

**Rockford Charter School Organization  
Board Meeting Minutes  
December 19, 2019  
11:30am – 1:00pm  
Swedish American Hospital, 1340 Charles Street, Rockford, IL 61104  
Conference Room 1**

1. Call to Order – 11:40 a.m.

Present: Executive Director Mike Williams, Rick Aylward, Carla Redd, Kenneth Cunningham, Scott Anderson, Nathan Bryant, Ray Krause from Sikich, LLC, Leary Morse from Sikich, LLC, Principal Shavina Baker, Attorney Roxanne Sosnowski, Jennifer Hall and Anisha Grimmert

Motion to Approve the Agenda made by Kenneth Cunningham and seconded by Scott Anderson. All aye. Motion passes.

2. Public Comment – None

3. Approval of Consent Items – Motion by Board

(Members may request individual Consent Items to be pulled for discussion)

a. Minutes of prior Board Meeting – 7/2/2019

- i. Attorney Sosnowski stated that the 7/2/2019 minutes have already been approved at the August Board Meeting. The November minutes, while they have been provided, cannot be approved because they are not included on the agenda, however, the October and November Meeting Minutes will be on the agenda for the January meeting for approval.

4. Committee Reports

b. Finance Committee –

i. 2018-2019 Audit Report – Sikich, LLC (Action Item)

1. Results of the Audit Report was presented by Leary Morse from Sikich, LLC. Sikich issued a modified opinion (which is the highest opinion that can be issued). There was one finding this year, due to a donation that was received and an acknowledgement letter was not sent.
2. The Board Report was presented by Ray Krause from Sikich, LLC. There were no disagreements that arose as a result of the audit and Sikich did not receive

any difficulties when performing the audit and all of the information was received in a timely manner.

3. Motion to approve the 2018-2019 Audit Report from Sikich was made by Nathan Bryant and seconded by Carla Redd. All Aye. Motion passes.
4. Nathan Bryant suggested doing a fraud risk assessment within the Audit processes going forward. Executive Director Williams stated that there is a fraud assessment that is conducted by the Auditors which involves interviewing the Administration if they are aware of any fraud issues. Rick Aylward stated that he believes that the Auditors randomly select a few teachers to interview about fraud issues.

ii. 2020-2021 Draft Budget Review – Rick Aylward

1. Rick Aylward presented the 2020-2021 draft budget. The finance committee has reviewed the 2020-2021 budget draft. Projecting 250 for enrollment. RCSO is currently at 230 for enrollment. The total revenue numbers are a little low because in FY2020 there are FY2019 dollars that fell into FY2020 and RCSO cannot anticipate those numbers falling into FY2021. The budget is showing a deficient on the income statement for FY2021 for \$190,000.
2. Rick Aylward has reached out to IFF to see if it was possible to get an interest only loan. IFF is evaluating this and RCSO is still waiting to hear back from them on whether they are willing to do this. In January, IFF has a Loan Committee meeting at which point RCSO may find out then if this is possible. The preliminary budget is based on if IFF approves the interest only stay for one year, which will give RCSO a break even cashflow. IFF is open to doing this, however, it is not something that IFF does a lot.
3. Jennifer Hall asked Principal Baker to go through the budget and point out the areas of the budget that will affect the students most.
4. Principal Baker stated that they took the school Social Worker from being full-time to a part-time employee having only 20 hours per week at the school. The school Social Worker is required to be present at the school on IEP days which gives her 8 hours one day and then the rest of the time she is to be at school on hot spot days. However, Principal Baker is finding that every day is a hot spot

- and the Administration has been having to triage many of these situations and the Director of Special Education teacher has taken on a lot of this. There are 2-3 kids per day that are being referred to SEL for support. To accommodate this, RCSO started putting together some groups for boys and for girls where staff members are having lunches with these kids to try to triage this. RCSO is already seeing the impact of not having a full-time Social Worker at the school.
5. Principal Baker stated that the elimination of the Community Family Engagement Specialist has had some impact on attendance. At the beginning of the school year attendance was hovering at right around 95% daily, there were interventions in place to get kids to school on time. The past two or three weeks attendance has been at or below 90% which is concerning because it affects how RCSO is paid, but most importantly more missed days means loss of instruction and kids are not learning. Carla Redd inquired what the cost saving factor was for no longer using YSN. Principal Baker stated that at the time YSN was eliminated it was because they were more expensive than the person that they had in house and RCSO was seeing better results with the Specialist than with YSN because the Specialist knew the families and could better engage with them, whereas YSN was only sending a letter and not really following up once letters were sent and were not very good with home visits. Carla Redd stated that she knows that YSN has had some change in Administration and they have started to have some positive outcomes. Principal Baker stated that another challenge that they had was the YSN member was only in the building maybe one or two days per week at most whereas the person RCSO had was meeting with families every day. Executive Director Williams stated that he has made several requests to YSN on a report on the individuals that they had contacted and what the status was on those contacts and he never received anything from YSN on this.
  6. Kenneth Cunningham asked that since RCSO is talking about all of this in relations of budget, could we put numbers spelling out when we cut the Community Engagement Specialist, how much did it change the budget? Principal Baker stated that they were paying the specialist \$38,000.00 and that

they were paying YSN \$42,000.00. The Social Worker was contracted with Sunbelt for those services because it is very difficult to do a direct hire and recruit for Social Workers. Principal Baker stated that she has specifically tried to hire for the Social Worker position because Sunbelt is a contracted service and it would be better if RCSO was able to do a direct hire. Cutting the Social Worker's services decreased the budget by \$36,000.00, which cut the Social Worker's contract amount in half.

7. Principal Baker stated that RCSO gets \$113,000.00 from Illinois Empowerment Grant to address some of the deficits that RCSO is having in their building. The money that is set aside for this grant is reimbursable, however, RCSO has to front the cost and then it is reimbursable. With the cutting of the academic support roles RCSO is not in compliance with the commitment to the grant and RCSO will not be reimbursed those funds because there are not people in those positions. This grant is for all academic positions that provide support within the classroom that can be reimbursed for, however, because these positions were cut, they will not be reimbursed.
8. Anisha Grimmert asked if there were any grants for SEL services that RCSO could apply for to try to get these people back in the school. Principal Baker stated that there was additional training at the beginning of the school year that was provided to RCSO teachers in relation to SEL and best practices and professional development to use in their classrooms to calm students.
9. Executive Director Williams stated that teachers are being taken away from instruction with the loss of these services. RCSO is in a crisis mode to improve academic, however, they are also in crisis mode because of the budget. RCSO needs to keep in mind the direct impact of losing staff and what goes on within the classroom.

iii. YTD Budget vs. Actual

1. Rick Aylward presented the Budget to Actual income statement. Revenue was over budget by \$160,000 right now due to \$50,000 grant received for the playground course and the per capita tuition is over by \$120,000 which will correct itself in January/February because RPS 205 does an adjustment where

they have been paying at 100% of attendance because the ransomware/malware they have, RPS 205 did not have access to accurate enrollment numbers. Rick Aylward believes that this will get fixed with the January/February payment from RPS 205. RCSO is under budget for expenses for November, with the total being close to \$114,000. RCSO is \$278,000 ahead of budget currently.

iv. YTD cashflow update with reconciled months shown as actual and remaining as budgeted.

1. Rick Aylward presented the cash flow report. The cash flow is at a little under at \$1.5 million. The current liabilities are at \$107,000, which are mainly made up of some payroll taxes for November and into December and the smart boards lease loan.

## 5. New Business

### a. School Works Renewal Site Visit Report (discussion)

a. Jennifer Hall stated that Principal Baker, Executive Director Williams and Attorney Sosnowski sent multiple changes to School Works that Jackson requested be changed within their report and when the report came back very little information was revised. Jennifer Hall stated that RCSO should send a response to School Works about the School's opinion regarding the lack of time that they spent, lack of research that was done and how RCSO finds this report. Attorney Sosnowski would like to know if the Board would like a letter to be sent to them, Scott Anderson and Kenneth Cunningham both said yes.

### b. Board Member Visit Share Out (discussion)

v. Jennifer Hall asked Board Members to schedule their visits with the school between now and the next Board meeting in January because this would be a good time for them to ask Principal Baker and Executive Director Williams about the budget and the changes.

### c. Discuss/Approve Resolution to authorize the Board President to sign a service agreement with ECRA Group, Inc. at a cost of \$21,380 for a one year term (Action Item)

i. Jennifer Hall stated that Attorney Sosnowski indicated that she is still negotiating an item on the agreement with ECRA, but she would like to seek approval on this one subject to attorney approval of the final contract.

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- ii. Motion to approve the agreement with ECRA Group, Inc. subject to attorney approval of the final contract was made by Scott Anderson, seconded by Kenneth Cunningham. All Ayes. Motion passes.
6. Adjournment: Motion by Kenneth Cunningham and seconded by Carla Redd.
  - d. Meeting adjourned at 1:00 p.m.

