

MINUTES
REGULAR MEETING OF THE BOARD OF EDUCATION
PUEBLO SCHOOL DISTRICT 60
Thursday, February 9, 2023 (2:00 PM)

1.0 CALL TO ORDER AND ROLL CALL

Board Chair Thomas Farrell called the meeting to order at 2:00 pm.

UPON THE ROLL BEING CALLED, THE FOLLOWING WERE PRESENT:

BOARD MEMBERS:

Barbara Clementi

Kathy DeNiro

Thomas Farrell

Anthony Perko

Soledad Sandoval Tafoya

ALSO IN ATTENDANCE: Mr. Richard E. Bump, Attorney

2.0 CORRECTIONS AND MODIFICATIONS TO THE AGENDA

There were no corrections or modifications to the agenda at this time.

3.0 ADOPTION OF THE AGENDA

Adoption of Agenda

Recommendation: It is requested that the Board of Education adopts the agenda for February 9, 2023 as presented.

ORIGINAL - Motion

Member **(Barbara Clementi)** Moved, Member **(Anthony Perko)** Seconded to approve the **ORIGINAL** motion 'It is requested that the Board of Education adopts the agenda for February 9, 2023 as presented'. Upon a roll call vote being taken, the vote was: Aye: **5** Nay:

0. The motion **Carried. 5 - 0**

WORK SESSION

Chavez/Huerta K-12 Preparatory Academy Annual Report

D60 Charter School Liaison Tom Weston and Assistant Superintendent Suzanne Morey presented the Chavez/Huerta K-12 Preparatory Academy Annual Progress Report. Mr. Weston stated that the State Board of Education adopted into rule a requirement that authorizers complete an annual report and evaluation of the charter in 2013. The basis for the annual report is the academic achievement, financial liability, and operations, governance and leadership.

Mr. Weston reported that if academic performance of a charter is not on a trajectory toward improvement, the authorizer must determine if the school should continue to be allowed to operate. As was demonstrated by the data that followed in the academic achievement section, CHPA's progress at this point is not sufficient. Similarly, the charter school is not operating in a manner that demonstrates strong financial practices. Mr. Weston stated that CHPA has failed on the financial front in various areas, not limited to, use and reconciliation

of federal dollars and failure to submit reimbursement for federal dollars spent, which resulted in the use of Reserves and led to significant drawdown of Reserves of \$1.8 million.

Suzanne Morey, Assistant Superintendent for Teaching and Learning, presented the School Performance Framework (SPF) overview of the charter school. CHPA has steadily declined in percent of points earned on SPF since 2016. Additionally, the achievement and growth by level were presented. CHPA is not meeting academic achievement expectations at any level. CHPA is approaching growth expectations at the elementary, middle and high school level. No elementary students or subgroups are meeting growth expectations in math. Elementary students and subgroups are approaching in ELA and middle school students are meeting state growth expectations in ELA and approaching in math. CHPA is meeting expectations in Postsecondary & Workforce Readiness. CHPA is exceeding State expectations for graduation for all students and subgroups. CHPA is meeting State expectations for dropout rates, but below in state expectations in both SAT in reading and math.

Mr. Weston reported on the financial stability of the charter school. CHPA has been unable to meet the standards for sound financial practices and has failed to meet deadlines outlined in the charter contract for two consecutive years. The trial balance and financial audit have not been submitted and remain in delinquent status. The fund balance assumption based on a projected loss of \$1,800,000 in FY2021-2022. CHPA's failure to submit a trial balance and a clean, completed audit has caused the District to request an extension for two consecutive years, something that has never before had to be done. Among other things, this resulted in District 60 being required to file unaudited financial statements as part of its general obligation bond continuing disclosure requirements.

At the January 17, 2023 CHPA Board meeting, it was noted that over \$780,000 in accounts payable were outstanding. However, reports provided by Abacus on behalf of CHPA on January 25, 2023, show that the amount is far in excess of that. Board Member Perko asked about the status of the outstanding invoices from June and July that remained unpaid as of December 12, 2022. CFO Horner reported that without a trial balance and completed audit, he could not provide an updated status. Board Member Perko made reference to the statement in the report that *"Dr. Duran stated that the school had in excess of \$780,000 in accounts payable, but recent reports provided by CHPA to District 60 indicated that the amount is well in excess of that"* and asked whether the District could provide the dollar figure of the accounts payable in excess. Again, CFO Horner responded that without the trial balance and completed audit, he could not provide that information. Board Member Perko asked about the State's response to the District's request for a second extension for filing the audit. CFO Horner responded that the District is only allowed one extension which was granted. If the District is unable to submit a complete audit by the extension deadline of March 1, 2023, property taxes would be withheld as per statute.

Mr. Weston reported that CHPA has opened a new building at Ersilia Cruz Middle School through Bond proceeds and breaking ground on a new building through proceeds awarded by the BEST Grant. Board Member Clementi shared information she received at a recent Advocacy Institute in Washington DC regarding declining enrollment and upcoming fiscal crisis. CHPA is funded on the District's per pupil funding, which is declining. Board Member Clementi stated that it was communicated that relying on new buildings and

programs to attract students was an unsound strategy in the educational climate. Mr. Weston added that the major motivation for the new CHPA buildings was to eliminate the need for the outdated modular classrooms.

In reference to governance and leadership, CHPA seated a complete board in mid-January 2023, which appears to be a more unified Board and much more in step with the community. However, the new board is new and inexperienced and training will be essential.

In conclusion, Mr. Weston stated that CHPA's primary areas of challenge continue to be with Academic Performance, Finance, and Governance and Leadership. Mr. Weston pointed out that this report and evaluation is not a criticism of the CHPA community or the staff. The passion of the community and their support for the school is without question. Their desire that the school be successful is equally strong. The current board and leadership appear to be genuinely committed to restoring CHPA both financially and academically.

At this time, Board Vice President DeNiro read an excerpt from the report, *"At the January 17, 2023 CHPA Board meeting it was noted that over \$780,000.00 in accounts payable are outstanding. As noted above, reports provided by Abacus on behalf of CHPA on January 25, 2023, show that the amount is far in excess of that."* Board Vice President DeNiro asked for the timeline for reporting by Abacus. CFO Horner responded that Abacus is a third-party consultant contracted by CHPA. In response, Attorney Bump stated that a report submitted by Abacus dated January 25, 2023 indicated there were \$1,493,080.00 in outstanding payables at the end of December 2023; of that \$1,160,475.00 were 90 days+ overdue. Board Member DeNiro continued to reference the report, *"Finance chair stated CHPA continues to struggle to make payroll, and a plan was presented and approved that is essentially a cash advance from a local financial institution, using anticipated income (energy rebates, reimbursement from District 60 once audit is in, and tax rebates) as collateral. The plan will cost the school \$20,000 in fees and interest for a \$600,000+ advance."* Board Vice President DeNiro expressed concern for the CHPA community and staff. Board Member Perko asked about the status of cash advance from a local financial institution. Mr. Weston stated that the cash advance was approved by the CHPA Board, but could not provide an update. Board Member Clementi stated it was exceedingly alarming that the anticipated income that would be collateral is energy rebates and reimbursements, which are being held up pending financial reporting by CHPA and further commented that the financial woes have been ongoing and cumulative. Board President Farrell stated that the D60 Board did place measures in the most recent contract to address the financial and academic concerns.

CHPA Interim CEO Dr. Richard Duran requested to address the Board. Dr. Duran stated that the final report was submitted to CHPA by Mr. Weston on February 2, which he forwarded to the CHPA Board. CEO. Duran expressed concern that the annual report was not developed in collaboration with the CHPA Board. Dr. Duran stated there has been academic achievement at the elementary and middle school levels from the CHPA perspective. Additionally, Dr. Duran commented that the CHPA Unified Improvement Plan was only briefly referenced in the report and asked Kelly Cox to more information. At this time, Ms. Cox provided the enrollment data for Cesar Chavez Academy 388 students, Ersilia Middle School 339 students, and Dolores Huerta 267 students. Ms. Cox reported the charter school received three grant awards to address the academic achievement concerns

highlighted in the report (CDE Connect for Success Grant, Turnaround Leadership Grant, and a schedule change to allow PLC each day.

Superintendent Macaluso commented that an opportunity was given to CHPA to provide achievement data, but it was not received and asked Mr. Weston to respond. Mr. Weston stated that he had requested achievement and financial data from CHPA, which was not received until late January and, in turn, caused the CHPA Annual Report to be submitted to CHPA just one week prior to the report being presented to the Board.

11.0 CONSENT AGENDA

1. APPROVAL OF CONSENT AGENDA

The Board of Education was asked to approve the Consent Agenda Items 2-6.

Recommendation: The Board of Education approves the Consent Agenda Items 2-6 as presented in the February 9, 2023 Board materials.

ORIGINAL - Motion

Member **(Barbara Clementi)** Moved, Member **(Anthony Perko)** Seconded to approve the **ORIGINAL** motion 'The Board of Education approves the Consent Agenda Items 2-6 as presented in the February 9, 2023 Board materials'. Upon a roll call vote being taken, the vote was: Aye: **5** Nay: **0**. The motion **Carried. 5 - 0**

2. Capital Project: Emergency Swimming Pool Liner Repairs at Central High School and South High School

The Board of Education was asked to approve an expenditure of \$328,344.00 from the Capital Projects Fund for pool liner repairs at Central High School and South High School. The amount includes a 10% contingency. Robert Lawson is the Administrator in charge.

Recommendation: The Board of Education approves an expenditure of \$328,344.00 and appropriates the funds from the Capital Projects Fund as presented in the February 9, 2023 Board materials.

3. Supplemental Budget: Response, Innovation, and Student Equity (RISE) Education Fund Grant Award for Irving Elementary School, Franklin School of Innovation, and Heritage Elementary School

The Board of Education was asked to accept the Response, Innovation, and Student Equity (RISE) Education Fund Grant Awards sponsored through the Emergency Assistance to Non-public Schools (EANS) Programs under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) also known as CRRSA EANS I reverted to Governor's Emergency Education Relief Funds II. The Governor's Bright Spot RISE award is granted to 21 selected schools who have demonstrated growth in student achievement since the start of the pandemic. The fund is intended to help schools improve student learning outcomes and closing equity gaps for students attending schools and school districts in Colorado exacerbated by the COVID-19 pandemic. Pueblo School District No. 60 schools awarded this grant are as follows: Irving Elementary School: \$50,000.00 Franklin School of Innovation: \$50,000.00 Heritage Elementary School: \$50,000.00

Recommendation: The Board of Education accepts the Response, Innovation, and Student Equity (RISE) Education Fund Grant Awards for Irving Elementary School, Franklin School of Innovation, and Heritage Elementary School as presented in the February 9, 2023 Board materials.

4. Supplemental Budget: Response, Innovation, and Student Equity (RISE) Education Grant Award for Turnaround Schools and Districts

The Board of Education was asked to accept the Response, Innovation, and Student Equity (RISE) Education Fund to Support Schools attending Turnaround Schools and Districts ("Program") in the amount of \$1,245,000 from the Colorado Governor's Office.

Recommendation: The Board of Education accepts the Response, Innovation, and Student Equity (RISE) Education Fund to Support Schools attending Turnaround Schools and Districts ("Program") in the amount of \$1,245,000 from the Colorado Governor's Office as presented in the February 9, 2023 Board materials.

5. Supplemental Budget: CDE Computer Science Education Grant

The Board of Education was asked to accept the Colorado Department of Education Computer Science Education Grant in the amount of \$10,000.00. The district has been awarded this grant to promote equity and access to computer science education as well as increase enrollment and participation in computer science activities for traditionally underrepresented groups. Funds will be used to purchase robotics to be used in the classroom, support the annual district Hour of Code and Computer Science Convention (CSCon) events, launch a campaign to increase awareness and enrollment in computer science courses, and support student CS Clubs at schools.

Recommendation: The Board of Education accepts the Colorado Department of Education Computer Science Education Grant as presented in the February 9, 2023 Board materials.

6. Supplemental Budget: CDE Computer Science Teacher Education Grant

The Board of Education was asked to accept the Colorado Department of Education Computer Science Teacher Education Grant in the amount of \$26,400.00. The district has been awarded this grant to provide robotics, physical computing, and computer science pathway planning professional development for media and technology teachers on Fridays. The grant also includes robotics and physical computing devices that will support Computer Science Education within our school district.

Recommendation: The Board of Education accepts the Colorado Department of Education Computer Science Teacher Education Grant as presented in the February 9, 2023 Board materials.

EXECUTIVE SESSION

Recommendation: The Board of Education will meet in executive session to confer with the School District's attorney for the purpose of receiving legal advice pursuant to C.R.S. § 24-6-402(4)(b) on the following specific legal question: the Board's legal remedies and possible corrective actions under the Chavez/Huerta K-12 Preparatory Academy Charter School Contract and the Colorado Charter School Emergency Powers Act concerning the school's financial status and continuing failure to meet its accounting and financial reporting requirements.

ORIGINAL - Motion

Member **(Kathy DeNiro)** Moved, Member **(Barbara Clementi)** Seconded to approve the **ORIGINAL** motion ' The Board of Education will meet in executive session to confer with the School District's attorney for the purpose of receiving legal advice pursuant to C.R.S. § 24-6-402(4)(b) on the following specific legal question: the Board's legal remedies and possible corrective actions under the Chavez/Huerta K-12 Preparatory Academy Charter School Contract and the Colorado Charter School Emergency Powers Act concerning the school's financial status and continuing failure to meet its accounting and financial reporting requirements. Upon a roll call vote being taken, the vote was: Aye: **5** Nay: **0**. The motion **Carried. 5 - 0**

15.0 ADJOURNMENT

ORIGINAL - Motion

Member **(Barbra Clementi)** Moved, Member **(Anthony Perko)** Seconded to approve the **ORIGINAL** motion 'There being no further business, the meeting was adjourned at 4:34 pm'. Upon a roll call vote being taken, the vote was: Aye: **5** Nay: **0**. The motion **Carried. 5 - 0**