

Hoosier Academy, Inc.
Regular Board Meeting Minutes
June 28, 2016

Upon determining the presence of a quorum, Board Chair Marske called the meeting to order at 5:49P.M. Tuesday, June 28, 2016.

Chairman Marske read the Board Mission: 1) make sure that our school accomplishes the outcomes it was chartered to produce (i.e. student achievement) and 2) Make sure that nothing illegal, unethical, or imprudent occurs.

Attendance:

Name	Present	Absent	Arrived Late	Departed Early	Electronic Participation
John Marske	✓				
John Luta		✓			
George Giltner			✓ 6pm		✓
Gary Meyer	✓				
Ron Brumbarger	✓				
April Turner			✓ 5:55pm		✓

Others in Attendance:

K12 Representatives	HA Staff	Community Members
Byron Ernest Jennifer Sims Patti Ashley David Jenkins Jennifer Waterman Chris Chalker Kathy Coe Dominique Franklin	Jennifer Lyons Jena Smith Dana Smith	Robert Scott Jenny Perry, virtual Leanne Lamb, virtual

C. Approval of the Minutes:

Mr. Meyer motioned to approve the May 24, 2016 minutes. Mr. Brumbarger seconded.
Roll Call: Mr. Giltner, absent; Ms. Turner, absent; Mr. Luta, absent; Mr. Meyer, aye; Mr. Brumbarger, aye; Mr. Marske, aye. The motion passed.

D. Adoption of the June Agenda:

Mr. Marske motioned to amend the June agenda to add an item under Student and School Outcomes, letter B, resolution 2016-12, computer purchase.
Mr. Meyer motioned to adopt the amended June 28, 2016 agenda as presented. Mr. Brumbarger seconded.
Roll Call: Mr. Giltner, absent; Ms. Turner, absent; Mr. Luta, absent; Mr. Meyer, aye; Mr. Brumbarger, aye; Mr. Marske, aye. The motion passed.

E. Oral Communication:

No oral communication.

II. Hoosier Academy- Governance and Organization

A. Resolution 2016-7, EMO Service Agreement

Robert Scott provided an overview of the changes to the Service Agreement from last month's redline draft. Since the last board meeting legal was presented with Ball State's renewal letter, dated April 19, 2016, and highlighted some of the renewal conditions highlighted in the April 2016 letter. Ball State has policies with contracting EMO's, and have revised their policies on charters that operate with a service provider. The new policy states that the EMO Agreement May NOT specify that all or "substantially all" of the Organizer's state tuition support be paid to the EMO. Ball State hired an independent consultant to be part of the renewal process. The consultant concluded that 69% of revenues were being paid to the EMO.

Mr. Meyer, member of the finance committee shared that the finance committee had discussed the April 19 letter in detail during their previous meeting. The finance committee received detailed reports as part of the budget process that show how much of the school's expenses go directly to the EMO and how much is used to merely reimburse the EMO for expenses the school would have occurred whether or not an EMO was in place. The Board reviewed a detailed expense breakdown of the proposed budget for the upcoming fiscal year. The Board also reviewed the national price list for all services provided by K12. The Board noted that while the consultant might have seen 77% of revenues "booked" to K12 in the fiscal year ended 2016, only 57% of revenues were actually paid to K12. Additionally 26% of the payment represented computers, student materials and teacher materials, while 28% represented curriculum. Only 3% of total revenues went toward Administrative and Technology Services. The 2017 budget anticipates on 49% of total revenue being forwarded to K12, with 0% being budgeted for K12 Administrative and Technology Services. The Board agreed to forward this analysis to Ball State in compliance with the provisions highlighted in the letter dated April 19, 2016.

Scott highlighted some of the additional changes with the board such as: the language added to exhibit A in the EMO agreement, which sets forth all of the services and fees, be more specific to the fees being paid to the EMO; such as the national pricing list. The current EMO draft clarifies that the expenses be consistent to the budget; the vendors contracting to provide all services; there is an added definition to the deficit credit; Insight is a brand of K12 and unlike Hoosier Academies which is owned by the corporation, K12 will own Insight.

Mr. Brumbarger motioned to approve Resolution 2016-7, Mr. Meyer seconded.

Roll Call: Mr. Giltner, aye; Mr. Luta, absent; Ms. Turner, aye; Mr. Meyer, aye; Mr. Brumbarger, aye; and Mr. Marske, aye. The motion passed 5-0

B. Resolution 2016-8, Amendments to By-Laws

Robert Scott provided an overview of the changes made to the By-Laws of the Hoosier Academy Board. Ball State has updated their charter school by-laws that are not in our current by-laws. Part of the renewal is to make amendments to the by-laws so you are compliant to Ball State's requirements. Here are the changes:

Section 1 is new and states the company name, location of principal office, and registered agent and office.

Section 2.1. Discusses the duties of the Board of Directors.

Section 2.2. Discusses the qualifications of the Board of Directors. All board members must be residents of Indiana, and must live in a county where a current Hoosier student lives. Section 2.2. also includes Indiana Code 20-26-5-11(b) which states that all members that serve on the Board of Directors must pass an expanded criminal history check.

Section 2.3. discusses the number, term and elections of the Board of Directors. The minimum number of directors is five and the maximum number is nineteen. The term for each director shall serve a term of three years and shall be eligible to be elected or appointed for no more than four consecutive terms, which would be a total of twelve years. Any newly elected member of the Board of Directors shall be notified to the authorizer, Ball State, and all newly elected directors shall participate in a board training session that has been approved by Ball State.

The following sections to the By-Laws did not undergo any major changes other than getting re-numbered.

Section 2.4. Discusses vacancies of the Board of Directors.

Section 2.5. Discusses removal of a Board of Directors

Section 2.6. Discusses annual meetings of the Board of Directors.

Section 2.7. Discusses other meetings of the Board of Directors. The Board of Directors shall hold regular meetings for the purpose of transacting such business, and shall hold monthly meetings during the academic year and one regular meeting during the summer break.

Section 2.8. Discusses participation of the Board of Directors. A director may participate in an annual, regular, or special meeting by or through the use of any means of communication by all which all directors participating may simultaneously hear each other as long as the Indiana Open Door Laws are applied and followed.

Section 2.9. Discusses quorum and voting. One-third of the directors in office when action is taken, but no fewer than two directors are necessary to constitute a quorum for the transaction of any business to happen.

Section 2.10. Discusses action by consent. The Board of Directors may not take action by written consent. The Board of Directors may act only at a general public meeting in compliance with the provisions of Indiana Open Door Law.

Section 2.11. Discusses Open Door Law. The Corporation shall comply in all respects with the Indiana Open Door Law with all regular or special meetings. Notice of meetings need to be posted no less than two business days before the meeting takes place and all minutes, notes and decisions must comply to the provisions of the Open Door Law.

Section 2.12. Discusses the Educational Service Providers. No member of the Corporation's Board of Directors or any of their respective spouses or immediate family members may have any direct or indirect ownership, employment, contractual or management interest in such ESP. All members of the Board of Directors shall familiarize themselves with the contract between the Corporation and the ESP and the rights and responsibilities of the Corporation vis-à-vis the ESP.

Section 2.13. Discusses Compensation. No member of the Board of Directors shall receive any compensation for serving on the board, provided that the Corporation may reimburse any member for reasonable expenses incurred in connection with service of the Board. Any reasonable expenses not reimbursed shall be considered a gift to the Corporation.

Section 2.14. Discusses Protocol. The Board of Directors shall use Robert's Rules of Order, including the preparation and board approval of minutes of meetings of the Board of Directors.

The following sections to the By-Laws did not undergo any major changes other than getting re-numbered.

Section 2.15. Discusses Executive Committee.

Section 2.16. Discussions Other Committees.

Article III discusses Officers

Section 3.1. Discusses officer and qualification therefor. The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Treasurer. An office may not simultaneously hold more than one office, and an officer shall be a member of the Board of Directors.

The following sections to the By-Laws did not undergo any major changes other than getting re-numbered.

Section 3.2. Discusses terms of office.

Sections 3.3. Discusses vacancies.

Section 3.4. Discusses removal.

Section 3.5. Discusses compensation.

Article IV discusses the powers and duties of officers.

Section 4.1. Discusses the powers and duties of the President. The President has general supervision, management, control and oversight of the business of the Corporation subject to these Bylaws and subject to the orders of the Board of Directors. The President may enter into and execute any and all certificates, contracts, and other instruments of the Corporation that are approved by the Board of Directors. The President may delegate to any other office any and all duties of the office of President. The President shall exercise and perform any and all other powers and duties as may be prescribed by the Board of Directors.

The following sections to the By-Laws did not undergo any major changes other than getting re-numbered.

Section 4.2. Discusses the powers and duties of the vice president.

Section 4.2. Discusses the powers and duties of the secretary.

Section 4.4. Discusses the powers and duties of the treasurer.

Section 4.5. Discusses the powers and duties of the assistant officers.

Article V discusses a nondiscrimination policy. That policy states that the Corporation shall not discriminate on the basis of race, religion, national origin, gender, age, disability, and sexual orientation, status as a Vietnam-era or special disabled Veteran, or other protected class in accordance with applicable federal or state laws in hiring or other employment practices of the School. Further the Schools shall be open to all students in its authorized geographic area on a space available basis and shall not discriminate in its admission policies or practices on the basis of race, gender, religion, ethnicity or disability. The Schools shall conduct all of its activities in accordance with all applicable local, state, and federal anti-discrimination laws, as well as in accordance with other laws and regulations applicable to the operation of the charter public schools in the state of Indiana.

Article VI discusses miscellaneous items.

The following sections to the By-Laws did not undergo any major changes other than getting re-numbered.

Section 6.1. Corporate Seal.

Section 6.2. Execution of Contracts and other Documents.

Section 6.3. Fiscal Year.

Mr. Meyer motioned to approve Resolution 2016-8, Amendments of the Corporation's Bylaws. Mr. Brumbarger seconded.

Roll Call: Mr. Giltner, aye; Mr. Luta, absent; Ms. Turner, aye; Mr. Meyer, aye; Mr. Brumbarger, aye; and Mr. Marske, aye. The motion passed 5-0

C. Handbooks Briefing

Nadina McFann and Jenny Perry provided the Board with a handbook briefing. See the attached document included in the approved minutes titled **Hybrid and Virtual Handbook Revisions Briefing Report*.

III. Hoosier Academy- School and Student Outcomes

A. Resolution 2016-9, MasteryConnect

Dana Smith presented to the Board for Board approval a purchase order over \$10,000. The purchase is for a program called MasteryConnect; an online resource that helps teachers identify and track student mastery of Indiana Academic Standards to inform teaching practices. The online resource was chosen because other K12 schools use this resource and it would allow for Hoosier teachers to identify student levels of understanding in order to improve student outcomes, inform instruction, and improve teaching. MasteryConnect will be used as part of the Tier 2 and Tier 3 supports for identified students in grades 9-12. The funding for MasteryConnect is out of a formative assessment grant; and the entire purchase would be covered by the grant.

The Board was concerned with some of the contract agreements, but was also aware that the funds for this formative assessment grant has a deadline for June 30th. The Board approved Resolution 2016-9 with the provision that the President and Head of Schools deem necessary and advisable based on the recommendation of Corporation legal counsel, and to take any and all steps necessary or desirable to carry out the terms and conditions.

Mr. Brumbarger moved to approve Resolution 2016-9, Resolution Authorizing Execution of Mastery Connect Subscription with legal review of contract. Mr. Meyer seconded.

Roll Call: Mr. Giltner, approve; Mr. Luta, absent; Ms. Turner, approve; Mr. Meyer, approve; Mr. Brumbarger, approve; and Mr. Marske, approve. The motion passed 5-0.

B. Resolution 2016-12, Computer Purchase

Ms. Coe presented Resolution 2016-12, approving computer purchase. The money for the purchase is coming from an innovation grant for charter schools provided by the state. This grant is for Hoosier Academies Indianapolis, not virtual because the grant is not for virtual charter schools.

Mr. Brumbarger motioned to approve Resolution 2016-12. Mr. Meyer seconded.

Roll Call: Mr. Giltner, aye; Mr. Luta, absent; Ms. Turner, aye; Mr. Meyer, aye; Mr. Brumbarger, aye; and Mr. Marske, aye. The motion passed 5-0.

C. Second Semester Final Exemption Data

9-12 Virtual Academic Administrator Dominique Franklin provided second semester data on the final exemption policy implemented in June of 2015. The results for second semester are below:

With a total of 4798 courses, 1063, 22% were exempted, and 3735, 78% were not exempted.

The exemption by content area:

Science, 35%; Math, 19%; English, Social Studies, and Electives, all 18%.

Teacher feedback regarding if the policy affected their pass rates were:

With 27 responses, 12, 45% felt that their pass rates were not impacted by the policy; and 6, 22% felt that their pass rates were better than previous semesters.

High school courses are looking at doing away with final exams and replacing them with a project or portfolio because our data shows that students are affected by low final exam grades. The final project or portfolio would be up to the teacher, and it would allow for teachers to have more time teaching the students rather than preparing them for finals at the end of the semester. .

9-12 Hybrid Academic Administrator Chris Chalker provided second semester data on the final exemption policy implemented in June of 2015. The results for second semester are below:

9th Grade- Science: 10, 43%; Social Studies: 10, 37%; Math: 7, 33%; English: 7, 29%; Exempt from all: 6, 22%; and Exempt from none: 13, 50%.

10th Grade- Science: 5, 20%; Social Studies: 11, 46%; Math: 8, 57%; English: 9, 50%; Exempt from all: 4, 17%; and Exempt from none: 5, 22%.

11th Grade- Science: 5, 19%; Social Studies: 5, 17%; Math: 10, 63%; English: 3, 20%; Exempt from all: 3, 11%; and Exempt from none: 9, 32%.

12th Grade- Science: 3, 27%; Social Studies: 1, 100%; Math: 3, 75%; English: 7, 100%; Exempt from all: 4, 27%; and Exempt from none: 0, 0%.

Students were not allowed to be exempt from the final exam for AP Chemistry second semester or dual credit courses.

D. Facilities Briefing

Byron Ernest provided the Board with draft blueprints of what the Franklin Rd building would look like if the Board chooses to bring K-6 over to the building. The K-6 rooms would be built to hold a maximum of thirty students. Caito Rd is on version four, and still working on getting things worked out, and those will be shared once available. The blueprints are attached.

E. Name Filing for Insight

Mr. Meyer moved to approve Resolution 2016-10, Resolution Approving Filing of Certificate of Assumed Business Name. Mr. Brumbarger seconded.

Roll Call: Mr. Giltner, aye; Ms. Turner, aye; Mr. Meyer, aye; Mr. Brumbarger, aye; and Mr. Marske, aye. The resolution passed 5-0

IV. Hoosier Academy Financial, Legal and, School Operations

A. Financial Report

Ms. Ashley reviewed the FY2016 forecast presentation which was discussed with the Finance Committee last week. The forecast commentary highlighted an increase in school improvement grant by \$15k to \$20k. School expenditures increased by less than 1% over previous month. Instruction and Admin compensation entries true up, and facilities and other expenses increased by 2%. YTD forecast is \$4.6M, reduced by \$23k due to decreased expenses. The balance sheet has a decrease in cash balance, and there was an increase in current liabilities for timing due to K12 billing.

Mr. Meyer moved to submit the May vouchers for both Indy and Virtual for audit. Mr. Brumbarger seconded.

Roll Call: Mr. Giltner, aye; Ms. Turner, aye; Mr. Meyer, aye; Mr. Brumbarger, aye; and Mr. Marske, aye. The motion passed 5-0.

Mr. Meyer moved to accept the financials for audit. Mr. Giltner seconded.

Roll Call: Mr. Giltner, aye; Ms. Turner, aye; Mr. Meyer, aye; Mr. Brumbarger, aye; and Mr. Marske, aye. The motion passed 5-0.

The finance committee met with K12 Finance to review the projected FY2017 budget. Mr. Marske shared on behalf of the finance committee that there are still initiatives outstanding that we would like to see get put into the budget; we don't have any resolution on those initiatives, and won't be resolved by the June 30th deadline. However, it's our understanding, and stated in the EMO agreement, that the budget can be amended later on. K12 is taking a hard look at the initiatives we have asked of them, and according to K12 they are in the final stages of being reviewed. The Finance Committee has full expectation that the proposed initiatives will be included in an amended budget. However, since is required to pass the budget by June 30th, they agreed to vote on the budget as presented.

Mr. Meyer motioned to approve the FY2017 Budget, Resolution 2016-11 as it has been submitted with good faith that our provider will follow through on discussion regarding our initiatives. Mr. Giltner seconded.

Roll Call: Mr. Giltner, aye; Ms. Turner, aye; Mr. Meyer, aye; Mr. Brumbarger, aye; and Mr. Marske, aye. The motion passed 5-0.

David Jenkins briefed the board on the FY2015 audit and that it is now complete. The audit was qualified only on the basis of the finding of \$4.9M which now waiting on the state to decide when those findings will get returned. There were no other significant weaknesses or findings. The FY16 audit will begin on time, completed by November; well in advance of the December deadline. The supplemental audit report had four minor findings; three of them are issues that have already been addressed, but there is a new additional sales tax form that needs to be filled out.

B. Community Report

Mrs. McFann presented on behalf of Ms. Borrelli. The Back-to-School Mini Expos begin July 25th-29th, and the Back-to- School Epos run August 4th-27th. Locations are on the strong start website.

C. Enrollment Report

Ms. Coe presented the current enrollment for the 2016-2017 school year for Indy, Virtual and Insight. Indy K-12 is at 213; virtual K-12 is at 3044; and Insight is at 478. New students to Hoosier are in their appropriate grade level, but students who have been enrolled with Hoosier and have registered have not been transferred to their new grade level. That will happen next week, so these numbers might change a little next month.

**Hoosier Academy Indianapolis
Enrollment 20165-2017 School Year**

Total Enrollment

Grade	Count
K	10
1	14
2	17
3	19
4	23
5	26
6	27
7	30
8	39
9	45
10	179
11	281
12	177
Grand Total	1213

Hoosier Academy Virtual Enrollment 2016-2017 School Year

Total Enrollment

Grade	Enroll
K	62
1	117
2	177
3	265
4	279
5	189
6	187
7	179
8	264
9	275
10	179
11	264
12	174
Grand Total	3044

Insight School of Indiana Enrollment 2016-2017 School Year

Total Enrollment

Grade	New	Transfer	Total
5	3	63	66
6	8	50	58
9	9	36	45
10	15	52	67
11	24	138	162
12	5	107	112
Grand Total	67	426	493

D. Compliance Report

Ms. Coe presented on compliance reports for the state and Ball State. The state report for certified employee is in working status and real time and enrollment and mobility are also being worked on. Ball State needs an enrollment report by grade level submitted to CSAPPHIRE.