

Damar Charter Academy
Board of Directors Meeting
Wednesday, April 23, 2014
11:30 a.m.
Damar Services, Inc.
5125 Decatur Blvd
Indianapolis, IN 46241

Attendance: Dr. Jim Dalton, Leta Echelbarger, Elaine Showalter, Dr. Van Tassel, Paul Dennison, Rich Harcourt, Doug Stewart, Chris Wilkes, Karen Snyder, Charles Ellis, Jackie Gantz, Lyle Coleman and Katie McCoy

The meeting was called to order by Rich Harcourt at 11:35

Packets with the following information were mailed to all attendees:

1. Board Agenda
2. February 2014 Board Minutes
3. Financials
4. DCA Report

Welcome

Rich welcomed the board, staff and Jackie Gantz from the Mayor's office. Jackie introduced herself to the board and shared some of her goals for the Charter program.

Current Environment

Discussions on the assessment measurements for the State, appears likely that what will be approved is a modified enhanced version of Common Core. Much controversy surrounds that decision but it looks like the Governor's Office has declared victory and is moving on. Next steps if needed are defining the measurement testing tools and then ultimately deciding how A-F Accountability will be implemented. The DCA's dilemma of remaining a failing school will most likely continue until the broader general education issues are resolved and then the outliers (the DCA and other specialty schools) can be identified and addressed. Noteworthy is DCA entering its 4th year of operation and requiring a high stakes external audit – focused on special education services. While DCA remains highly confident regarding special education compliance, the unresolved A – F Accountability measures will once again be at the forefront. The external evaluation will likely occur in December of 2014.

Damar Services continues to work with Department of Child Services (DCS) to resolve some outstanding issues between the 2 organizations. As the DCA is acutely aware, some of those issues have resulted in a census decline at Services which has impacted the DCA enrollment. Damar Services and its counsel have suggested a different approach to the DCS issues with hopes that progress towards a reasonable and fair settlement will again gain momentum.

First Lady Karen Pence is scheduled to visit the DCA on Wednesday, May 7th. Mrs. Pence will be on a tight timetable so that significant effort and planning are presently taking place to insure the best use of her time. Clearly, where appropriate, DCA students will have involvement. Efforts around reorganizing a new charter school association continue with both Principal Leta Echelbarger and staff accountant Paul Denison actively involved. It remains vitally important that charter schools have a voice in the Statehouse. Rumors abound that the Friedman Foundation is also active in establishing some Indiana charter school initiative and leaders from the Excel and Crystal charter schools have spoken with the Friedman folks.

Finance

The 9 month March interim numbers have begun to drift from the budgeted numbers. Controllable expenses (salaries, wages, and supplies) performed reasonably close to plan. Further, significant savings to budget continue in the moveable equipment expense. However, insurance costs, specifically health care and to a lesser extent workers compensation expense, have doubled the YTD forecast. The higher level of expense coupled with diminished revenue caused the school to miss the March margin forecast by \$31,352. Year to date, the school still has a positive operating margin (\$23,207).

Further, the basic grant tuition decreased from the previous forecast as the DCA student waitlist didn't match well to classroom openings causing an additional decline in enrollment. As an example, the DCA has a lengthy waitlist for elementary students, but only has openings in the high school classrooms.

The DCA will be short an additional \$34,000 in revenue from the previous forecast. Some additional expense cutting can be accomplished between now and the fiscal year end (June 30) but with two months left in the fiscal year, it is expected that only \$2,000-\$3,000 more in savings may be achieved.

As a result of the revenue claw backs and increasing health care expenses, it is realistic to expect that the DCA will continue to consume some of their cash position.

The DCA Lottery scheduled for April 24, 2014 at 6 pm will help with revenue issues. The end of the school year restarts the lottery process and allows for some adjustment to classroom sizes and demographics. The school is confident that the 160 number is achievable and the budget forecast is tied to that level of enrollment. The Lottery will assist in resetting the school and classroom make-ups and will facilitate the opportunity to re-evaluate classroom focus (elementary vs. high school and autism vs. non-autism) according to need and demand. Secondly, and more complex, are the monies owed from the State for the unreimbursed first semester special education grant (\$494,865) which nobody at the State has denied owing. Damar Service's executive lobbyists are pursuing a strategy to get the obligation repaid at the State's June 30, 2014 FYE. Many State agencies revert unused budget monies to the State Treasurers office for FYE purposes and B&T is trying to push a DCA payment thru at the same time the State is receiving significant cash returns.

Important to note, neither enrollment levels at 160 nor State obligation repayments permanently solve the DCA's financial challenges. Only a real and meaningful increase in tuition funding solves the problem.

The March numbers were presented and motion was made by Dr. Jim Van Tassel and seconded by Karen Snyder and all members agreed to accept the financials.

The 2014-2015 budget was presented and the motion was made by Chris Wilkes and seconded by Charles Ellis and all members agreed to accept the budget as presented.

The 990's will be prepared and sent to the members to see before filing. The deadline is May 15th and the next meeting is scheduled for June 2014. Motion was made by Dr. Jim Van Tassel and seconded by Karen Snyder and all members agreed to accept the 990's pending the presentation to members before May 15, 2014.

The Teachers Assistants will follow the days of school as work days, if school is closed personal time or no pay will need to be used.

With much work by Paul Dennison the Medicaid has been approved for DCA billing. This will help with revenues in the future.

The next finance meeting with the Mayor's Office is May 22. The results of this meeting will be reported to the Finance Committee. All financial ratios that the mayor's office monitors are "at standard".

The DOE representative will visit the DCA on May 21, 2014 to see how well the goals are being met by the standards that were worked out between DCA and DOE. This will not change the F status but it does allow for measurable goals.

One teacher from the DCA will have the opportunity to visit the classrooms of India for three months this year. This is an endorsement from the Mayor's office and a privilege that will be exchanged with a teacher from India coming to Indiana to experience our learning culture. A teacher has not been named at this time.

The Indiana Pacers will visit DCA on May 16, 2014 to share their "Read like a Pro" program.

10 students have been paired with Cathedral High School students to set up for "Lemonade Day" at Cathedral High School during lunch periods on May 16, 2014.

There being no further business the meeting was adjourned at 12:20 pm.

