

# MINUTES

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MISF BOARD OF DIRECTORS MEETING

JUNE 24 , 2020

7:30 AM-9:30 AM

ZOOM MEETING

## AGENDA

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- Review and approve minutes from 3/25/20 meeting
- President's report
  - \* CARES Act—ESSER/GEER Funds
  - \* Summary of activity and engagement
  - \* MDE interpretation and pending USDE resolution
  - \* Updates
    - \* Development report
    - \* Membership report
      - \* Leadership changes
    - \* Advocacy update
    - \* Program report
      - \* STEM Conference
      - \* School Leadership Conference
      - \* Education Awards—rescheduled to November 1
- Governance Update
  - \* Board roster 2020-21
- Finance report: balance sheet, income statement, restricted funds tracking, cash flow, dashboard
- FY 21 proposed budget
- Strategic plan
- Other business

## MINUTES

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**Those present:** Tim Benz, Teri McCloughan, Joel Landskroener, Josh Killian, Brian Lynch, Wyayn Rasmussen, Kelly Regan, Michael Lamb, Veena Lakkundi, Jennifer Cassidy, Tim Berner, Sumita Mitra, Kari Staples, John McCall, Josh Killian, Lynn Farmer

**Staff Present:** Michele Skare

Meeting was called to order at 7:33 AM.

One change to the agenda: The Board will meet in executive session at the end of the meeting. Tim and Michele will step out at that point. Chair entertained a motion to approve the amended agenda: so moved by Kelly Regan, seconded by Veena Lakkundi, motion passed.

Motion to approve the minutes as written made by Tim Berner, seconded by Michael Lamb, Kelly Regan abstained from voting; motion passed.

## **President's Report:**

CARES Act: Two big pieces for schools are the ESSER and GEAE Funds. It has been complicated because of the way the USDE issued their guidance, and the way that Minnesota interprets the guidance. The intent of USDE was that aid would benefit ALL schools and students, based on enrollment. Minnesota (as well as other states) are interpreting this as they would a Title I program, which is based on district resident students' free/reduced lunch enrollment numbers. We are saying that this is not a Title program, but an emergency relief program which should benefit all students. Along with others in our cohort, we have been working with MDE, sending letters, making calls, holding meetings.

The reason this becomes an issue for our schools is that most nonpublic schools draw from a wide geographic area, and this relief would be based only on the count of FRL students in the immediate district area. Also, many nonpublic schools do not choose to report their FRL numbers to the district (even though they may have students who qualify), so at first glance it appears that they are not eligible for funding at all.

Districts are required to meet with all nonpublic schools. The current plan is that they are giving schools their first allotments based on resident FRL enrollment, while showing schools the total amount for which they are eligible based on total enrollment. The difference between those amounts is being put in escrow, pending the USDE final ruling. We have heard that USDE may issue the "interim final ruling" on Thursday, which allows for a final ruling to happen, and opens up a 30-day period for public comment. We expect that there will be litigation on this issue, as well as some foot-dragging/desire to slow passage until after the elections.

Again, we feel that ALL students have been affected by the pandemic, not just those who are FRL-eligible.

Tim has a weekly call with Alicia Waeffler from MDE, who supervises Title Programs and is the MDE's Nonpublic Ombudsman. He is also in regular communication with the Commissioner. Tim participates on calls with CAPE and other national coalitions that are tracking ESSER and other issues.

We hosted three webinars that dealt specifically with ESSER/GEER, with approximately 175-180 attendees, both MISF members and non-members. Throughout the last 3 months, we have had significant engagement, and raised awareness of MISF with nonmember schools.

We also host a weekly coalition meeting with about 15-18 diocesan leaders, LCMS personnel, Christian school representatives and others in which we discuss GEER/ESSER and other issues.

Reopening School: While we would like to be able to fully develop a plan, we don't have the capacity or funding to do so. Another consideration would be the risk/liability of authoring/sponsoring such a plan. We can be helpful by being a facilitator, helping all to share resources, passing along information, etc. Our schools do not have to follow MDE guidelines, but would need to follow Department of Health/CDC guidelines.

Office Lease: Our lease is up in September. As a staff, we have been discussing what our office needs really are at this time. Over the past 3 months that we have been out of the office, we haven't skipped a beat. While we might miss seeing each other and being together, all work is being accomplished efficiently. There is some physical need for an office ("World Headquarter") for site visits, team meetings, to store files, etc., but the space could be significantly smaller. We would see savings in rent, parking, other overhead costs.

## **Development Report**

The Development Report is posted. Highlights include:

The Xcel Energy grant came in this year at \$27.5K. We have been fortunate to have such wonderful supporters from Xcel. They have allowed nonprofits to apply for grants for general operations, in light of the current situation. Our full intent is to use this for STEM.

We received notification of an upcoming \$60K grant from 3M, which is another increase. Most of it will be utilized for STEM, Science from Scientists.

We received a \$25K grant from WEM this year; we are grateful to get back into their philanthropy.

We received a \$40K grant from the Schulze foundation, an increase of \$5K, and were able to deploy those monies immediately. Tim will have a discussion with Steve Hoepfner later today to give an update of what we are doing with schools and some ideas about what we can do about school memberships.  
Fiscal year ends June 30.

### **Membership Report**

Membership renews July 1.

Had a new school join last month; a small LCMS school in Howard Lake.

While we have made good outreach and inroads with nonmember schools throughout the last 3 months, there is still some uncertainty as to what fall enrollments will look like, and whether or not they will be in session. Question: Are some schools concerned that enrollments will decrease if they continue to have virtual learning rather than in-person? Yes, we have heard that. And we have heard that our schools are getting inquiries as to whether or not they will be in session in the fall. There is some concern about what happens when staff gets exposed - they need to be out 8-10 days. How will schools be able to continue to teach? Can we move our education year up and get away from the traditional flu season? Would there be a way to get funding to secure a pool of substitute teachers? Perhaps a group of education students from one of the local colleges. We have the people, the funding is the issue.

We know of a principal from one of member schools taking a job at a historically \*non\*member school; we feel there is a strong possibility that the school will now join MISF. We have had inquiries/outreach from several other nonmembers from around the state, who learned of MISF during the past 3 months of our COVID-19 resources and webinars.

We are tracking approximately 40 leadership changes in nonpublic schools throughout the state; 20 changes just within MISF member schools (a little over 10%.) While we can't get physically in their doors to meet with new leaders right now, there are opportunities to connect with them virtually.

We are sending an email to nonmembers this week, reviewing the work we have done with COVID/resources over the last 100 days, recruiting them for membership.

There are a few schools who had been members, then left for a couple of years, who are now inquiring about coming back.

Question: Would it be valuable to have a webinar led by a current school member, discussing what it's like/challenges of being a new school leader, and showing how MISF can help and support them?

If MISF had not been around during these last 3 months, who would have supported some of these independent schools?

### **Advocacy Update**

The work at the State Capitol came to a halt as COVID-19 ramped up, and the special session didn't focus on any education issues. There was just one education issue that passed: to hold harmless all nonpublic pupil aids and transportation for the last quarter of the school year, since little or none was used.

Shep Harris, MISF lobbyist, is still tracking issues and is boots on the ground at the Capitol. He's watching anything from the MDH/MDE, but we are not expecting much movement.

### **Program Report**

STEM Conference - will be virtual this year. Attendance is running about 50% compared to last year so far; and we really don't know what to expect for numbers. The structure of the event is 3 days: Tuesday, Wednesday, Thursday, 2 sessions each day: 9:00 AM and 1:00 PM, and 2-3 topics within each session. Our overall expenses are minimal; and our sponsorship model will be adjusted. Cost is very reasonable for members: just \$35. Jayshree Seth, a scientist from 3M, will deliver the keynote address on Tuesday.

School Leadership Conference - Plan right now is to plan for an in-person event as we normally have been doing. While all other conferences scheduled there have already canceled, ours and the one that happens right after ours have not

done so yet. We are discussing room capacities with them. If we do have to pivot, we will. We are currently planning for an in-person conference, and will adjust plans accordingly as time goes on. The sense from the planning committee was that this should be a conference will reflective space/reflecting time, not a lot of heavy PD and topic.

Education Awards - have been rescheduled to November 1 and we are planning for an in-person event and will, again, adjust plans accordingly as time goes by. If we aren't able to gather as a big group, there is the possibility to go to each winner's school and celebrate them there, with their communities. Lisa is hoping to be able to start recording videos of each of the winners within the next 30-45 days if possible. 80% of our sponsorship revenue is already received and booked - that revenue will be deferred to next year. There is a possibility that, if we aren't able to hold a large in-person event, we might go to each winner's school individually and honor them there.

### **Governance Update**

This is the time of year when we elect new members to the board, and confirm membership commitments with current members. Josh Killian, Jennifer Cassidy, and Joel Landskroener have agreed to stay on for an additional term. We appreciate this.

Three new members will join the board in the 2020-21 year:

Anna Lima, an attorney, who attended one of our President's Cabinet meetings and became interested in MISF and our mission. Her children attend nonpublic schools, and she looks forward to getting involved in the broader cause of private education.

Kate Wollan, principal at Nativity of Our Lord in St. Paul. Kate is well-respected in the Catholic school community, and is looked upon as the go-to and mentor for principals.

Brian Sullivan is head of school at Maranatha Christian Academy, a long-time MISF member and one of our biggest supporters.

Veena Lakkundi, Board Vice Chair, has been given a promotion at 3M, making an already busy schedule even tighter, and doesn't feel that she has enough time to dedicate to her current position on the board. She will be stepping back from the VC role, but will remain on the board, and will help lead our strategic planning. For now, we will leave the VC role open and will discuss and decide on a replacement later in the upcoming year.

Motion to approve Anna Lima, Kate Wollan, and Brian Sullivan as additions to the board of directors for the 2020-2021 upcoming year. So moved by Kelly Regan, seconded by Michael Lamb. Motion passed.

### **Finance Report**

The finance report is posted on the website. Some highlights:

We are in a good financial position as we approach the end of the year. We applied for and were approved for a PPP loan for \$59.5K. The PPP is included on the balance sheet, both above and below the line, which will then reconcile. We have already drawn \$40K, and will draw \$19.5K in July.

Reserves continue at \$3K per month. The goal was to save for 3 months of operating cash, which we will reach soon.

Cashflow looks good between now and end of year.

Transition from Bremer to Premier Bank: We have closed our reserve and program accounts at Bremer and have rolled them into our Operating account. At Premier we have mirrored the accounts we had at Bremer: Operating/general operations, program account, reserve account, and PPP account. Now we will write a check out of Bremer into Premier and distribute the money accordingly. Premier has been great and helpful in this transition.

## **Budget**

Highlights from the budget narrative/assumptions.

Membership dues are adjusted down by 4% from this year. There are still some unknown risks from the COVID-19 pandemic that may affect member schools' ability to join/pay. We are leaving the membership rate the same, no increase from last year.

We show \$39K in positive net income at the bottom line. Some offset with the deferred revenue from sponsorships, but still solid.

Grants: up \$55K on revenue side. Development fund: have separated honor fund dollars from trust (consistent) revenue, in order to be more transparent.

Expenses: Planning a 3% increase for all employees. A 47% decrease in consultant fees is due to some reductions in STEM funding, as well as different directions for the program - more direct work with partners like Bakken, Science from Scientists, We Share Solar, etc. While we still need someone to manage the program, the amount of hours/capacity to do that will be significantly less next year.

Cashflow - We are still counting on \$3K/month going into reserves as good practice, even though by the end of this FY we will be close to our target amount at \$117K.

We are basing next year's budgeted rent amount on the amount we are currently paying, but we anticipate less rent expense when we move to a new location.

Have earmarked money early in the fiscal year for new technology: laptops for staff.

Need a motion to approve the budget: So moved by Joel Landskroener, seconded by Lynn Farmer, motion passed.

## **Strategic Planning Update**

In previous conversations, Veena Lakkundi had indicated that she would be willing to facilitate the next round of strategic planning, rather than involving the services of an outside consultant (Brandi Olson) as we have done in the past. The focus on the next round of strategic planning will be funding: how to broaden our base, more engagement from more parties, etc., and can be done virtually. We will put a preliminary planning session on the books for end of summer.

## **Adjournment**

There being no further business brought forth, the committee entered executive session at 8:39 AM



Wyayn Rasmussen – Secretary

6/24/2020