

# MINUTES OF

## COMMUNITY STRATEGIES, INC. EPIC ONE ON ONE 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: 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.*

**ACCESS TO DOCUMENTS for this meeting will be uploaded to: [epiccharterschools.org](http://epiccharterschools.org).**

**Hover mouse over “About”**

**Hover mouse over “Contact”**

**Click on “School Board”**

**Scroll down to find the meeting entitled “March 23, 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/il24egtkxzciu58/AAC58cZie7oYpKq7ZVaNRWCea?dl=0>**

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**MINUTES OF AGENDA**

**Monday, March 23, 2020**

1. Call to order and roll call – 6:32 p.m.

<i><b>Present:</b></i>	<i><b>Doug Scott Mike Cantrell Adam Reynolds</b></i>	<i><b>Others in Attendance:</b></i>	<i><b>Bart Banfield, Supt. Josh Brock, Epic’s CFO Bill Hickman, Board Attorney Ben Wadley, In-House Attorney Ben Harris, Epic Youth Services David Chaney, Co-Founder Tiffany Clark, Board Clerk</b></i>
<i><b>Absent:</b></i>	<i><b>Betsy Brown Liberty Mitchell</b></i>		

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

3. Introductions  
*“Others in Attendance” were mentioned here  
Chuck Crooks of CBEW to report to the Board on the Financial Audit for  
2018-2019.  
Linda Ladd, Board’s Independent Auditor*

*Chair Scott made an announcement that members of the public would be on mute until the Public Comments section.*

**Consent Docket (Action)**

The following items concern reports and items of a routine nature normally approved at Board meetings. They will be considered and voted on together as a group with one vote; provided that any Board member may ask that one or more items be considered and voted on separately. The Consent Agenda includes discussion, consideration, and possible action upon the following items:

4. Minutes of the January 15, 2020, Board meeting.  
*Board Member Reynolds moved to approve. Board Member Cantrell seconded the motion.  
Scott - Approved • Cantrell - Approved • Reynolds - Approved*

Purchasing and General Business

5. Discussion and possible action to approve purchase orders and encumbrances through February 29, 2020.

*Brock: directed Board's attention to entries through February 29, 2020. Brock pointed out purchase orders (PO) 17, 39, 124, and 154, such as HSE Architects for the design of 50 Penn Place location, Beasley monthly fee for technology and remote support, Smith and Pickle to Epic Youth Services (EYS), and EYS' support fee.*

*Scott asked if PO 124 (Smith & Pickle) was for 50 Penn Place?*

*Brock: yes*

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

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*

6. Discussion and possible action to approve any supplemental appropriations for FY 20.

*Brock: CBEW assists in preparation of Estimate of Needs for each school year. At the beginning of the school year it was approximately \$114 million, and increased to approximately \$130 million due to mid-year adjustment for student count. However, the change in funds does not happen until January.*

*Scott: mid-year adjustment is due to additional students enrolled after August?*

*Brock: yes, he then briefly explained how the funding count works*

*Cantrell: are we noticing up-tick of students since Coronavirus issue?*

*Harris: have not seen an up-tick, but operations have ceased until at least April 6. Applications are still available on the site, as always, but there has been a normal level of enrollments, comparatively speaking.*

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

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*

7. Discussion and possible action to approve temporary appropriations for FY 21.

*Brock: document will be filed with the county Excise Board, and until CBEW can complete the Estimate of Needs, this document is necessary. Growth will be included once Epic receives its funds attributed to the increase in student enrollments.*

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

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*

8. Discussion and possible action to approve Professional Services Agreement with CloudCommerce for data analytics.

*Harris: this firm will conduct market research and statistical analysis through researching demographic profiles of current families to inform social media and marketing strategies. Should deliver per this contract within 60 days.*

*Scott: Who was used in the past?*

*Harris: UpperCase. This is much more comprehensive, sophisticated, and in depth than what the contract was with Uppercase.*

*Reynolds: Asked about the price difference.*

*Harris: Approximately twice the price. Difference being the survey method, using “live” methods, such as online, text, and phone, whereas the prior firm worked mostly with static data analysis. This company has a national reputation and Epic also has a larger data set to analyze than before.*

*Cantrell: He thinks this is a great step forward to expand on technology and better serving Epic’s student base.*

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

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*

9. Discussion and possible action to approve Office Building Lease (N I-35 Frontage Rd).

*Brock: commences February 1, 2020 at \$5,000/month, with the same trusted landlord as the 122nd location. It was initially obtained for state testing, but since there will be no testing it will be used for the dual purpose of a location for teachers and students to meet in OK County. It also is very visible for more name recognition, and is very accessible.*

*Scott: confirmed that the Board is approving with tracked changes being made.*

*Brock: yes*

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

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*

10. Discussion and possible action to approve MAS Software Agreement Renewal for Appropriated Funds for FY2020-2021.

***Brock: annual renewal, and have used MAS since inception of school, including not just this accounting software, but also student information and more.***

***Scott: anything different than the ones in the past?***

***Brock: contract based off of October student membership of 17,106, and personnel and treasurer modules are an additional \$5,131.80. Now that Epic has a high number of personnel, this addition is necessary to ensure deadlines are met.***

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

***Scott - Approved • Cantrell - Approved • Reynolds - Approved***

11. Discussion and possible action to approve Beasley Technology Services Agreement.

***Harris: Small price decrease due to decrease in scope of services, as Epic is moving a portion of their services in-house.***

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

***Scott - Approved • Cantrell - Approved • Reynolds - Approved***

12. Discussion and possible action to approve SDE school audit contract with CBEW for FY20.

***Brock: The State Department of Education requires this exact contract to be submitted, so this is a formality because the Board already approved the engagement letter in a prior meeting .***

***Reynolds: confirmed that this is the same auditor we have used every year.***

***Brock: yes, same since the inception of the school***

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

***Scott - Approved • Cantrell - Approved • Reynolds - Approved***

14. Discussion and possible action to approve Facility Use Agreement with Boys and Girls Club of Bartlesville.

*Brock: Epic seeks low-cost, underutilized facilities to give teachers and students more spaces to meet one-on-one. Cost is \$2,000/month.*

*Scott: asked Bill Hickman if he's looked at the lease agreement*

*Hickman: yes, he approves and it is consistent with law*

*Cantrell: How do we take care of student safety when there are other non-Epic staff, and also no alone time to ensure students are safe?*

*Harris: we do take student safety into account, and seek out facilities already serving youth since they would already have measures in place to protect kids. For instance, Bartlesville does a background check on each person who enters the facility on a regular basis, and the even Epic employees must undergo an additional background check to enter this facility. Boys & Girls Club employees will always be in the facility at times Epic employees are there with students. Epic is also in the process of putting security cameras in each facility they occupy, if not already there.*

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

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*

15. Discussion and possible action to approve Facility Use Agreement with Boys and Girls Club of McAlester.

*Scott: confirmed that this is the exact same as the Bartlesville facility*

*Harris & Brock: yes*

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

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*

### Non-Consent (Action)

16. Discussion and possible action regarding Report from CBEW on Financial Audit for 2018-2019.

*Chuck Crooks, CBEW: apologized b/c this report was delayed due to changes in the federal government programs testing, and that change trickled down to other auditing processes.*

- *This report is an adverse opinion on a gap basis, but is a clean opinion on the regulatory basis as of June 30, 2019. For the internal control and compliance tests, no issues found. Opinion on federal government*

*programs, no issues found.*

- *looking at audit report page 21, federal government does not consider Epic a low-risk auditee due to adverse opinion finding. This means even more additional testing at 40% of the federal programs was required, rather than the standard 20%.*

*Scott: wanted explanation of “adverse opinion on a gap basis”*

*Crooks: SDE requires you to be on the regulatory basis of accounting, which is not the prescribed basis of accounting under general accounting and auditing procedures. The gap basis includes all receivables and payables, which aren’t required under the regulatory basis. That’s why there is a clean opinion on the regulatory basis*

*Hickman: Since you do a lot of public school opinions, would this be a clean public school audit?*

*Crooks: the financial side of the audit is clean based on financial statement and the financial standing as of June 30, 2019*

*Scott: Hickman, do we vote to accept this?*

*Hickman: Not required, but added as an action item to accept out of an abundance of caution*

*Cantrell: is another type of audit that the Board should be requesting be performed? Is it just a financial audit and not a clean audit?*

*Crooks: we are contracted to audit the financial side only, and all of the procedures they follow for Epic are the exact same as other public schools*

*Hickman: Can Crooks tell the Board how many other public school districts they perform an independent financial audit for?*

*Crooks: approximately 10 districts. From very small, up to 4A. The difference would be an activity fund testing, but Epic does not have that.*

*Cantrell: are we doing every type of audit required of any other public school?*

*Hickman: yes, each school must have an independent financial audit, and CBEW is on the approved list. Epic also must be accredited each year by the SDE. The school has also undergone and successfully completed Federal programs audits within the last year. The other audits, such as Federal audits, are generally more random.*

*Cantrell: how is this different from the State Auditor’s audit and are other schools required to have audits by the State Auditor?*

*Hickman: the State Auditor is doing the audit because at the the request of the Governor and State Superintendent, and the annual audit of the CBEW is required of every district annually.*

*Cantrell: Is it fair that Epic is expending so much staff time on these audits and are other schools being subject to this, and if not why?*

*Hickman: in the last 3 years (approximately), the school has undergone 30-40 different audits*

*Brock: confirmed over 40+ audits over the last 36 months. Regarding Federal programs, Epic receives approx 10% of revenue from Federal claims. The standard is 20% testing, and CBEW tested at 40% (high level) due to the adverse opinion. Federal programs audit looks at finances of the school, and also how programs operate from instructional, staffing, professional development, etc. standpoints. A lot of schools are able to submit electronically, but each school (One on One and Blended) has been or was scheduled for on-site monitoring these last 2 years by the SDE. He understands there are only about 10 schools in the state per year that are on-site monitored, and Epic has been in that pool for the last 2 years.*

*Hickman: stated he works for multiple public schools in the State, and he is unaware of any school in the State that has had so many audits within such a short period of time. Whether or not that is fair, is not for him to decide.*

*Cantrell: he feels like this is punishment for not doing things the way they have always been done*

*Board Member Cantrell moved to accept. Board Member Reynolds seconded the motion.*

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*

#### **17. Superintendent's Update**

*Supt. Bart Banfield:*

- *Current enrollment: 18,592, which is approx 61% of overall student population -- for whole school: 30,356 students*
- *are planning on serving Epic students as of April 6th, with approval from the state.*
- *Epic has reached out to other public schools and offered to share knowledge and resources to assist in the transition to distance learning*
- *State Superintendent announced today she will present at the SDE's board meeting a continuous learning plan to complete the school year via distance learning, and not open brick-and-mortar school buildings for the rest of the school year.*
- *The SBE is also looking at submitting various waivers to help public schools and families during this time, such as waiving state standardized testing and report cards for the school year -- Epic is ready to serve 100% of its students virtually for the entire school year.*



*Scott: asked if the meals served at the Blended sites will be available*

*Supt: Yes, “grab and go” pickup of 2 meals per day, per student started today for all BLC students, which are located in Oklahoma and Tulsa counties.*

### **Information to the Board**

#### 18. Internal auditor update.

*Linda Ladd: website compliance - verified it contained the governor’s required academic performance and financial information. Verified each of Board members’ names, office held and contact info, and confirmed that the Board meetings and related materials were updated as should be. She also mentioned a few non-compliance issues that have now been rectified, such as minutes of a board meeting not being available and a more specific link to the OCAS website. approval process for payment registers - is continuing to validate the existence of the process already in place, and verified that signatures for both Brock and Supt. were available for each required transaction.*

*Hickman: reminded the Board that Linda works directly for the Board, like he does. The Board can give Linda direct guidance into areas they would like for her to look into. This is a unique position that most schools do not have.*

#### 19. Financial update.

*Brock: spoke to cash balances and how One on One bears the primary payroll responsibility, and Blended reimburses One on One for proportion. Blended has not reimbursed the total amount yet, making it look like the One on One cash balance is lower than it should be. He explained how the \$130 million divided into 4 months takes care of expenditures. For example, in the month of February, payroll alone was roughly \$7.5 million. Projected to balance out by the end of the year from the projected budget and cash-flow perspective.*

#### 20. **Board Member Comments**

*Cantrell: he shared that he has volunteered on 30-40 boards at 69 years old, and is honored to serve with this quality, competent board. He has been very impressed with how well the board members keep up and stay up-to-date. The Epic experience is very unique and cutting-edge, and is a benefit for students and families in Oklahoma. We are committed to doing it better and he appreciates the Board sticking with it through the hardships. He spoke to how he feels upset at how Epic, a leader in doing things differently to benefit Oklahoma’s families, has been treated, and how the co-founders are innovators. We need to stay the course.*

**21. Public Comments**

- a. 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.

*Wadley confirmed that all callers were unmuted at 7:46 p.m.*

*Rebecca Wilkinson of Statewide Virtual Charter School Board: appreciates the first virtual meeting and Epic being the first do to so.*

*Beth Stamper, Epic teacher: she learned a lot listening to this meeting and is thankful for all the work everyone does.*

**22. Adjournment**

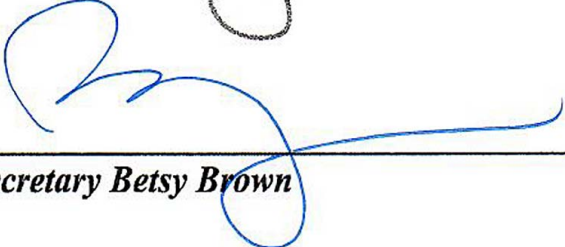
*At 7:50 p.m. Board Member Cantrell moved to approve to adjourn the meeting. Board Member Reynolds seconded the motion.*

*Scott - Approved • Cantrell - Approved • Reynolds - Approved*



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*Board Chairman Doug Scott*



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*Secretary Betsy Brown*