



ICHS

Innovation Charter High School

Finance Committee Meeting January 05, 2024 4:00 pm

COMMITTEE MEETING MINUTES

Roll call/sign in

The meeting was called to order at 4:06 PM by Vice President and Committee Chair, Tavannie Perez. President, Latoya Massey, Ramon Perdomo, Principal, Terence Joseph, Executive Director, Stephen Falla Riff (Steve), and Associate Director of Finance, Atiba Fraser were present. Board member candidate, Callie Hull, was also present. Quorum was met. The meeting was accessible in person at all of the locations listed on the notice of meeting, in accordance with Innovation's Procedures Governing Public and Member Participation at Board Meetings and was also accessible via a Zoom videoconference link.

FY24 Q1 Report

The slide presentation on this subject matter was conducted by Atiba and was shared with Board and SMT members. The Q1 report was completed based off the November 2023 invoice. The reporting of actual versus budgeted, resulted in a Net per pupil total of \$49K with the full year Salaries and Benefits projection Net total of -\$396,043.

Steve provided an explanation for the discrepancies in the SpEd numbers. During the first quarter, the school had some issues with staffing in the core classes. Our SpEd students who have mandates related to Co-teaching or the 15:1 Students to Teacher classroom setups must be provided with the full mandated services otherwise the school is not able to bill for the full amount. Because the school was not fully staffed in the first quarter, the school found themselves in a position where they were not able to fully bill for the students' mandated services. The school is now fully staffed in CORE classes. It was noted that they

are short one staff member; a Spanish teacher; who is expected to commence their service with school in two weeks' time. Steve also noted this was the reason the numbers reported in the SpEd 20-59% category was higher, and the numbers reported in the SpEd 60%-Over category was lower.

Tavannie inquired about the SpEd billings details to get a better understanding of how the billing for mandated services works. Steve explained the projections are prepared based on the numbers available at the time of billing. The number of GenEd and SpEd numbers will fluctuate again due to incoming freshmen and transfers whose IEP's have to be modified when they come to Innovation; to reflect the ICT teaching methods practiced within the school.

Atiba reported the school's liquidity to be 6-7 months of cash on hand, current ratios (.16 Debt ratio) are very strong, and the projected net income is \$66K, which was forecasted utilizing 405 per pupil budgeted numbers from November 2023. The projected net loss is \$377K. This factor is expected to change in Q2.

Atiba reported no expenses are projected to be over-budgeted at this time. Salaries and Benefits is under budget and is related to Instructional Staff (-189K), Health Insurance (-80K), and Unemployment Insurance (-97K). Many of the TA's hired did not enroll in the health insurance plan offered by the school. Tavannie asked if the TA's chose not to take the insurance because they were covered by other outside plans. Tavannie noted she wanted to make sure the TA's were aware of the insurances offered by the school before choosing to decline. Atiba noted during the time of benefits election they would have to reject the offers presented to them. Steve noted that some choose to elect insurance outside of the school's offerings. Tavannie express she was more concerned about the level of education/understanding of the offerings before a decision to decline was made. Steve shared, during a qualifying event, if necessary, the TA would be able to opt onto the Innovation insurance plans. Tavannie also brought up the point, if the TA's later decided they wanted to enroll, the enrollment would impact the numbers related to the health benefits. Steve noted that Atiba's budget accounted for everyone taking the insurance, so the school is prepared to support the events. Tavannie shared once again that she was

mainly concerned with the level of education provided on the matter, with the goal of ensuring that the TA's are making sound and informed decisions on the matters. Steve noted that the staff gets a very full presentation from Austin that includes a comprehension of the medical, vision, and dental benefits. Tavannie and Steve are scheduled to meet on this matter regarding assessing the staff's satisfaction and level of understanding on the matter.

Atiba noted that he will get more solid information based on the spending. He also noted that he is recommending transferring \$200K to the reserves account. Tavannie asked what the recommendation was before. Atiba noted the recommendations of movement are typically between \$200K - \$250K. He noted the interest rates in the reserves account at this time is 2.65%. Steve asked how much do we have in the reserve account now? Atiba confirmed the amount to be \$2.8M. The movement of the additional funds would place the account balance at a little over \$3M. Latoya asked, when did Atiba want to complete the transfer of the \$200K into the reserves account. Atiba responded, "*today*" (January 05, 2024). Atiba asked if the request must be run by the full board or just the Finance Committee for the decision. Steve noted based on the way the Committee Charters are written, the Finance Committee could make a recommendation to the Board. Latoya, noted when the Finance Committee is done reviewing the projected numbers, she wanted to add this item to the agenda for the executive session.

Tavannie asked a question about the current reserves account, and wanted to know if we are looking into other banks that would present higher earning rates. Atiba noted they will need to review this matter further. Steve noted that a representative from TD Bank last semester quoted rates were lower and at around 3%. He also noted that market rates today are probably around 4-5%. Callie noted that the 2-3% rate the school is getting is lower than what we should be earning. She also noted that if we are working with a sweep account or money market account, it should be in the 4-5% range. Callie asked, what is Innovation's primary deposit bank and what is the type of account the reserved funds are sitting in. Atiba noted, TD bank and high yield savings accounts. Steve noted that Callie and Tavannie can meet with him to talk about our objectives on the matter, where we are thinking of putting the money if we are thinking about that, and the kind of fluidity the school would

still have to the funds if funds were needed. Latoya commented that was a really good idea. But also noted that she wanted to figure out how to streamline information as we are starting to have a lot of meetings. Latoya commented that we should establish a cadence for follow-up questions, with the goal of disseminating communication information. Tavannie noted she agreed and is interested in having less frequent but more efficient meetings. Steve stated he made a note of this request so that he and Atiba can follow-up and determine what kind of project management tool could be used to best support this initiative. Steve noted he will follow-up with Tavannie and Callie on Monday (*January 8, 2024*). Latoya reminded everyone to include her in the follow-up meeting that is to take place. Callie recommended Chat Asana as a potential project management tool. It was noted by Steve who offered to look into tool as well, given the tool would be useful for the board and school leadership team. Latoya said it was a good recommendation and wants to address it with the board members at the upcoming board retreat. She wants us as a collective to be efficient and effective in the use of time, so that each member can continue to do the “great work”.

FY25 Budget Planning

Steve presented slides related to Savings for the 4 Program Models. He referenced at the last meeting Terence presented three new program models: ICT models, involving teachers and TA's. At that meeting, Terence was asked to present a hybrid program model, which is what he addressed in today's meeting. In the three models presented earlier, all grade levels had the same model. Terence shared the hybrid program being presented today was designed to the specific grades level needs.

- 9 Grade: 3 SpEd/4 GenEd Model (*Every ICT class would have a GenEd and SpEd certified teacher*).

- 10 Grade: ELA & History (Regents Exams grades) SpEd/ GenEd Model. For Science and STEM:
 - 11 Grade: For the ICT course SpEd/ GenEd Model. For the STEM the Lead Teacher/TA Model.
 - 12 Grade: Humanities: Lead/TA Model. Environment Science: 2 sections of SpEd/ GenEd Model, 3 sections of GenEd. Math: Premier Teacher.
- Many students at this grade level attend CoopTech, so short schedules and less students in the classes in comparison with the lower grade levels.

Terence commented, of all the models the hybrid model is the most ideal.

Latoya asked, about the teachers in the respective models that are noted as “not in this program model”, “Did that imply that they are not part of the school community?” Terence confirmed those members will no longer be part of the school and the positions held by those members will not be replaced. Other teachers were identified as moving out of their current assigned grade levels and into other grade levels.

Latoya noted that Terence commented that this was the most ideal model. She then asked Terence, “What were the three reasons this was the most ideal model?” Terence’s note on that was:

- 1) This model allows for SpEd staff to not be overwhelmed with teaching too many courses while leaving them with no time to prepare for the classes, as well as not having enough time for case management conferencing along with related paperwork. SpEd teacher will have more room to do more capacity work.
Other models have the SpEd staff teaching 6-7 periods in a day. This model will have them teaching 4 periods, allowing them to work better in other spaces.
- 2) This model also ensures that other classes have periods of ICT, in particular the STEM classes in 10th and 11th grades and at least a Science for 12th grade. In the other models only 1 had 5 periods of ICT, the other 2 models consisted of (6-7 staff members) relegated to all class sections to ICT. This model increases the ICT sections throughout the school.

- 3) Teacher/Student ration supports more differentiation in instructional models in a classroom space. Freshman/SpEd Freshman to have impact and access special education certified teachers. The case managers get to know students within the first year and provide students with routine and support.

Latoya commented, she is overly excited. With this model the school will be able to double down on the entry level grades. Addressing many of the issues that impact students' time with the school and graduation achievements within the four-year period.

Tavannie asked if the hybrid model would be able to support the 12th grade in the future if the number of student seats increased in that grade level. Terence noted that the model would have to change to accommodate the growth including the potential growth of the enrollment numbers. If we have to change the model to meet growth (*retention and increase in students*), he noted he would possibly add maybe 1 STEM TA.

Latoya asked, "What is the financial gain in using this model?" Steve noted they are going to go back and look at the savings not only for this model but for the other three models as well.

Latoya asked Terence if there are any downsides/falls of the model that would impact the community or the dynamics of Innovation. Terence commented, losing staff is a part of that. Teachers who are used to teaching with a partner will need training and to build confidence to solo teach the GenEd students who have different levels of literacy, skillsets, soft skills, and motivation. They will still need levels of differentiation and levels of support as it will be a new adjustment. For the SpEd teachers, they will need to build relationships with two different teachers and plan for multiple curricula. It was noted by Terence these are different considerations and not necessarily downsides.

Latoya asked about the summer training that was provided to teachers during the 2023 summer training and if the Co-teaching and Gradual release components (*teachers will have to adjust to teaching solo*) were built into the training. Terence confirmed "yes," those were included in the conducted training. This next session of training that is coming is expected to be more robust, as per Terence. Latoya asked if we could work on the Gradual release program, to make sure these members have the proper support plan during the

transition throughout the year so that we do not lose any teachers. Terence noted part of the support is the Special Education Department (*Ira, Kristen, Hilary*), who can provide in and out class support. Ira does this today with the Math instruction. With the PLC plus, the school is gaining leverage; creating spaces where teachers can see how their students are performing in other classes; and speaking with those teachers on how they yield success with those same students. Be able to release them from some duties so they can better prep to the new load.

Tavannie noted a concern related to the culture of the school that is needed to better support teachers when it comes to the more challenging student. The goal is to allow teachers to teach and students to learn with less distractions. Tavannie noted we need to revisit the steps that are needed to change the school's culture which will go back to the school's policies.

Terence noted, this would be a good time to go over the hybrid model savings. Steve presented the slides capturing a savings of \$228K. Steve noted that this amount might not be enough for next year, so they have realized¹ other forms of savings. Steve noted other ways to reduce funds could potentially include a reduction in the administrative team. He also stated that this is not a proposal to cut staff yet as they are still looking at the big picture in terms of where we land in terms of net income for FY 25. Rather it is a look at ways to reorganize the team in a way that the school remains robust but in budget. Steve presented potential savings and downsides if we were to reduce the selected roles. He also presented a potential ability of hiring a full-time fundraising consultant to assist with the grant initiatives that will bring more fundings into the school.

Tavannie suggested a community and cost savings opportunity that could benefit the teachers at Innovation, which is to hire college interns. Typically, these interns come at no cost to the school as their compensation is earned in hourly credits. This solution is also helpful to teachers who could use the extra support, particularly during the Co-Teaching to Solo-Teaching model transition period. The community aspect of it comes into play when

¹ Realized Savings - can refer to the actual savings achieved by a company during an annual period.

the college students gain the much-needed experience that can assist them with their careers.

Steve talked about the impact of the new DOE contract on Innovation. He noted it was not as great as the school thought it would be; including the DOE-UFT salaries 6% increase (3% retroactive amount + 3% amount phased in January). When it was further reviewed by Steve and Atiba, it was discovered next year when the full 6% kicks in the staff will have already received the 6% increase. The contract expired in 2021-2022. Since then, all staff (including teachers and counselors) have been given percentage increases through the 2022-2023 and 2023-2024 years. The estimated additional compensation for next year, including an across the board 3% increase for all staff, is \$195K. This amount was noted as significantly less than originally expected when the numbers were being reviewed.

Steve has noted that there is ongoing analysis as it relates to the cost savings via the Admin. staff, which includes every member of the SMT staff. No one is off limits.

While this was not an official proposal, Tavannie asked for a review of the administrative staff that have been highlighted in the meeting as a potential reduction. What led to those identifications? Was it more than just financial? What are the potential impacts of those changes?

It was noted that this will be further addressed either in another meeting or a follow-up email. Tavannie mentioned that she would share her additional questions related to the unofficial proposals via email. It will then be determined if the follow-up is to be addressed in a different forum.

Fundraising

We did not have enough time to address this topic. The topic will be addressed at the next upcoming meeting.

Adjournment - Motion to adjourn by Tavannie Perez at 5:03PM. Seconded by Latoya Massey.