

MINUTES
BOARD OF DIRECTORS
SOUTH CAROLINA WHITMORE SCHOOL
501 Commerce Drive NE
Columbia, SC 29223
December 14th, 2017

CALL TO ORDER

The meeting was called to order by Board of Directors Chair, Terry Hitch, at 9:00 am.

ATTENDANCE

Terry Hitch, Chair; DuJuan Council, Secretary; Chris McClure, Treasurer; Roger Sears, Board Member; Ann Brown, Board Member; Susan DuRant, Board Member; John Loveday, Principal; Ebone' Adams, Assistant Principal (via phone); Michelle Bishop, Compliance Coordinator; Annette Havens, Testing/Social Media Coordinator; Amanda Reilly, Spanish/Director of Curriculum and Instruction; Susan Herring, Office Manager; Kim Dunbar, Head Counselor; Andrew Cilone, Kelley-Moser Consulting; Jenny Holland, Kelley-Moser Consulting; Chaz Friendly, Elliott Davis, Inc.; Leslie Maley, Elliott Davis, Inc.; Vamshi Rudrapati (Mr. V.), Charter Institute at Erskine; Cameron Runyan, Charter Institute at Erskine; Tyler Turner, Turner Caudell, PA; Mary Allison Caudell, Turner Caudell, PA.

PUBLIC COMMENTS

None

APPROVAL OF MINUTES

The minutes of September 14, 2017 were presented for approval by DuJuan Council. Motion was made by Susan DuRant to approve the minutes and 2nd by Christ McClure. Approved by unanimous vote.

The amended minutes of June 15, 2017 were presented for approval by DuJuan Council. Motion was made by Roger Sears to approve the minutes and 2nd by Chris McClure. Approved by unanimous vote.

ANNUAL AUDIT REPORTS

Chaz Friendly, from Elliott Davis, Inc., presented the Annual Audit Report the Board of Directors and staff, for the year ending June 30, 2017. Chaz explained what is contained on each page in the Report on Financial Statements. Of note, page 2 is an opinion on the audit, which is an unmodified opinion and materially correct. Chaz then continued to outline the rest of the report from discussion and analyses, to how the school performed, as well as

a report on internal control and compliance. Clean slate across the board! Then, Lesley Maley from Elliot Davis, Inc. presented the Report to the Board of Directors, also for the year ending June 30, 2017. This report reflects the audit process, given to the Board, for SC Whitmore's financial statements. Terry gave thanks to John for his work on the financial statements. John and Terry also thanked Office Manager, Susan Herring, for being team player. Chaz & Lesley then left the meeting.

Ebony Adams joined the meeting

ERSKINE CHARTER INSTITUTE PRESENTATION

Mr. Radrapati (Mr. V.) was invited by the SCWS board of directors, in order to learn more about the first higher education charter school authorizer in South Carolina. Mr. V introduced Cameron Runyan, CEO of the Charter Institute at Erskine, to the board. John Loveday explained Mr. V worked at SCPCSD for about 5 years before moving over to Erskine about 6 months ago. Then, Mr. Runyan gave a presentation outlining the new Erskine Charter Institute including the organizational chart and "student performance framework" pilot project. The Board appreciated the information given by Mr. V and Mr. Runyan.

Ann Brown joins the meeting via conference call at 10am.

FINANCIAL UPDATE

Andrew Cilone, from Kelley-Moser Consulting provided an update on the current financials. The financials are continually updated instead of quarterly reports. A review of earnings on investments, with revenues, is currently at 62%. This is about where other schools and where SCWS should be at this point in the school year. John explained needed to add part time teachers because of increased enrollment therefore, 3.75% of the Regular Salary for employees was moved to Instructional Services. Money was used from Operations and Maintenance to install a French Drain outside of Annette's office, which floods during heavy rains. Marketing fund depleted during the huge advertising blitz for the new school year. John explains it is more effective to market the school heavy during the big enrollment months: June, July and August. So, a heavy blitz in the summer and fall. The Operational Reserve is at 3% and the current Months of Operation are at 5%.

John addressed why the budget balance is currently negative. The school's public funding (revenue) is based on how many students are enrolled, when the students enrolled and if they have any add on weights. Fifty-six percent of the balance is from a decrease in learning disabled (LD) students. This year only have 2 students as LD, never had this few in the past. Current enrollment is 435 students, which is an increase in both overall students and special education students from last school year. Michelle Bishop explained students in special education need fewer hours with virtual schools and/or coming in with fewer hours needed for LD students. A student classification with weighted amounts were shown to the board, only one classification can be used and it is the highest weight. Weighted amounts are tied to hours of service needed for LD students.

Also, more students enrolled in late September and October, which also affected the revenue. Averaging about 20 students a week enrolling now and 50 students enrolling before 45-day count. John explained the 135-day count in March should approach 450 and continue to enroll. This should lead to a strong 135-day count and the FY19 budget will be lean to compensate for these encountered issues. The school's fund balance continues to be strong with over 5 full months of operational reserve and a 3% board discretionary fund. After Andrew's recap of

the financials, Roger Sears made a motion to accept the financials, Chris McClure 2nd the motion and it was a unanimous vote.

EXECUTIVE SESSION

Terry Hitch made a motion to enter into executive session.

In executive session the board directed the School Leader to engage Turner Caudell, LLC for legal matters.

A motion by Susan DuRant to return to regular session, 2nd by Chris McClure. Approved by unanimous vote.

Tyler Turner, Mary Allison Caudell and DuJuan Council left the meeting.

FINANCE COMMITTEE UPDATE

Chris McClure gave a financial update with thanks to John and SCWS Staff. He likes the comparison of the audits for FY16 and FY17. Chris also stated the expenditures had increased a reasonable amount in FY17 and the school is financially sound. All good news. The 401K line item of employee contributions shows employees are taking advantage of this retirement option. The 401K employee program improves retention rates and leads to better employees being hired. This also helps the employees plan for their retirement. In the financial markets, CD rates are increasing and expected to be at 2% which means double the return. Checking and savings looking consistent although slightly less than usual. Mortgage debt reduced by 2.7% this last quarter. Terry Hitch thanked Chris McClure for all his work.

TESTING UPDATE

Summary, 2016-17 new state regulation for testing in 3rd year of high school and Algebra 1, Biology 1 and English 1 by the 3rd year. New regulation, for cohort 2014-15 last year, regardless the students had to take those 3 EOC's and no matter their progress in those classes. Big challenge to inform parents and students of this change in the mastery-based system. A lot of unnecessary frustrations for the students, students informed to go to review sessions and go to testing without completing the entire course. Fifty percent of students tested didn't get to finish course. More students tested in Biology 1 and Algebra 1 had lower grades. English 1 usually completed in 8th grade. Couple of things to alleviate the issue, students working over the summer to complete the course, created new express courses to move students along faster and one on one feedback with teachers. Express courses allow students to receive a 70 to move on to next lesson to complete as many lessons as possible. Exposure to more content and more students in line to finish class before EOC.

Also, the same students had to take college and career readiness exams. Decline in the number of these tested, because of all the testing for this cohort and gave Pre-ACT exam to help with this. Now know must give SAT or ACT, by student choice, in the spring. Changes to SAT to be more in line with ACT testing of 3rd year of high school. Career readiness test will be the last exam for these student's, but the State has not given the name of the test or test dates. Testing dates, for the following exams, EOC, SAT, ACT, Work Keys (work assessment) will be published in January. Waiting on Pre-ACT testing scores to come back. Terry thanked Annette.

PRINCIPAL'S REPORT

John explained he and Kim Dunbar visited the South Carolina Charter School District office to discuss the testing, because the 2016-17 results were not going to meet expectations. This was due to the state now requiring all students take their EOC by the end of their third year of high school. This contradicts SCWS's mastery-based model since students must test even if have not completed the course. SCWS has created "express courses" which will help to expedite the course completion process for students in their third year of high school. This should help to create a positive result in the 2017-18 testing cycle.

The school's current total enrollment is 435 students with 140 in queue. Then, John handed out the Conflict of interest form for board members to sign annually and keep on file in the SCWS office. Also, ETV Palmetto Scene will be recording in January that will feature SCWS student Shelby Shealy, country musician. The episode airs in February. Board members will be emailed the link. This is very exciting for SCWS.

Marketing budget includes the student incentive program this year. A student, who receives Perfect Attendance, is given \$25 per month. The Star system was implemented to have the students receive 5 stars a week to reach perfect attendance. Typically, only 2-3% of SCWS students earn perfect attendance. Since August 2017, 16% of the student body has perfect attendance, this is an 800% increase costing us \$6,000. Trying to push to 25% for next school year. Perfect attendance and the Star System is leading to more on-time graduates, better grades and students continuing to college. The program slogan is "It pays to go to school". Every month the perfect attendance is listed on Facebook and Twitter. So, more students are working, teachers are having to grade more and students are progressing faster.

A change in dates for the next two board meetings due to the District board meetings are on the same day as SCWS Board meeting current schedule. Chris wants to meet a week later to hear a report about the District Board meeting. The next two Board Meetings moved to March 22nd and June 21st. John will email with new board meeting dates with starting time at 9:30am.

OTHER BUSINESS

None

BACK IN REGULAR SESSION

A motion was made to adjourn the meeting by Chris McClure and Roger Sears 2nd the motion.

ADJOURNMENT

Next Board meeting in March 22nd, 2018 at 9:30 am. No other new business.

Unanimous vote to adjourn the meeting.