

Minutes
Arkansas Virtual Academy
Board of Directors Meeting
March 26, 2009

Board Members Present

Jerry C. Jones
Susan Allerheiligen
Angela Driskill
Kevin Smith

Staff Present

Karen Ghidotti
Lisa Williams
Susan Underwood
Monique Houston

Media Present

None

Members Not Present

Lepaine Sharp-McHenry
John Riggs

Guests

Nicole Ellis, CPA-
Thomas & Thomas LLP
Randy Milligan, CPA
Engagement Partner-
Thomas & Thomas LLP
Dan Kemp- Bancorp South

Call to Order

Board Chair, Jerry Jones, declared a quorum and called the board meeting to order at 4:06 p.m.

Karen Ghidotti distributed the minutes of the previous ARVA Board meeting of January 20, 2009.

<p>MOTION: by Susan Allerheiligen and seconded by Kevin Smith to approve the January 20, 2009, ARVA Board Meeting minutes as written. Motion carried 4-0.</p>
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Karen Ghidotti, Head of School, requested of Jerry Jones, Chair, leeway to divert from the agenda due to the schedule of the guest present. Jerry Jones granted the request.

Ms. Ghidotti introduced Nicole Ellis and Randy Milligan of Thomas & Thomas LLP to present the audit report and answer any questions of the Board.

Randy Milligan thanked the Board for the opportunity to do the Arkansas Virtual Academy audit. Mr. Milligan shared the independent audit report for the year ending June 30, 2008 with the Board by guiding them through each section of the audit, letter and findings.

After the Board discussed the independent audit by with Thomas & Thomas, Jerry Jones stated, "I assume that if you had anything of significance you need to communicate directly to the board that pertains to management you would have done so." Mr. Milligan replied, "Yes, and we would have already called."

Chair asked the Board for any questions. No questions were asked by the Board.

MOTION: by Angela Driskill and seconded by Kevin Smith to approve the independent audit as presented by Thomas & Thomas LLP. Motion carried 4-0.

Ms. Ghidotti stated that the Chair needs to sign off on the audit in the letter so that it can be filed with the Division of Legislative Audit and the Arkansas Department of Education. Jerry Jones, the Chair, signed the letter.

Ms. Ghidotti introduced Dan Camp of Bancorp South to present to the Board options of deferring funds of deposit balances exceeding amounts insured by the FDIC to be collateralized.

Mr. Camp discussed with the Board options including brokerage CD, money market, and the fact that Bancorp South has purchased extra FDIC insurance to assist clients with accounts having zero interest to keep as much money as desired in the bank. These zero interest accounts are FDIC insured.

After discussion the Chair stated that the Board's primary obligation is to make sure that ARVA suffers zero risk loss of funds during these times of low interest rates.

MOTION: by Angela Driskill and seconded by Susan Allerheiligen to authorize deposits of ARVA funds among sufficient financial institutions of Arkansas into fully insured accounts to be below the \$250,000 FDIC insured loan. Motion carried 4-0.

Chair's Report

Jerry Jones reminded the Board about the several meetings with members of legislature, the Governor's staff and people around the state to line up the ability to expand the enrollment of the school from 500 to 1000. We were set to allow the special language expire and go straight to the State Board of Education requesting the expansion of the charter. Last week news was delivered by the Governor's office that given the budget restraints they were not supportive at the present time of expanding enrollment of ARVA. They recognize that the school is doing very good work and has proven itself as a viable high quality education institution.

We were disappointed but understood the position. We felt like we had fully earned the support and we hoped that the Governor's office would remained open to an expansion at a future time and new ideas on how we might continue our growth pattern for the school.

We went to Plan B which is to increase the enrollment up to 1500 students at an revenue neutral to the state of Arkansas. ARVA would accept kindergarten or first grade students who had not attended public school the previous year as well as students of military families to reach enrollment above 500. For those students there would be no access double payment required by the state.

Currently there are 703 applications on file of which 51% or 362 of those are from students who are in public school; 32% or 225 students are from home schooled settings; 10% or 65 students beginning kindergarten; 7% or 49 students from private schools.

We have the support of Dr. Ken James, the Speaker of the house, and many of the legislators. Our lobbyist and I will meet in the morning with Morrill Harriman, Chief of Staff to the Governor.

High School Committee Report

Karen Ghidotti directed the Board to the written report in the board packet as well as the emailed documents. The High School Committee has continued to meet exploring various options. The committee investigated the budget impacts, staff impact, timing impact and met with John Baule of K12.

The committee is proposing to the Board that we amend the charter to allow the ARVA Board to offer high school 9th through 12th grades with the ARVA Board setting the grade levels and enrollment caps of each grade for the given year. Launch high school with 9th grade at an enrollment of 50 - the first slots be available to the current 8th graders demonstrating success in ARVA who are rolling up or siblings of current students and 10th grade with an enrollment of 25 - the first slots be offered to former ARVA students demonstrating success in ARVA or siblings of current students.

After discussion the Board proposed a motion.

MOTION: by Kevin Smith and seconded by Angela Driskill to amend the charter allowing the ARVA Board to offer high school 9th – 12th grade with the Board setting the grade levels and enrollment caps for each grade. Motion carried 4-0.

School/Director's Report

Revised Policies for 2009-2010

Ms. Karen Ghidotti, Head of School, directed the Board to the documents of the three policies to be revised located in the Board packet.

- Internet Service Provider (ISP) Reimbursement Policy
- Computer Requirement Policy
- School Property Policy

Ms. Ghidotti shared the procedures, typical scenarios, and potential impact on cost savings.

The Board discussed the proposed revisions to policies then proposed a motion.

MOTION: by Angela Driskill and seconded by Susan Allerheiligen to accept the revised policies. Motion carried 4-0.

Budget Report

Ms. Ghidotti shared with the Board the budget report. As suggested through the recent audit, the Board will begin receiving a monthly copy of the budget report via email. Asked for questions and were none.

Public Comments

The Chair asked if there were any comments from the public or press. No response.

Other Business

The Chair asked the Board and Head of School for other business. No other business.

Board meeting stopped at 5:10 p.m. to enter into Executive session.

<p>MOTION: by Kevin Smith and seconded by Angela Driskill to adjourn the ARVA Board meeting. Motion carried 4-0.</p>

Meeting adjourned at 5:30 p.m.