

**MICHIGAN VIRTUAL CHARTER SCHOOL ACADEMY
BOARD OF DIRECTORS
SPECIAL BOARD MEETING MINUTES**

DATE: November 2, 2015
TIME: 5:30 PM
Location: Clark Hill PLC
151 S. Old Woodward Ave., Suite 200
Birmingham, MI 48009

1. **Meeting Called to Order: 5:50 pm**
PRESENT: Director Bender, Director Stangeland, Director Hester, Director Buckles, Director Lake (arrived late)

ABSENT: Director Foster

OTHERS PRESENT: Ann VanderLaan (Clark Hill), Gregory Terrell (Gregory Terrell and Company)

2. Discussion of Fiscal year 2015 audit by Gregory Terrell continued from prior Board meeting.
 - Title I Reclassification-There were no semi-annual certifications to support certain Title I services; therefore, the auditor did not make an adjustment in the audit. The State would have disallowed the costs of approximately \$62,000.
 - According to David Jenkins, the Academy may carry over 15% of unused Title I funds from fiscal year 2015 to fiscal year 2016. The State allowed \$232,000 in Title I funds to be carried over into the 2015-2015 fiscal year.
 - Academy Board members expressed their displeasure with the fact that not all Title I and II funds were used during the 2014-2015 fiscal year and that the Academy's application for and use of Title I funds did not occur at the beginning of the fiscal year which meant that many costs and expenses that could have been paid by Title I funds had to be paid out of the general fund such as summer school, staff interventionists, other Title I staff and services. The Academy's application for Title I funds did not occur until 6 months into the fiscal year.
 - In addition, David Jenkins advised the Board that since the Academy did not spend all of its approximately \$1.5 Million in Title I funds for fiscal year 2014-2015, the Title I allocation for the Academy for the 2015-2016 fiscal year has been reduced to approximately \$700,000.
 - Board requested an Action Plan from the Interim Head of Schools and Finance Manager so that this Title I loss of funds and unused funds does not occur again and that Title II funds are spent on professional development during the 2015-2016 fiscal year, which they were not and

resulted in the State recapturing those funds and professional development being paid out of general funds.

- Academy Board members are concerned that it does not have a larger fund balance and the Title I and II issues are examples why. Director Stangeland expressed that the Academy should have a much higher fund balance because it is not a brick and mortar school.
- AVL reiterated that the Academy must have a 5% fund balance as part of the State requirements and that the Finance Manager's recommendation that the Fund Balance be phased in over two (2) years does not comply with Michigan law.
- President Bender stated that he wants an Action Plan going forward on achieving the 5% Fund Balance and proper application, use and expenditure, and accountability by K12 to the Academy Board of state and federal grant funds including Title I, Title II, IDEA, Kent ISD grant and Medicaid reimbursement among other grant funds.
- AVL stated that she would review potential remedies under the EPSA with K12 regarding the Title I, Title II, IDEA and Medicaid reimbursement issues raised during the past several months.

3. Approval of Michigan Virtual Charter Academy Fiscal Year 2015 Audit

Motion by Director Buckles

Second by Director Stangeland

Unanimous Approval by the Board

4. Request by Sarah Ferguson, Special Education Director, to amend contract with Therapy Source to add an Arabic translator for an upcoming IEP Team meeting in November 12, 2015.

5. Motion to Amend Contract with Therapy Source to Approve Arabic Translator for November 12, 2015 IEP Team meeting, only, at \$100 per hour

Motion by Director Buckles

Second by Director Hester

Unanimous Approval by the Board

6. The Board requested the Interim Head of Schools to obtain two (2) other bids for translation services and bring before the Board for future translation service needs.

7. Meeting Adjourned at 7:00 pm



By: Scott Stangeland
Board Secretary