ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MINUTES OF BOCES MEETING
November 17, 2010
9:30 a.m.

In Attendance: Jennifer Churchfield, Bob Colwell (proxy for Sue Chandler), Elaine McCain, Amy Prince and Mary Seawell

Staff: Leann Asgari, Kerry Lord, Keri Melmed, Julie Stelzer and Susan Tamulonis

Guests: Mark Elmshauser, John Stanek, Susan Street and Kindra Whitmyre

Jennifer Churchfield called the meeting to order at 9:36 a.m.

Audit Presentation
Mark Elmshauser with Clifton Gunderson was in attendance to present the 6/30/10 draft audit. Mark thanked Julie Stelzer for her cooperation during the audit. Mark began with the required communication letter to the board and reviewed the bolded titles, noting that he found no difficulties, concerns or issues. He described Clifton Gunderson’s audit process and explained that a material sample basis was used to form its opinion. He reminded members of the board that the audit does not relieve them of their managerial and fiscal responsibilities, and then detailed several parts of the draft audit for clarification. Each year, revenue is deferred until the year it is expended. The adjusting journal entry increasing accounts payable does not affect the bottom line. Bob Colwell noted that the fixed assets appear on the audited financial statements but are not tracked on the school’s budgetary financial statements. Julie clarified that fixed assets are capitalized and depreciated at the end of each year. Mark expanded on this point stating that usually audits deal with two to three different bases of accounting (budgetary, modified accrual and government-wide). Most organizations maintain financial statements using the modified accrual basis of accounting. There were no questions on the required communication part, so Mark continued with explanatory details within the audit. The State Auditor’s Office approved the request for an extension to file the audit until March 1, 2011. Once the ADE submission is complete, Clifton Gunderson will review the auditor’s integrity check report which will be included in the final audit as required by state statute.

Clifton Gunderson’s report begins with the Management’s Discussion and Analysis which is a highly summarized comparative report on the assets and liabilities of the school. The report shows $1.3 million in cash and investments and liabilities of $214,000 which includes accrued salaries, which is common for schools. A portion of the net assets is investment in capital assets which are restricted and long-term in nature. Funds raised by the Capital Campaign are restricted as well, and the remaining portion of net assets is unrestricted. Revenues are listed by functional categories and have remained consistent over the past two years. The use of $52,000 from the reserve was offset by the reduced funding from the state (fiscal emergency reserve). There was an increase in salaries of 3% which was anticipated in the budget. The budgetary comparison on page 18 shows that there were no budgets for grants, fundraising and after-school programs, which has been the case historically; however, these accounts showed positive revenue. The budget variance for technology resulted from computers purchased for staff from grant funding, and the purchase of Promethean boards. Direct fundraising costs incurred and costs for the after-school program also show as a variance from budget. Overall, RMSEL had an excess of $19,814 in revenue over expenses, an amount higher than anticipated.

Mark highlighted a note on page 10 that there will be an accounting pronouncement required for government entities beginning in 2011-2012 that concerns fund balance reporting (GASB Statement No. 54). Special revenue funds will be collapsed into the general fund and other significant changes for governmental fund reporting will change. However, RMSEL is not anticipated to feel the affect of this pronouncement.
There remains concern about the segregation of accounting duties, specifically that the Finance Director is an authorized signer on the school’s accounts, and has unrestricted access to the Executive Director’s signature stamp, all of which have been noted consistently in past audits. Jennifer acknowledged the concerns. Julie responded to Clifton Gunderson’s control deficiencies letter, and stated that the signature stamp is used only when the Executive Director is not available, which happens typically during lengthy school breaks (winter and summer). If such access is revoked, payments and payroll will be delayed. Recognizing this for each audit presentation, the board has continued to allow use of the signature stamp by the Finance Director, as well as remaining a signatory on accounts. The board noted the compensating control of the Executive Director’s review of all bank statements. Jennifer thanked Mark for his work and presentation.

**BOCES Compliance**
The current topic is employment hiring, firing and leave of absences. Of note, is Kerry Lord’s verbal announcement at the end of October to the board that she has chosen not to renew her contract with RMSEL for the 2011-2012 school year. Kerry plans to submit her resignation in writing to the board in January.

**Approval of Minutes**
Minutes from the October 20, 2010 meeting were unanimously approved.

**Items for Review/Discussion/Approval**
Leann Asgari stated that the 2011-2012 calendar has been presented to Leadership Team and should be ready for Community Council in January. Leadership Team is considering dates for the fall and winter breaks. The former occurs during Halloween, but in 2011-2012, it would be one week later. School would resume from winter break either on January 2nd or January 7th. The first Parent-Student-Teacher conference time should not fall on count day, October 1st. There are 190 days for teaching contracts. Discussion is where to add a day to the calendar, either at the beginning or end of the year. There are 163.5 lower school and 168.5 middle/high school contact days for the year.

With regard to the Intergovernmental Agreement (IGA), after the first review, Jennifer asked for recommendations for proceeding. Cherry Creek Schools had nothing to add specifically to the IGA, but she noted that overall, there appear to be three points for the board to pursue: the IGA and the board’s governance and responsibilities; the renewal of the IGA and with it the clarification of many of the issues outlined at prior board meetings; and the process for an executive director search. Amy Prince said that she has been reading Colorado school laws, and continues to interpret that the RMSEL BOCES is a ‘service unit’ (because it is a BOCES) and as such she would like not only clarification but also citations for any decision-making the board may take to clarify what RMSEL’s BOCES is charged with. She acknowledged that page 1 of the IGA directs “...the sponsoring districts to create a BOCES for the purpose of operating an expeditionary learning school...” but offered that a service unit for example, doesn’t approve as many policies for example as RMSEL’s BOCES has done but instead refers these to the Board of Education. But, because RMSEL is its own district, its BOCES is its board of education as well as in practice its service unit. Additionally, each of the sponsoring districts’ boards operates differently which may or may not affect RMSEL’s governance and responsibilities. The Colorado Association of School Boards (CASB) policies may or may not align with RMSEL’s program, and Amy would like to have definitive legal input on this BOCES as it relates to the IGA and the operations of RMSEL. She noted that the Aurora Public School board considers Denver Public Schools as RMSEL’s governance board. Elaine noted that RMSEL had to have a governing body but she wondered if indeed the board should be a ‘BOCES’ considering the changes in school reform. This is RMSEL’s eighteenth year of operation. Leann pointed out that if RMSEL could be recognized as its own district without the need for DPS to be the LEA for special education services, state money could come directly to the school and DPS could be relieved of that role. Kendra Whitmyre and Mary Seawell noted that a process for this eligibility for stand-alone districts may be with the Charter School Institute. Kindra offered to investigate this for the next BOCES meeting. Susan Street wondered what the role of the Community Council would be if RMSEL was granted stand-alone district status. CDE considers RMSEL a district, but yet Leann must submit the October count not only to DPS but also to CDE. When former Executive Director, James McDermott, made recommendations to the board for IGA revisions in 2005, particularly for the costs of special education...
services, DPS remained the least costly. Jennifer recommended for the February workshop session that Leann present what she reports to CDE and to DPS. Leann offered to ask Deb Schukar, Barb Volpe, Phillip Gonring and Rob Stein the reasons for the governing board to be a BOCES. Perhaps at that time, 1992, there was no other option. Kerry added that the expeditionary learning component and PEBC’s participation were critical to consider in this context. She will contact Scott Hartl, Expeditionary Learning Schools President and CEO, for his input. Mary noted that DPS notes the disparity among the participating districts. Leann asked DPS to change any phrasing that refers to RMSEL as a charter school to RMSEL to which they agreed. Kerry offered that Dale McCall, president of the Colorado BOCES Association could attend a meeting to clarify and assure the board of their responsibilities. Dale may be able to attend the February 16th meeting. Additionally, he may offer an orientation for the board during the August workday (3rd week of that month) that the board typically holds. Dale could assist with change and transitions. Kerry will email Dale and copy Susan Street on this progress, so that Community Council may be fully informed about discussions and progress. Jennifer directed the board members to report which of their schools are expeditionary learning and to include information about special education structure, school levels served and other pertinent but comparable information.

The board then examined the consequences of RMSEL being a charter school. Kerry noted that the adventure component would be compromised as RMSEL is one of the few urban schools that embed the adventure component strongly in its model. The cooperation among five districts allows a unique mix of students and staff and an unusual opportunity not available elsewhere for students. Cherry Creek and Littleton Public Schools do not offer any EL choices. RMSEL is intentionally a small K-12 school with all school levels housed in one building, and the programming at RMSEL is independent of district interference, limitations and requirements. The teaching staff while adhering to state content standards, have more autonomy in the classroom. As a small school, teachers can implement best practices more nimbly than in larger districts. As a district, RMSEL can avoid the charter renewal requirements and contingencies that as Mary noted, are about to increase in DPS. RMSEL’s model keeps reform broad, and the cost benefit doesn’t add up to form a charter. Jennifer concluded that the charter school question will continue to be asked, because school reform continues and because of RMSEL’s unusual organization. It would be remiss for the board to not expect to continue to examine areas for clarification and current ideas on school reform.

Jennifer made a motion to approve the 6/30/10 draft audit as presented to the BOCES. The motion passed unanimously.

Open Forum
Mary announced that there is transition in Denver Public Schools which has created a vacuum of decision-making. Kerry hopes that Mary will facilitate the meeting with appropriate DPS personnel for particular issues with the IGA. Mary will plan for a meeting in December that will include appropriate staff from her district along with Jennifer, Kerry and Keri. This meeting is open to the public.

Jennifer announced that at the end of October, Kerry Lord had announced that she will resign at the end of this school year. The members of the board met to discuss this shortly after Kerry’s announcement, and before a search for an executive director, they agreed to solicit input from the staff and parent community via Mary Johnson, a mediator specialist from Cherry Creek School District. Jennifer saw this information as critical to inform the board how the search would be structured and when it would begin. Board members will meet in December to decide upon search strategies.

Members of the Parent Action Crew (PAC) and Community Council are working to form a separate 501 (c)(3) entity. With this status, much of the finances of various fundraising events will be handled outside of the school which consequently will relieve the Finance Director of many of the accounting and reporting requirements associated with fundraising. Kerry and Susan Street will attend board meetings to keep members of PAC and Community Council informed of progress. Jennifer felt that Community Council should be consistently listed on the board’s agenda.
Susan Street, Community Council Chair, stated that she would like to be part of a listening audience for Mary Johnson’s work on the community’s input. Jennifer explained that Mary’s work is designed on two levels (staff and parents) and that Mary’s work condenses and synthesizes these voices for the board. Susan’s best effort at this time is to participate as a parent and as such, any participation on a search committee would not be compromised. Susan then asked if students’ voices have the opportunity to be included. Leann noted that students’ voices are well-heard during crew time and that crew leaders can transfer these comments during their sessions with Mary Johnson. Mary Johnson and Jennifer will organize this body of evidence and present it to Leadership Team as soon as it is ready. Jennifer thanked Leann for her time in coordinating staff and parent discussion group times for Mary.

Executive Director Report
Kerry noted that this is the season of development and has embraced the challenge. RMSEL has been fortunate with past budgets but the economic meltdown has changed this picture. Funding efforts have targeted professional development with successful reception from two foundations. As the recipient of one grant, RMSEL is now able to fund staff presentations at the national conference in Portland, Oregon in March, 2011. Four staff members intend to submit material and she will inform the board about who has been selected. As part of this grant, she had emphasized that RMSEL is a flagship school in Expeditionary Learning and its presence at the annual conferences are key in that attendance serves networking purposes, keeps RMSEL current in the pedagogy, stimulates the staff to continue to be leaders, attracts funders, allows RMSEL to receive from the EL network as well as to give to it. She mentioned that not only has the perception of the school changed over the years but also that Expeditionary Learning itself has grown and changed over time as well. A grant award from a second foundation will be able to support four to six staff members to the EL Quality Assessment Institute December 2nd through 4th in Denver, where the topic will be creating quality assessments. Kerry mentioned that this year’s Work Plan focuses on assessment data. She is pleased and relieved that the foundation grant will cover the cost of substitute teachers for this conference. In her discussions with EL, she perceives the best efforts of the Leadership Team to be focused on instruction rather than a decision-making body for school policies and procedures.

With the support of the development committee, Kerry has launched the RMSEL First! Annual Giving Campaign with a goal to raise $50,000. The campaign will ask for support for educational aides, additional fieldwork costs as well as ongoing adventure, art, fitness and technology needs. The campaign focuses mainly on the enrolled families. Kerry is aware that funds raised cannot support any staff salaries but can allow such a position indirectly.

Enrollment
Leann stated that the application process has been improved, making it more rigorous and now asks for documentation from applicants that the staff feels will allow them to receive a better sense of students. The application now requires all documents to be on file at the school before a student’s name can be included in the lottery. When student makes the lottery, the next step in the process will be addressed via email even though there will be follow-up phone calls. This procedure is to avoid misunderstanding and to have a paper trail. Again, mid-year enrollments have shown to be too problematic – students miss too much of the experiences that form the foundation for the rest of the year. The procedures and policy of admissions continues to be refined. The last admission denial brought out the issue of RMSEL meeting programming needs, not if RMSEL is a good or bad fit. RMSEL must prove that staff had not made a discriminating decision. Written documentation must be available and issues based on emotions cannot be part of the process. There can be no discretion in decision-making for admission. Denials for admission have been infrequent and are usually obvious. For example, the applicant, usually a high school student, shows that he/she has no interest in the program at RMSEL or an applicant has special education needs that RMSEL cannot meet. The recent case of denial of admission for a first grade applicant was a first time appeal to the board. Although the parents’ cancelled the request for the hearing, the situation did require an examination RMSEL’s policies and procedures, and Leann followed the board’s recommendations.
Budget
Jennifer noted that the funds for the Educational Job Act will be offset in 2011-2012 and will not have any effect on RMSEL. The February funds from the state allowed a balanced budget with an interesting, exact amount. The ADE submission to the state and subsequent auditor’s integrity check report will be included with the audit after filing at the end of February. Because of RMSEL’s accounting system, data must be converted to match CDE’s so the exchange can take place. Julie noted that this is the first year of the new audit engagement with Clifton Gunderson. She noted that changing auditors every three year presents difficulties. She finds Clifton Gunderson’s auditing standards solid, their methods rigorous, and their reputation strong and so is reluctant to change. The firm is Cherry Creek’s auditor, so Jennifer is aware of their skills and reputation.

Jennifer adjourned the meeting at 11:43 a.m.

Jennifer Churchfield, President
____________________________

Sue Chandler, Secretary/Treasurer
_________________________