



## KIPP New Orleans Schools Board Meeting Minutes: June 24, 2021

A public meeting of the Board of Directors (the Board) of KIPP New Orleans Schools (KNOS) was held on Thursday, June 24, 2021, at 5:45 p.m. virtually via Zoom.

The meeting was called to order at 5:46 p.m.

The following members were present: Donnell Bailey, Stanwood Duval, Lauren Hitt, Robert Hudson, Bruce Hurley, Roddrick Jones, Kelt Kindick, Drew Marsh, Steve Usdin, Larry Washington, and Danielle Willis.

The following members were absent: Sherice Clark.

The following members of KNOS staff were present: Rhonda Kalifey-Aluise, Chief Executive Officer; Katie Walmsley, Chief Financial Officer; Todd Purvis, Chief Academic Officer, Brad Rosenblat, Managing Director of Finance and Accounting, Jamiela Sekou, Director of Finance, Kristen Chawla, Director of Engagement and Events, and Shawanda Raphael, Executive Assistant.

No guests were present at the meeting.

### Welcome

Mr. Washington welcomed everyone to the meeting.

### Approval of Minutes

Mr. Washington introduced a vote to approve the minutes from the April meeting and the June retreat session. A motion to approve was made by Mr. Usdin and seconded by Mr. Duval. The motion passed by a unanimous voice vote.

### CEO Report

Ms. Kalifey-Aluise provided an update regarding an upcoming meeting of the East Baton Rouge Parish School Board related to Capitol High School. Additionally, Ms. Kalifey-Aluise debriefed the recent retreat session on June 11<sup>th</sup> and advised that she has scheduled a follow-up meeting in upcoming weeks with Ms. Allen and will have regular monthly sessions with Ms. Allen as well.

### Academic Committee Report

No report was given because the most recent report was provided to the board at the June 11<sup>th</sup> retreat.

### Finance Committee Report

Mr. Marsh opened the report, indicating that the Committee met on Monday, June 14<sup>th</sup> and discussed both the final FY21 forecast as well as the FY22 budget, and then turned the floor over to Ms. Walmsley.

Ms. Walmsley reported the financial summary, noting the current projected FY21 adjusted fund balance as a percent of operating expenses of 27.9%. Ms. Walmsley noted the \$2.4 million increase in projected FY21 net income from the last committee meeting, which resulted mainly from advancing additional CARES-ESSER II funding from FY22 into FY21, combined with additional cost savings from vacant positions and some delays in planned facility upgrades. She explained that this forecast positions FY21's variance to approved budget at \$3.1 million but given that the Board approved an FY21 budget containing a significant net operating deficit, the actual expected variance to adjusted fund balance stands at \$191 thousand.

Ms. Walmsley then presented a multi-year revenue forecast, demonstrating that per pupil revenues fell below FY20 levels in FY21, will rise to a peak in FY22, will remain above FY20 levels in FY23 and FY24, and then are expected to fall in FY25 to a level not seen since prior to FY19. Non-recurring Federal ESSER and SBA Payroll Protection Plan revenue, offset by pandemic-driven reductions in MFP revenue, are present in these figures through FY24. Ms. Walmsley explained that KNOS executive leadership, informed by input and collaboration across the organization, have advanced an FY22 budget that seeks to utilize these resources toward their intended purpose while simultaneously limiting any permanent increases to recurring expenses that, as of now, will not be sustainable by FY25. She added that the Finance Committee have been, and will continue to be, stellar thought partners in exploring short-term fund uses that can benefit the organization's efficiency, effectiveness, and financial sustainability over the long term.

#### FY22 Budget Presentation

Mr. Walmsley then turned the floor to Mr. Rosenblat to present the organization's proposed FY22 revenue and budget targets. Mr. Rosenblat first shared that Management proposes a budgeted deficit of \$467,000, which would be back in-line with the planned use of fund balance to pay rent expense at KIPP Believe until New Market Tax Credit equity is realized. He next highlighted that the budgeted expenses increased by \$14.2 million from prior year's budget. Mr. Rosenblat shared that the majority, about \$10 million, of the increased budget was related to non-recurring expenditures on staff retention, recruiting, and programs addressing student learning, attendance, missed academic content, and mental health supports. The additional \$4 million increase was related to recurring expenditures resulting from overall organization enrollment growth, busing, benefits, increased central office capacity that had been reduced in FY21, and new CTE and dual-enrollment programs at the high schools.

#### Resolution Authorizing Hancock Whitney Signatory

Mr. Rosenblat informed the committee of the Hancock Whitney Bank's administrative resolution authorizing the newly named School Leader at KIPP Morial Primary, Michael McGee, as an account signatory on the school's Student Activity Funds bank account. He explained that this administrative resolution is required by Hancock Whitney, despite the Board's standing resolution authorizing KNOS's CEO to designate signatory authority to School Leaders. A motion to approve was made by Mr. Usdin and seconded by Ms. Willis. The motion passed by a unanimous voice vote.

#### Strategic Planning and Leadership Working Group Report

Mr. Kindick stated that preparations have begun for the annual CEO evaluation. Ms. Kalifey-Aluise will be sending a note to direct reports, stakeholders, and board members to inform them that they may receive a request for input on the evaluation. Board discussions regarding the evaluation are expected to continue at the August board meeting.

#### Governance and Nominating Committee Report

Mr. Bailey stated that the committee met on June 17th. The committee plans to schedule 30-minute check-in meetings with each board member in August to discuss service and opportunities to connect with school. Scheduling options will be sent via Calendly so that members may choose the best option for their check-in meeting.

#### Public Comments

There were no public comments.

Mr. Washington introduced a motion to adjourn the meeting at 6:26 p.m. A motion to approve was made by Mr. Bailey and seconded by Mr. Kindick. The motion passed by a unanimous voice vote.

Respectfully Submitted,

  
Shawanda Raphael

Approved by:

  
Larry Washington, Board President