



MISF Executive Committee Meeting
May 27, 2015
12:00 PM – 2:00 PM
Minnehaha Academy, Minneapolis

AGENDA ITEMS

[Click Here for Meeting Documents \(added as they are available\)](#)

- Review minutes from 3/4/15 meeting
- President's report
 - * Updates
 - * Development report
 - * Membership report
 - * Advocacy update
 - * Legislative session
 - * Nonpublic advocacy tour
 - * Friedman Foundation poll
 - * Program report
 - * STEM Education Conference
 - * School Leadership Conference
 - Financial report: balance sheet, income statement, restricted funds tracking, cash flow, operating reserve funds
 - FY16 Budget
 - Critical dialogue: Strategic plan – MISF 3.0
 - Other business

MINUTES

Those present: Greg Anklam, Tim Benz, Jennifer Cassidy, Greg Chamberlain, Doug Jaeger, Josh Killian, Joel Landskroener, Greg Margarit, Malcolm McDonald

Staff present: Debbie Kaliszewski, Michele Speranza

Meeting was called to order at 12:10 PM.

Motion was made by Joel Landskroener, seconded by Greg Anklam, to approve the agenda and the minutes from the 3/4/15 meeting. The to-do list has been updated.

President's report

Awards event:

Thanks to the board for its support of the event. Final number tabulation is in progress.

Attendance was down significantly this year. Possible reasons: moving the event to Sunday, fewer Honor Teacher nominees. Heard feedback at the event that it was both easier *and* harder to fill tables.

Discussion: thoughts on moving this event to over a noon-hour, during the week (similar to the way our workshops are held). Might be easier to fill tables for a board/sponsor attendee (used to attending lunches like this). Schools? Might be harder to pull teachers away (have to get subs), but they would still probably attend if receiving an award – which is what is happening currently.

It is most definitely the awards and the STEM grants that drive event attendance. Less than a handful of people attend who are not receiving (or connected with someone who is) an award. In comparing this year/last year, there were only 49 repeat attendees (out of 264 total).

Idea: Would the creation of a “Leadership Award” drive attendance and nominations? Definitely could be a draw, and good to recognize school leaders who, previously, were never eligible to receive one of the awards.

Question: Would a guest speaker over the lunch hour be a draw? Have not found that to be true in past events.

Discussion: We need to be comfortable with what this event is, and is not. It’s a fund/friend-raiser. Will never be a multi-million dollar gala/moneymaker. It is all about recognizing our schools/teachers. The goal could be just to be cash flow positive... and any organic creep of recognition is a bonus.

Conducting a survey is the best way to ascertain interest and gather opinions. We will put out a short poll and gather feedback by July 1, and move forward from there. Note: We have already spoken with St. Thomas and put a hold on the venue/date for next year as a safeguard.

Membership renewal: Renewal questionnaire sent out this week. We have received no feedback (or pushback) on the rate increase thus far.

Development report

Grants:

Bremer and General Mills (each \$25K) both moved their cycle timing, so we will miss both of these grants in the current fiscal year. Michelle Ponsolle and Tim Benz met with the new program officers for both foundations (important to build new relationships) and meetings went very well. Timing now looks like we will receive the Bremer grant in October and the General Mills grant in December.

Board giving:

All board members have committed to their gifts; while four have not yet paid, we are now able to report that we have 100% Board participation in giving.

Report:

Looking like we will miss our goal by \$200K this year. What are the takeaways/plan for next year? We have included in the budget \$7K for Foundation Search – a prospecting tool that helps mine/target foundations. Tim has had previous experience with them with good results. Also looking at a direct mail component (Russ Reid) that delivers targeted mailing and also produced good results for Tim in the past. Increased value of connections and relationships are the new norm on fundraising and philanthropy.

Membership report

Currently at 160 schools, 33,448 students (just under 50% of all private school students in the state).

At last meeting there was a request for reporting on which schools had not renewed and for what reason. Brenda Kappel has provided this report, along with a list of new schools that have joined in FY15. A total of 10 schools with 1,597 students did not renew. But: 20 schools with 3,780 students joined this year for a net gain. One school appears on both lists: St. Rose of Lima school did not renew last July, but has rejoined as of last week.

There are several “good gets” on the list, including St. Odilia’s and Liberty Classical Academy. Tim and Brenda have a “prospect” list of schools which includes Faithful Shepherd, Shakopee Area Catholic School (SACS), Marshall School in Duluth, and Cristo Rey.

Advocacy update

Legislative session work is not done yet. Waiting for date for the special session in which some bills in which we are interested may be passed.

PreK: We have connected with networks that have a focus on PKs, but the PK issue really isn't a main focus for us. We do not count PKs in our membership numbers, but are aware that approximately 2/3 of our members have PK programs and are working to get accredited/parent-aware status, etc. Our position is that we want PK scholarships.

We have been following HF798 which adds tuition as an allowable tax credit, and increases the income phase-out. Along with the MN Catholic Conference, Lutheran Church Missouri Synod, and , MN Nonpublic School Accrediting Association (MNSAA) we are working on a fall advocacy tour around the state. The tour would bring groups of schools together by region to discuss school choice and other legislative issues that affect private and independent schools. More on this as it develops.

The Friedman Foundation conducted a school choice poll in Minnesota earlier this year. They shared polling results with MISF and other school choice organizations. Tim will forward results of the poll to the board. Broad results of the poll: Minnesotans think education is important, and they want school choice.

Program report

STEM Education Conference: will be held at Concordia Academy in August. Holding the conference at a member school is a smart fiscal decision, and will make conference logistics and parking much easier. Dr. Olester Benson, Corporate Scientist at 3M will be the keynote.

School Leadership Conference: will be held at Ruttgers in September. The committee will meet again soon to continue planning.

Finance report

Nonprofits Assistant Fund bridge loan:

NAF is providing MISF with a \$50K bridge loan, which will help bridge the July-August time frame during which we are waiting for membership dues and registrations for the school leadership conference. This is a short-term loan (most likely through the end of August).

Move for a recommendation to send an electronic motion to the full board for an approval vote via email. So moved by Malcolm McDonald, seconded by Greg Margarit. Motion carried.

Balance sheet

Major variances from June 30, 2014:

- Restricted balance – includes 3M grant, payments to 2015 STEM grant recipients made in May.
- \$31,914 operating reserve remaining (total gift \$209,914, used \$178,000, report included). Withdrew \$25,000 from reserve in late April. Will withdraw additional \$25,000 at end of May depending on approval of bridge loan from NAF.
- The loan at Nonprofits Assistance Fund was renewed with fixed monthly payments of \$2,000 beginning in November. Final balloon payment due December 31, 2015. As part of the extension, we agreed to put \$500 a month into a reserve account. Currently \$2,000 in the reserve fund.
- The State CAPE funds liability was written off in February. It dates back to sometime in 2010.

Income statement

- Major variances year to date:

Revenue

- Membership
 - Variance shows \$9000 deficit, Schulze grant makes up for \$5000 of deficit. That portion of grant was used to “scholarship” new schools.
- Program revenue
 - Some timing issues on workshops held and fewer in quantity. Workshop expenses have reduced due to negotiated pricing with new vendor.
- Grants

- Due to timing shifts from General Mills and Bremer Foundation, those grants will not be renewed in FY15. Budgeted at \$45,000 in total.
 - Honor Fund
 - \$58,125 capacity dollars included in budget
- Expenses
 - Salaries and payroll taxes/benefits
 - No increase in salaries
 - Computer Software and Services
 - Budgeted for Word Press website platform, did not purchase
 - School Grants/Scholarships
 - Budgeted for more than actual, reduced STEM grant budget due to loss of Pentair

Budget FY 16

Information: Jennifer Cassidy, Tim Benz, and Doug Jaeger have been in meetings discussing how Executive Committee and board officer roles will be handled going forward. They have a final meeting scheduled for next week, after which time Doug will communicate with the group.

Key drivers and assumptions:

1. Membership estimated at current level of 33,000 students @ \$4.50/student
 - a. Science house now school paid, opt-in option (\$.50/student) neutral budget impact
2. Program revenue – increased by 3%
3. Development – changes noted below are compared to FY15 budget after removal of capacity/gap funding of \$155,000 from grants and honor fund in FY15
 - a. Grants – +20% (majority SCOPE funding) – tied to revenue line
 - b. Sponsorship - -19% based on awards sponsorships/API stepping out next year
 - c. Honor fund +4%
4. Eliminated In-kind contributions as they are offset by expenses
5. 3% salary increase for all staff – important to do that this year, no increases this past FY.
6. Health insurance based on actual renewal received (3.77% increase)
 - a. Budgeted full cost for all employees (MISF pays 75% of individual cost for employees only)
7. Retirement plan contribution unchanged (6% of salary)
8. Strategic plan costs estimated at \$30,000 (under consultants, three quotes received, don't necessarily need to spend that entire amount.)
9. SCOPE study costs estimated at \$50,000 (under consultants, quote received), costs split evenly between membership and advocacy. Plan is to implement only if funding is received
10. Nonprofits Assistance Fund loan expires December 2015. Balance due \$66,597 – we believe they will let us extend for another year.
11. Advocacy budget includes expenses to hire lobbyist based on need and focus – need to see what “advocacy” looks like going forward
12. Monthly expense of \$1000 to replenish reserves funds

Additional items:

1. Operating reserve fund will likely be depleted by June 30, 2015. Hence, the need for a bridge loan
2. Newly established reserve fund will have a balance of \$3000 by June 30, 2015

Discussion - current iteration of budget shows a deficit of \$55,498.00. Wondering what the “give” areas are, if any.

-Strategic planning at \$30K: might not necessarily have to spend that entire amount.

-Lobbyist: We currently partner with people who have good access to lawmakers, but need to see what advocacy activity looks like in the coming year.

-Venue and Food – budgeted at same amount as current year when we know that there will be changes made, so costs can be lowered.

Motion:

The board moves to approve the FY16 budget as presented with the following changes:

- 1- The revenue line is approved at \$838,300 (was \$808,300)
- 2- The expense line is approved at \$825,598 (was \$850,598)
- 3- Tim will present a list of key initiatives to raise revenues by \$30K, and a strategic plan to lower costs by \$25K, to the board of directors at an executive session during the June 10, 2015 board meeting.

So moved by Malcolm, seconded by Greg Chamberlain, motion carried.

The Executive Committee met in executive session to consider strategic direction for the organization. The executive session adjourned at 2:35 PM.

TO DO ITEMS:

- ~~1. UPDATE 2 – Have now heard from Office of Nonpublic Education/US Department of Education. Title Fund language written by the department appears to be intentionally vague, and distribution is left up to the local districts (LEAs). Some strategies: we can reflect the true value of the “professional development” portion of a school’s membership by totaling the nonmember cost to attend our various workshops/seminars. Schools can then take those numbers to their LEA when making requests for Title dollars. Might be good to get information like this to some higher ups in the MN Department of Education. Also noted – it is to the member school’s advantage to be on good terms with their LEA, making requests like this easier. Suggestion – Ask schools who have been successful in using Title I funding share their experiences with other schools. ~ JIM/TIM~~
UPDATE 3 – Final suggestion: perhaps a tutorial for membership on how to access Title money. Brenda already has a quasi-markup document on best ways to state a school’s case for access Title money to pay for workshops, etc.



5/28/15

Greg Anklam/Secretary