CCC's Board approved their budget last week.

We are using an enrollment figure of 1,900 for the budget. This is higher than actual numbers in SY20-21 though we were paid on project enrollment of 2,100.

You will note \$2.4 million in federal funding, which is the most received ever, and it mostly comes from ESSR II funding alternative funding for adult schools. We have ESSR II funding allocated to our school, and we plan to submit an application for those funds. There is an allocation for ESSR III funding too. Jerry noted that for the sector there is also \$10 million DC stabilization funding allocated for adult and residential schools, though he does not know how it will be allocated, including how much to our school.

We are not collecting student fees this year as we did not want to have barriers to enrollment. We plan to go back to having student fees in future years. We are continuing to provide one-to-one devices for students, and we are projecting \$700,00 expense for student internet access. We learned from this past year so there will be some reduction in the cost from last year.

He also shared information on occupancy and depreciation.

CEO Allison Kokkoros shared that in terms of the variables that we are considering as we look at the budget and planning for the fall semester, there are 7 variables:

- * level of enrollment
- * where students are slotted (3 instructional models operating at the same time: hybrid for about 50% of our students, online for about 25% of students, and in-person for about 25% of students)
- * staffing needs (for example in some instances we need additional staff to support students, such as technology access)
- * space needs (distancing)
- * stabilization funding
- * COVID environment
- * DC regulations & requirements – e.g., from DC Health, OSSE, Mayor's Office.

We designed the plan for this coming school year to include opportunities for all of our students and DC adult learners for whatever they need now, where they are at now. Historically we meet students where their needs are, and that's what we are doing.

Allison shared that the budget is based on what we know now, and what students needs are based on focus groups and other feedback. She also shared that it is hard to capture how challenging it is logistically to enroll students virtually with needing to assess language skill & ability, complying with DC residency documentation requirements, etc. She believes that next year we will have even greater process improvements, and that will be one of our learnings from this year.

Board members asked questions about enrollment projection, number of returning students, and about the registration process. Allison shared that our expectation of whether we will meet the 1,900 enrollment changes. About a month ago, it was looking like might end up higher than 1,900. As of yesterday, we are less optimistic given some data and how laborious is the process is, and also factoring in another variable which is a new student info system. We are basically testing a new information system while using it, and operating two systems in parallel track. The team is making a shift right now about providing in-person learning based on feedback, so we will see if the projection is different in two weeks. What is reassuring is that our advocacy to insist on stabilization funding for adult schools last year and this year has worked, although that is not confirmed yet for this year.

Allison also shared that current enrollment includes around 865 re-enrolled students from last spring. She explained that the number is lower than usual because of the variables she described earlier. It does not mean that students from the spring have lost out on their chance to continue learning, it just means that if they are not registered by now, they will need to go into the registration process like anyone else interested.

Allison also shared that the school's just-in-time model of registering students close in time to the start of school is most successful in getting those students in seats. This model reflects the unexpected changes that adult learners experience which impact their availability to attend school. Even if students are unable to attend now, we never close a door. Our team goes all out and encourages students, even if they need to take a break for a little while, and come back when they are able.

Jerry Luna then talked about expected revenue. The biggest impact on revenue is number of

students from the per pupil and facilities allotment. Per pupil allotment went up 3.6% and facilities allotment stayed the same (which is the first time in several years didn't change). Federal money we anticipate receiving is making up the difference this year. He discussed the stabilization funding formula and how that has factored into the budget. He also noted that there are some grants that were one-time awards that we do not expect to receive again next year. We expect the low interest rate environment to continue.

Jerry responded to questions from board members about the budgeted income. Jerry explained that we expect to receive stabilization funding this year. We do not have specific designated rules for the stabilization funding. For the federal funding in particular, we do not have significant limitations on how it can be used.

Jerry also discussed budgeted expenses. Personnel expenses is by far that is the largest expense increase in the budget, with a 11.5% increase. These are mostly additional FTEs, which we can discuss further in closed session (personnel matters). The largest expense by far in the student expense category is student data usage. We are getting better at managing the data, so we are seeing some savings there. We expect to see some reduction in expenses with the renewal of the Harvard Street Campus lease. For general and administrative expenses they are trending slightly higher, but if we exclude the \$200,000 in extra depreciation, you will see it is relatively flat from last year. Overall the budget reflects a \$450,000 loss. We also anticipate we will have to purchase some more devices - because we expect some shrinkage of the device numbers we have. We project positive cash flow into next year.

On student device shrinkage, Jerry explained that we do not expect to get the same number of laptops back that we loaned out. There will be some that are not returned or are damaged. We currently have about 25% shrinkage for those reasons. Allison Kokkoros shared that the IT and Academic teams are working to make sure that all laptops are recovered, and we are looking at strategies to support that. It appears so far to be working well, but it is still early. She also shared that it is made very clear when we give laptops to students that School owns the laptops and there are forms students sign indicating that. Jerry also shared that if we have a student technology fee, which is anticipated to start next year, that would cover some shrinkage. We expect to learn a lot about device use and shrinkage this year.

Jerry also explained that even with some students returning in person, we are focused on providing devices to each student. As we shift to hybrid and in-person, however, student data usage needs will go down because while on campus they can use the School's Wi-Fi rather than data.

Allison shared that we are collecting data as we can on performance metrics and assessing technology use with regard to student learning. We are looking at SY21-22 as a test case of how effective hybrid learning can be. We are excited about the possibility and potential of it, but we also recognize we need to monitor the outcomes. We have been doing that but will do an even deeper dive this year. Our School, adult peer schools, and the Public Charter School Board is monitoring student achievement and persistence. Johan Uvin shared that there was a review recently completed of students of 32 remote ESL student programs, including Carlos Rosario

School. One of the main conclusions was that if done well remote learning increases the options of people to engage, which has an impact on attendance, which has an impact on acceleration on learning gains, increases persistence, and reduces times to proficiency. There was not consistency but there was a trend in the research. Johan continued that when we think of measuring the effectiveness of remote and hybrid options, we should make sure that we have data infrastructure in place to disentangle these types of questions. It is not in just having the technology available. There is data that if we do not have high quality education in place, these technology supports do not make a difference. Johan also shared that when it involves remote learning options, a lot of this can be automatized based on when people log in and off. It would be helpful to capture those automated data gathering so it is not all manual data collection.

Patricia asked about faculty and training to support them. She hopes that there can be a future Board conversation about that, in addition to the closed session discussion on personnel matters as it relates to the budget.

Jerry identified the next budget-related topics as being the Harvard Street Campus lease renewal and personnel expenses, which will be discussed in closed session then the Board will come back to the open session to finalize and vote on the budget.

Closed Session (ROLL CALL VOTE)

Patricia Sosa indicated that the next item on the agenda is a closed session involving personnel matters pursuant to DC Code § 2-575(b)(10) and for the purpose of discussing material contract terms where an open meeting would adversely affect the bargaining position or negotiating strategy pursuant to DC Code § 2-575(b)(2). Secretary Margaret Yao conducted a roll-call vote to confirm Board approval to enter the closed session. The vote passed unanimously and the Board went into closed session. They were joined by Executive Assistant to the CEO Karla Vasconez, General Counsel Kristine Dunne, and CFO Jerry Luna joined the closed session.

Finance Committee: Discussion Continued

Upon return from the closed session, Board Chair Patricia Sosa shared that during the session the Board continued its discussion of the budget (specifically the matters identified for closed session).

SY21-22 Budget (ROLL CALL VOTE)

Patricia indicated that the Board is now ready to proceed with voting on the proposed budget. Hector Torres made a motion to approve the proposed SY21-22 budget. Johan Uvin seconded. Margaret conducted roll call vote. The motion to approve the SY21-22 budget (FY22) passed unanimously.

Harvard Street Campus Lease Renewal (ROLL CALL VOTE)

The next item on the agenda was the Harvard Street Campus lease renewal. There was no vote requested on the lease renewal.

New Business

Patricia Sosa took a moment to address a letter from staff addressing diversity, equity, inclusion, and belonging. She shared that the Board is working with consultants on assessing the situation, and the Board has made a commitment to share a plan with staff in 45 days, which would be around August 20th.

No new business was raised by Board members.

Adjourn

Patricia Sosa adjourned the meeting at 7:59 PM.

Minutes prepared by Kristine Dunne, General Counsel.

Respectfully submitted by Margaret Yao, Board Secretary