**Pursuant to SB661, this meeting will be conducted via teleconference**

Audio access: 1-205-825-9189 (no access code needed)

Board Members will be present via teleconference:

Doug Scott  
Adam Reynolds

Betsy Brown  
Liberty Mitchell

Mike Cantrell

*If the audio connection is disrupted, the meeting will temporarily pause for 10 minutes. After 10 minutes the meeting will reconvene. If that is not possible, the meeting will end and an announcement about a rescheduled meeting will be posted on the school website.*

**INSTRUCTIONS TO ACCESS DOCUMENTS** for this meeting:

Go to epiccharterschools.org.
Hover mouse over “About”
Hover mouse over “Contact”
Click on “School Board”
Scroll down to find the meeting entitled “September 8, 2020 Special Board Meeting”
and click on the link below it.

**OR** by entering this link in your search bar:

https://www.dropbox.com/sh/xc6xwi006nukxz/AAA8RZZ0iegD3mDIUaRRVDDAa?dl=0
AGENDA

Tuesday, September 8, 2020

1. Call to order and roll call – 6:45 p.m.
   started at 7:03 p.m.

   Present:  Doug Scott  Others in
            Mike Cantrell  Attendance: Bart Banfield, Supt.
            Adam Reynolds  Josh Brock, Epic’s CFO
            arrived at 7:14pm  of Communication
            during item 7
            Absent:  Liberty Mitchell
            Bill Hickman, Board Attorney
            Ben Harris, Epic Youth
            Services
            David Chaney, Co-Founder
            Tiffany Clark, Board Clerk

2. Pledge of Allegiance and Moment of Silence
   Led by Supt. Banfield

3. Introductions
   "Others in Attendance" were mentioned here

4. Information to the Board
   a. Enrollment Update

      Banfield - two milestones reached this school year: as of today the school
      has 60,000 students enrolled at the Epic schools, and Epic now has 2,000
      employees making Epic one of the largest employers in the OKC area
      - 61% of students are One on One, and 39% are Blended
      - 696 teachers were hired as of January 1, 2020, and after January
        1, 2020 an additional 752 employees were hired
b. Financial and Budget Update

_Brock - CBEW_ (the school’s independent financial auditor) was in the office performing the independent audit and will be likely to present a report to the Board at the October meeting.

**Purchasing and General Business**

5. Discussion and possible action to approve Supplemental Appropriations for FY20.

_Brock - The Board had previously approved appropriations of $61 million, and the school spent slightly more than $66 million. A request for an additional $5 million is necessary, and needs to be filed with the OK County Clerk to receive a total of $66 million in appropriations, and needs to be filed by the county clerk’s deadline._

_Board Member Reynolds moved to approve. Board Member Cantrell seconded the motion._

Scott - Approved • Cantrell Approved • Reynolds - Approved

6. Discussion and possible action to approve Estimate of Needs for FY21.

_Brock - standard requirement for all school districts and filed with the county clerk no later than September 30th. Filing it now rather than at the previous board meeting allowed the independent auditors to be on-site to complete this document. The initial appropriations amount was $25 million for Blended, the Estimate of Needs for Blended is $125 million for FY21._

_Board Member Cantrell moved to approve. Board Member Reynolds seconded the motion._

Scott - Approved • Cantrell Approved • Reynolds - Approved

7. Discussion and possible action to approve Community Strategies, Inc. d/b/a Epic Charter Schools to enter into a borrowing agreement on behalf of Epic for up to $30 million.

_Brock - we have had lines of credit in the past due to the growth between the end of the school year and the beginning of the new year, and the timing of the school’s adjusted funds. This year there has been substantial growth and this line of credit is needed to carry the school until the mid-year adjustment. The current line of credit is a fraction of what the school actually needs, and_
the increased borrowing will ensure there is no disruption to students getting the services they need.

An actual contract is not being presented because they are still in negotiations with various institutions to ensure the school is getting the best deal. It allows Community Strategies to enter into this agreement, regardless of the institution that is chosen.

Hickman - two questions to be verified for the Board: (1) That the funding for the first semester is based on the end-of-year student count from last school year; and (2) do we have a projection of what the lump sum adjustment will be in mid-January for the 1st semester that will have passed by the time the mid-year adjustment is received.

Brock - (1) For any students above the end-of-year count, the school will not receive funding until the mid-year adjustment. However, there are beginning of the year costs such as curriculum, technology, and other heavily loaded, front-end costs. The school has needed to take out lines of credit before for this reason, but the incredible growth this year is the reason for such a large amount. (2) On a projection basis, Brock anticipates paying off any and all borrowings at the end of January when the mid-year adjustment is received. This amount should exceed $100 million due to the student growth.

Hickman - for the benefit of the Board, this item is structured to authorize the board chair or secretary to sign the contract with the borrower once the terms are negotiated.

Scott - he remembers last year's mid-year adjustment being around $40 million and getting a lot of press for how high that number was. With the skyrocketing enrollment and the projected mid-year adjustment, is there any chance the State can delay payment of the mid-year adjustment or anything else which would keep the school from paying back the line of credit?

Brock - based on historical information, and this school being sponsored by the Statewide Virtual Charter School Board (SVCSB) and funds first going to them, to be distributed to Epic, the school has never experienced a delay that would exceed a seven day timeframe from when the State disburses the
funds. So there is no expectation that there would be a delay.

Reynolds - don’t we normally see an agreement to approve, but not an authorization of the chairman to later review the agreement and sign? This is not what he’s remembering on lines of credit in the past.

Hickman - no, not usually. Though there have been other times that the Board Chair has been authorized to sign a document not yet finalized, such as a settlement agreement. Due to the sensitive nature of the negotiations, the timing of the 1st day of school, and the timing of this meeting, it is necessary to structure this agenda item as it is. But there is transparency in the item and in the amount, in that there is a ceiling of $30 million that will not be exceeded. This is a unique situation driven by the pandemic and the doubling of student enrollment.

Scott - getting clarification: we need this line of credit due to the extra 30,000 students that have enrolled since last year?

Brock - confirmed this is correct

Hickman - it is very challenging for any organization, such as a public school like Epic, when they double in size from 30,000 students to 60,000 students from the end of last school year to the beginning of this school year, to provide the services necessary to serve the influx of students. This line of credit is imperative to serving these Oklahoman students.

-Brock clarified a few items: this amount is cumulative between the two schools (One on One and Blended), so this is not an additional $30 million. The borrower will be the 501(c)(3) [nonprofit] Community Strategies, Inc.

- Reynolds - each entity does not need to enter into its own agreement, because it is one single line of credit for a total of $30 million?
- Hickman - the legal entity Community Strategies, is the only entity that can process payroll and expenses, and it holds the charters for both schools. The funds will be proportionately distributed between the two schools.

Hickman stated that Betsy Brown has joined the meeting at 7:14pm
Board Member Cantrell moved to approve. Board Member Reynolds seconded the motion.

Scott - Approved • Cantrell Approved • Reynolds - Approved •
Brown- Approved

8. Discussion and possible action to approve a new committee member for the Gifted and Talented Committee: Elora Fite, parent of gifted students in Epic. Banfield - Epic had 171 students that qualified for the gift and talented committee last school year. Due to this year’s growth, that number has doubled to 348 students. Two extra members are needed to effectively serve these students, and bring the board to eight members.

Board Member Reynolds moved to approve. Board Member Cantrell seconded the motion.

Scott - Approved • Cantrell Approved • Reynolds - Approved •
Brown- Approved

9. Discussion and possible action to approve a new committee member for the Gifted and Talented Committee: Laura Gibson, Epic Special Education Teacher.
Banfield - same as the previous item

Board Member Reynolds moved to approve. Board Member Scott seconded the motion.

Scott - Approved • Cantrell Approved • Reynolds - Approved •
Brown- Approved

10. Board Member Comments

Brown - her kids started in Epic today and she was terrified at how it might go. But it was fantastic! She explained that it is one thing to be a part of the Epic Board and talk the school up, but quite another to experience it as a parent. She was relieved that her experience was so good! She has colleagues whose kids also enrolled and they have been very pleased, also!
Banfield and Harris - both showed their appreciation for her comments

Scott - applauded everyone’s efforts in handling the biggest spike in enrollment the school has ever seen.
Cantrell - expressed that the school got “one hell of a public survey back from the community” with the spike in enrollment.

11. Public Comments
All meetings of the Board of Education shall be open to the public, and any regular meeting shall include an opportunity for the public to address the Board. Presentations under “Public Comments” are limited to three (3) minutes. Where several people wish to address the same subject, a spokesperson must be selected. The Board Chairman may interrupt and terminate any presentation that is not in accordance with any of these criteria. Board members may not respond to speakers’ comments. Matters that are subject to any legal action or investigation are not proper topics of public comment and are not authorized.
None.

12. Adjournment
Adjourned at 7:23 p.m. Board Member Reynolds moved to approve to adjourn the meeting. Board Member Cantrell seconded the motion.
Scott - Approved  •  Cantrell Approved  •  Reynolds - Approved  •  Brown - Approved

Board Chairman Doug Scott

Secretary Betsy Brown