



Spectrum School Board Workshop Meeting Minutes

Date: October 29, 2016
 Scheduled Time: 9:00 am

Position	Committee Member	Arrive	Depart
Chair	Dave Lucas	Absent	
Vice-Chair	Tom Sagstetter	Present – 9:20 a.m.	
Secretary	Kathy Reed	Present	11:30 a.m.
Treasurer	Paula Bernard	Present	
Member	Kerry Jerred	Present	
Member	Jessica Kemnitz	Present	
Member	Scott Gangl	Present	
Ex-Officio	Vanessta Spark	Absent	
Interim. Exec. Director	Dan DeBruyn	Present	
Staff Member	Dawn Sorenson	Present	
Guest	Nick Taintor	Present	11:00 a.m.
Guest	Jim Martin	Present – 10:45 a.m.	

1. Meeting called to order at 9:00 am. It was noted that the entire training was being recorded so that members not able to be present or needing to leave early may view the training at their convenience.

2. Finance Training

Nick Taintor of Beltz, Kes, Darling & Assoc. took the Board through an in-depth training regarding Minnesota Public School financing, providing review for current members, and conducting initial training for new members. Mr. Taintor presented on state sources of revenue, federal sources of revenue, provided an overview of the budget process, and then finished with a financial and budget analysis. Mr. Taintor shared that as a public school, charter schools are eligible for some, but not all, state aids available for traditional public schools. Charter schools are not eligible for any revenue based on property tax levies; however, they are eligible for building lease aid revenue. He went on to note that the types of state revenues all Board members should be familiar with are: general education aid, charter school lease aid, and state special education aid. He provided a detailed accounting of each specific revenue source. Finally, Mr. Taintor detailed the importance of enrollment in the charter school. He shared that enrollment is very important to the success of the school, especially when it comes to funding.

Mr. Taintor then went on to explain the budgeting process providing tips to Board members on how to review the monthly financial statements. He shared that charter schools are required by statute to approve the next year’s annual budget prior to June 30th of the previous year. Each winter/spring, school leadership with assistance from the financial manager will work on the next fiscal year’s budget in order for it to be reviewed by the Finance Committee and a recommendation for approval given to the full Board prior to June 30th. Mr. Traintor also shared highlights of the Long Range Budget Model that Board members should pay most attention to. They are: enrollment, total revenues, total expenditures, specific expenditures, (i.e., salaries and benefits), contracted services, and athletics. In addition, Board members should focus on the annual surplus, the fund balance, the debt service coverage ratio, and short term and long term focus.

Next, Mr. Taintor reported on budget and financial analysis; specifically, looking at the balance sheet, statement of revenues and expenses, cash flow projection, enrollment and other supplemental reports. He noted the characteristics of financial health of a charter school are located within the fund balance percentages. A healthy fund balance allows the school to have adequate cash flow and to absorb such things as the 2011 state holdback of 40%, which could happen again at some point in the future. A healthy fund balance also provides for the ability to avoid having to have short term financing to meet current obligations, as well as to handle unforeseen state aid or local revenue changes during the year, or program expenditures that are not anticipated.

Lastly, Mr. Taintor reported on factors that may require a Board to revise their fund balance policy which could include planning for future programs and/or school expansions, facility improvements and upgrades, future technology equipment replacements/upgrades, and changes in state aid payments or funding levels. The three areas to keep in mind when reviewing the fund balance; Does it provide for enough of a reserve for the school to operate? Is it current, based on state funding and aid payments; and Does it meet the mission of the school for future programming/school expansion?

The Board thanked Mr. Taintor for his thorough training in the area of school finance.

3. Board Governance & Employment Training

Attorney Jim Martin from the Booth Law Group, LLC, provided training on Board Governance and Employment Law. He began his presentation by talking about the Board's role, duties and responsibilities, noting that the Board of Directors is an elected or appointed body that holds the organization in trust for members past, present and future, with a guiding principle of leaving the organization stronger at the end of each Director's term than it was at the beginning. The Board's special responsibility is to see that the leadership of the organization, however that leadership is composed (board leadership, executive director, volunteers), manages the organization in a manner that responds to the expressed needs of members and anticipated needs of the future Board and organizational leadership. The Board typically does not and should not serve in an operational or managerial role. Mr. Martin then went on to discuss the Board's responsibilities, duties, limiting liability, and the obligations of an effective board member.

Mr. Martin then presented on Employment Law. He focused on the Board's role in employment matters, discrimination, and at-will employment. He stated that it is the Board's role to set policy and it is administration's role to implement policy. With regard to policies, he said that policy review should encompass whether or not the policy complies with state and federal non-discrimination laws, does it provide notice to the community of the school's expectations for behavior, and does it allow for board members to ask for further review or clarification of the policy. Mr. Martin stated that best practice for policy review should include scheduled reviews of the policies on a rotating basis, consider a committee approach with making recommendation to the full board, distinguish between policy and guidelines, seek administration input, and seek legal advice. Finally, Mr. Martin shared that some sources for help in developing policy are the Minnesota Association of Charter Schools, Minnesota School Board Association, Minnesota Revisor of Statutes, other schools' policies, and legal counsel. He cautioned the Board to be aware when developing policies that it doesn't accidentally adopt and approve policies that are meant for traditional school district's Board of Directors as there are requirements of traditional schools that are not applicable to charter schools.

Mr. Martin then went on to present on discrimination, noting that discriminatory conduct includes decisions or behavior based on an applicant or employee's status in a protected class. Protected classes, under Minnesota law, are: race, color, creed, religion, national origin, sex, marital status, familial status, disability, public assistance, age, sexual orientation, local human rights commission activity. He noted that employment decisions may not be based on gender. However, necessity, if a business requires that a person have a certain characteristic, it is not discriminatory to select an application on that bases. For example, if hiring a bus driver to transport students, the business does not need, nor is it discriminatory, to consider the applicant who has an eyesight disability. If the employer makes a decision to hire, discipline or terminate based upon a business reason, a claim of discrimination will not lie, even if the applicant or employee is a member of a protected classification.

Next, Mr. Martin covered harassment which is another form of discrimination. He covered sexual harassment, disability harassment, and racial harassment. He covered these in detail as well as other areas of discrimination. He also focused on the Americans with Disability Act and what types of things are considered reasonable when making accommodations for the disabled employee. Lastly, he covered retaliation and whistleblower claims, stating that an employee may not be retaliated against for reporting a claim even if the claim is unsubstantiated. In addition, the employee can not suffer adverse employment action for reporting a violation of law, and that proximity of the reporting to discipline must be considered.

Then Mr. Martin covered the at-will agreement as it relates to the employee as well as the employer. The at-will agreement means that the employee may terminate the agreement and the school may terminate the agreement. The employee may quit at any time for any reason or no reason. Likewise, the school may terminate at any time and for any reason or no reason. Mr. Martin took the Board through several hypothetical situations regarding at-will contracts, both oral and written, for the purpose of discerning differences and understanding.

Following the presentation on at-will employment, Mr. Martin took the Board through training on Minnesota Statutes, Chapter 124E, which is charter school law. He stated that the purpose of charter schools is to increase learning opportunities for all pupils, encourage the use of different and innovative teaching methods, measure learning outcomes and create different and innovative forms of measuring outcomes. In addition, to establish new forms of accountability for schools and to create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site. Mr. Martin shared that charter schools are exempt from statutes that apply to school districts unless 124E.3 makes the statute applicable or other rules or statutes specifically to charter schools. An example of this is 124E.3 makes special education laws, Data Practices Act, and Open Meeting Law, among many others, applicable to charter schools.

Mr. Martin also covered in detail the eligibility requirements for charter schools' Board of Directors, noting that they must be comprised of at least five unrelated members, at least one licensed teacher employed by the school, at least one parent and one unaffiliated community member not employed at the school. No employees are allowed on a charter school board with the exception of the teacher members. Mr. Martin went on to define conflict of interest and 124E.

Mr. Martin then went on to cover an overview of data practices issues for Board members and detailed instruction on Open Meeting Law. He stated that the purpose of the law is balance – access to

government data and at the same time, protection of private and confidential data. Mr. Martin detailed what data consists of which is any recorded information. There are three types of data consisting of public, private or non-public, and confidential. Educational data is private data and consists of anything which personally identifies the student and it does not matter where it is stored. Examples of educational data are voice mail/email, teacher notes, special education records, social worker, counselor, para, health record, transcript, grades, progress reports, discipline records, etc.

Mr. Martin went on to explain that the Board designates Directory Information for its own school, and that directory information is public information. The Board should annually designate what it authorizes as directory information and parents have the option to opt out. Directory information is such things as student names in a music and/or athletic program, etc.

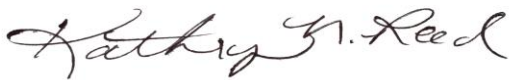
Following the presentation on data practices, Mr. Martin provided an in-depth presentation on Open Meeting Law. He stated that meetings of public bodies, including school boards, are to be conducted in public. The Open Meeting Law has three purposes which are to prevent action being taken in secret, ensure the public's right to be informed, and to allow for the public to present its views. Open Meeting allows the public the right to attend the meeting and to observe the transactions.

Mr. Martin went on to train on when meetings must be closed. He stated that the Board must close a meeting when the identity of a victim or reporter of abuse is at issue, there is an active criminal investigation, when educational or mental health data is to be discussed, and when the Board needs to consider the preliminary allegations or charges against an employee.

The Board may close a meeting for these reasons as well: evaluate performance, expressly authorized by Attorney-Client Privilege, property transactions, and security briefings. All closed meetings must be taped except those subject to the attorney/client privilege and the tape retained for 3 years.

Following Mr. Martin's presentation, the Board thanked him for the excellent training he provided.

4. Adjournment: The workshop meeting of the Board adjourned at 1:00 p.m.



Board Secretary Certification, Kathy Reed