

MINUTES OF

COMMUNITY STRATEGIES, INC. EPIC BLENDED CHARTER SCHOOL – SPECIAL BOARD MEETING

50 PENN PLACE, 1900 NW EXPRESSWAY, SUITE 305
OKLAHOMA CITY, OK 73118

No board members will be present at the physical site.

****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 “July 28, 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/39xa9hcuphlzгур/AAAf-zS-NZXFhG6dmAIMNPQ0a?dl=0>

AGENDA

Tuesday, July 28, 2020

1. Call to order and roll call – 7:00 p.m.
started at 8:10 p.m.

Present: *Doug Scott*
 Betsy Brown
 Mike Cantrell
 Liberty Mitchell
 Adam Reynolds

Absent: *None*

Others in Attendance:
Bart Banfield, Supt.
Josh Brock, CFO
Shelly Hickman, Asst. Supt.
of Communication
Bill Hickman, Board Attorney
Ben Wadley, In-House
Counsel
Ben Harris, Epic Youth
Services
David Chaney, Epic Youth
Services
Linda Ladd, Internal Auditor

2. Pledge of Allegiance and Moment of Silence
Led by Supt. Banfield
-- Mike Cantrell entered the meeting
3. Introductions
"Others in Attendance" were mentioned here

Action Items

The following items will be considered for action by the Board of Education on an individual basis and a roll call vote will be conducted on each item separately.

4. Minutes of the May 27, 2020, Special Board meeting.
Board Member Cantrell moved to approve. Board Member Reynolds seconded the motion.
Scott Approved • Brown Approved • Cantrell Approved • Mitchell Approved • Reynolds Approved

5. **Superintendent's Update**
--- Banfield - will be moving the students at the Grace United Methodist Blended Learning Center (BLC) 7 miles to Stonegate Elementary. Stonegate provides more space for its 300 students, and is perfect since it was designed as a school. The church decided not to lease the other side of the building, which did not leave room for growth. The church is also not leasing the other side of the building, which provides complexities as a single tenant with City coding, and as a public school. Will have approximately 500 students now.
 - a. Survey Results of New Parents
Shelly Hickman - sharing results from surveys sent to the 10,000+ newly enrolled families to gather information as to why they enrolled in Epic. At one point Epic was enrolling between 800-1,200 new families per day. The school took a scientific approach in order to capture a viable sample with a margin of error of less than 2%, with 2,300 families answering. The results apply to both charters (One on One and Blended) Shelly then went over the presentation with the Board members and each question in detail.
 - b. Enrollment Growth Projections by Banfield
- as of today current enrollment is 40,810 students: One on One has 24,551 students (60%), and Blended has 16,259 students (40%), before the 4th of July, Epic was the 3rd largest school in Oklahoma. They are now the largest public school in the State of Oklahoma.
- as of today, the projected end-of-year enrollment is 55,484 students,

which is an 87% year-over-year growth rate. As a reminder, the school finished with over 32,000 students at the end of last school year, and the school could double in enrollment numbers by the end of this school year - he's been in education for 20+ years and is impressed with how smoothly they have been able to enroll so many students in a short time

c. Return to EPIC Learning, Phase 2

This plan will run from July 20th to December 31, 2020, and includes a host of considerations and reflects most important factors of student education and the safety of students, teachers and staff. It is subject to change to be consistent with the CDC and OK Dept of Health.

Scott - what happens if a student contracts Covid and believes it came from the teacher? Is there something in place that states that the families, teachers, etc. are assuming the risks if they do meet?

Banfield - yes, there will be clear guidelines given to families, teachers, staff, and all are following the CDC and OK guidelines. Safety is of the utmost importance, and there has been appreciative feedback that the choice is being given to the teachers and families. Any notifications of Covid cases will meet the proper guidelines.

Mitchell - from a nurse's point-of-view, she is impressed with the plan the school has in place

Banfield - expressed appreciation and noted all of the hours and meeting with a variety of people to try and have the best plan in place

--- The Blended school: at Epic, choice is fundamental, and parents can choose for their children to attend 100% virtual or in-person at a BLC with safety precautions. He described in detail Epic's rules for the wearing of masks and face shields by teachers, staff, and students that are in alignment with the CDC, as well as strict criteria for visitors. He also explained in detail the rules for the administrative building and meetings, as well as the depth of cleaning and the cleaning schedule.

Purchasing and General Business

6. Discussion and possible action to approve Phase 2 Reopening Plan.
Board Member Cantrell moved to approve. Board Member Reynolds seconded the motion.
Scott Approved • Brown Approved • Cantrell Approved • Mitchell Approved • Reynolds Approved
7. Discussion and possible action to approve purchase orders and encumbrances through June 30, 2020.
This report is comprehensive for the entire school year, and has been approved at each board meeting throughout the year. Page 5 shows the payment from Blended to One on One for the payroll allocation of approximately \$31 million. Pointed out Jenco Construction PO, who did construction at Stonegate
Scott - Asked for clarification on the expense reimbursement to EYS for \$50,000.
Brock - To close-out the school year, these are expenditures for items EYS has paid for, but that belong to the school. The encumbered amount is not fully paid, but the school needed to encumber enough before the close of the year. He believes the actual amount to be paid will be about half.

Board Member Mitchell moved to approve. Board Member Cantrell seconded the motion.
Scott Approved • Brown Approved • Cantrell Approved • Mitchell Approved • Reynolds Approved
8. Discussion and possible action to approve the ACT as our district chosen CCRA for state testing.
Banfield - CCRA = College and Career Readiness Assessments. This test is given each year, and consists of two parts.
Reynolds - what factors are looked at when deciding between an SAT and ACT?
Banfield - looking at where most Epic graduates go after school, most attend in-state college or attend a technology school, and the ACT transitions seamlessly to in-state schools, and does a good job preparing students for post-secondary education.

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

Scott Approved • Brown Approved • Cantrell

Approved • Mitchell Approved • Reynolds Approved

9. Discussion and possible action to approve updated Student Parent Handbook.
Banfield - this is the annual update, but also taking the pandemic into consideration as they looked for necessary updates.
- *updated high school credit classification*
 - *updated course credit requirements for transferring from homeschool or non-accredited schools to show mastery*
 - *updated deadlines for learning funds: to aid in summer educational planning, and to create more clarity for families that may have questions*
 - *updated curriculum options for late-enrolling students*
- Brown - confirmed that in order to use leftover learning fund monies in the summer, the family must have completed the previous school year, have money leftover and be enrolled in the Fall - Banfield confirmed*

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

Scott Approved • Brown Approved • Cantrell

Approved • Mitchell Approved • Reynolds Approved

10. Discussion and possible action to approve updated Employee Handbook.
Banfield - An addendum was added related to the pandemic so employees are informed of the Families First Coronavirus Response Act and their rights as it pertains thereto. This was also emailed to all teachers and staff in order to prepare for any disruptions that may happen due to Covid.

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

Scott Approved • Brown Approved • Cantrell

Approved • Mitchell Approved • Reynolds Approved

11. Discussion and possible action to approve insurance renewal with Philadelphia Insurance Companies.
Brock - The main policy was already approved by the Board, this portion is being brought to the Board to add the proper coverage for cyber security for such a technically centered school, at \$2 million.

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

*Scott Approved • Brown Approved • Cantrell
Approved • Mitchell Approved • Reynolds Approved*

12. Discussion and possible action to approve Annual Budget.

Brock - This budget is for 40,000 students between both schools, though we will likely have more enrollments. Brock explained the total revenue and expenses, including that the the performance bonuses are budgeted for September and November

-- Blended accounts for about 35% of total students (approx. 16,000 students), and discussed the importance of carrying forward the cash-at-hand

Board Member Brown moved to approve. Board Member Mitchell seconded the motion.

*Scott Approved • Brown Approved • Cantrell
Approved • Mitchell Approved • Reynolds Approved*

13. Discussion and possible action to approve Distance Learning Plan.

Banfield - the SDE required all public schools to put together assurances and a distance learning plan to ensure students would continue to learn no matter the environment. It is required that the Board to approve for both the SDE, and for a technology grant provided by the Federal Government. In addition to the distance learning plan, Epic still utilizes an individualized learning plan (created between the student, family and teacher) for each student to meet each student where they are educationally. The school is able to find what the student didn't learn at the previous school, and address these deficits. Getting the students on or near grade-level can take a year or more depending on how far behind they are. 70% of students new to Epic are below grade level in ELA, and 80% below grade level in math. Allows the school to create a plan with parents to get students to grade-level.

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

*Scott Approved • Brown Approved • Cantrell
Approved • Mitchell Approved • Reynolds Approved*

14. Discussion and possible action approve Woodland Hills Mall agreement.

Brock - this lease agreement goes through the 2024 SY, with a lease payment of \$5000 per month and has playgrounds in the facility, serving students in Tulsa County

Scott - any change to lease or terms in regards to protections due to Covid?

Harris - in April Epic was notified by both malls that the playgrounds are not active due to Covid (also at Penn Square Mall), and they will defer lost time or add time to agreements. Which will likely lead to a change in the agreement.

Brock - Reminded the Board that the school has insurance coverage specifically for the playgrounds, and any liability related to Covid or otherwise would be covered by the policy

Brown - asked if they should table this item if they can't use the playground? Do they know when they will be open again?

Harris - this is within the agreement for the malls to do, and it is the mall's liability/responsibility to clean and disinfect. So he recommends they approve this agreement to keep the playgrounds, and when the crisis is over they will amend the agreement as needed and bring it before the Board. The malls will follow the state guidelines as for when to resume play on the playground.

Scott - Understands the school would like for this to be available to its students once the playgrounds are reopened, and feels comfortable with amending the agreement to add more time at a later date.

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

*Scott Approved • Brown Approved • Cantrell
Approved • Mitchell Approved • Reynolds Approved*

15. Charter Management Organization Update

None.

PRESENTATIONS TO THE BOARD

16. Presentation of Findings of Internal Auditor Linda Ladd of Learning Fund.

Ladd - gave a detailed overview of her internal audit report

- *she performed a contract compliance audit of the learning fund pertaining to the contractual obligations of Epic Youth Services (EYS) from 7-1-2017 to 6-30-2019*
- *Overview of the learning fund (LF) and its uses are to provide students with funds for: core curriculum, technology resources and extracurricular activities*
 - *orders are requested by parents and approved through the EpiCenter portal and parents can purchase directly through approved vendors*
 - *Allowing parents to do this directly allows for transparency, as parents can see exactly where their child's money is going, and if there is an incorrect item, they can fix it quickly*
- *scope for the audit was 20% of the student population of those enrolled during the above timeframe*
- *students were randomly selected, and the LF orders randomly selected through the portal, in order to validate the expenditure against the supporting 3rd party documentation*
 - *a variety of payment methods were pulled to make sure it was a true sample*
- *objective of the audit was designed to ensure LF expenditures were appropriate and for the purpose of educating children.*
- *structured to validate LF orders purchased by EYS for completeness, accuracy, and complete payment to authorized recipients*
- *to confirm that EYS is upholding the contractual obligation of the LF*

The recommendations of the internal audit includes management reemphasizing the importance of a detailed review of all LF orders through training and updating procedures, to include established guidelines of the steps required to complete the review of the LF order, in order to ensure consistency. Adequate 3rd party supporting documentation should be a requirement before a sign-off of approval can be provided. All LF orders should have a separate preparer and reviewer to mitigate the risk of any unauthorized orders being processed. A random sample should be selected on a quarterly basis to ensure the process is performing as intended. Implementing a reconciliation between entries recorded in the LF in the EpiCenter portal with payments made to vendors explaining any variances that exist. A review of the

reconciliation should be performed by someone other than the individual preparing the reconciliation. Further details can be found in the internal audit report at Exhibit "A."

Considering the quantity of orders processed during the year, the occurrences noted are immaterial in both value, nature, and not found to be recurring issues. Reiterating the importance for sufficient 3rd party supporting documentation and a detailed review of all LF orders will be a valuable continuous improvement, ensuring there are preventative measures in place to mitigate the risks of processing unauthorized or inaccurate LF orders. Establishing a reconciliation procedure between the LF entry in EpiCenter with payment made to vendors, with a review and sign-off of approval will add a detective measure so that any errors can be discovered on a timely basis. She found EYS to be upholding its contractual obligations in relation to the LF. And the expenses were appropriate and for the purpose of educating children.

Brown - asked if the contractor EYS was profiting from the LF in any manner?

Ladd - no, from the sample she completed she did not find any material issues or that they were profiting from it

Brown - the 3rd finding states that taxes for Amazon purchases were not in LF. Were they paid by EYS or charged to the students later?

Ladd - they were paid by EYS and not recorded in the student's LF

Cantrell - finding 5: why was this item characterized as a variance when the estimate between the curriculum and the licences may change because the parents get to choose?

Harris - because EYS is trying to strike a balance between the price point for curriculum based on volume purchased in order to not buy too much or too little. The annual reconciliation Ladd recommends will allow the school to better estimate the volume of curriculum for pricing purposes, as purchasing large amounts of curriculum lowers the price point.

Cantrell - pointed out there is a better way to estimate and get a better price point, and that's to not give choice. But choice is the very nature of Epic and parents get to choose each year. So EYS will never truly be able to estimate what the parents will choose. He hopes choice will always be held in great importance.

Harris - stated this is correct. The school will never be able to estimate exactly, but giving choice far outweighs not being able to get an exact estimate.

Brown - Asked for clarification of immaterial findings, and asked if EYS is compliant with their contract?

Ladd - yes, and the immaterial occurrences were not recurring. She found it reassuring

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that these were exceptions and not repetitive problems. Especially with the volume and since purchases are made throughout the year.

Scott - With the student sample size being 20% of the population, what is the number of students.? -- In one entry, it looks like the incorrect student was charged.

Ladd - approximately 2,758 students were in the audit. The student charged was not the student shipped the order, and this was the only instance of this. Parents being able to see their learning fund greatly helps with this issue.

Scott - a parent can log in and see what their LF has been charged for and can notify the school if inaccurate?

Ladd - confirmed

Scott - any other occasions where a student was charged for something they never received or shorted on their LF?

Ladd - in finding 1, there were 9 instances noted where the amount recorded to the LF did not have accurate 3rd party vendor information, but they were immaterial.

Scott - the cumulative variance was about \$42 for the 9 instances and that's why it's immaterial? And the recommendation is the reconciliation between the LF and the amount paid to vendor by EYS?

Ladd - confirmed this information

17. Discussion and possible action to approve Internal Audit Report.

Hickman - clarified that Linda Ladd is the internal auditor and reports directly to the Board and not to EYS. From his experience in education, he is not aware of another public school in Oklahoma that has an internal auditor that reports directly to the Board.

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

*Scott Approved • Brown Approved • Cantrell Approved •
Mitchell Approved • Reynolds Approved*

18. Financial Update

Brock - He reminded the Board that he is the Encumbrance Clerk, and David Harp is the Treasurer. Brock went over David Harp's proposal regarding cash balances necessary to meet obligations of a merit-based pay structure, the cash balances outlined in the previously approved budget, a summary of monthly revenue and total expenditures, and a summary of payments made and cleared by the bank. The school is in a good position to prepare for the projected growth from a cash standpoint. They are looking at securing a line of credit to meet all

obligations in the beginning of the school year until the school's funds are received mid-year.

19. Board Member Comments

None.

Executive Session

Board Members will be present via private teleconference:

Doug Scott	Adam Reynolds
Betsy Brown	Liberty Mitchell
Mike Cantrell	

No board members will be present at the physical site.

20. Motion to enter into executive session as provided for in 25 O.S. 307(4) to have confidential communications between a public body and its attorney concerning the lawsuits styled:

- 1) *Community Strategies, Inc. v. Ron Sharp, CJ-2019-6881, Oklahoma County, Oklahoma;*
 - a. (Action) Vote to convene into Executive Session.
Board Member Cantrell moved to convene into Executive Session. Board Member Brown seconded the motion.
Scott Approved • Brown Approved • Cantrell Approved
• Mitchell Approved • Reynolds Approved
 - b. (Action) Vote to return to Open Session.
Hickman performed a Roll Call - All Board Members are Present
 - c. Reading of the Executive Session Minute.
Hickman read the Minute: Hickman stated that all five Board Members were present, as well as Bill Hickman, legal counsel for the Board.
Board Member Cantrell moved to return to Open Session. Board Chair Scott seconded the motion.
Scott Approved • Brown Approved • Cantrell Approved
• Mitchell Approved • Reynolds Approved
No action was taken, and no votes were cast.
 - d. (Action) Possible action on items considered in Executive Session.
Chair Scott - no action taken and no items to be considered

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21. 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.

22. Adjournment

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

*Scott Approved • Brown Approved • Cantrell
Approved • Mitchell Approved • Reynolds Approved*



Board Chairman Doug Scott



Secretary Betsy Brown