

BOARD OF DIRECTORS' MEETING MINUTES
December 14, 2017
Center for Learning and Growth, 4 Tech Circle, Natick

In Attendance:

Andrew Keough, Dover-Sherborn
Robert Tremblay, Framingham
Sara Ahern, Franklin
Brad Jackson, Holliston
Cathy MacLeod, Hopkinton
Armand Pires, Medway

Nancy Gustafson, Millis
Peter Sanchioni, Natick
Dan Gutekanst, Needham
Jon Evans, South Middlesex Regional
Anne Wilson, Sudbury
David Lussier, Wellesley

Also in Attendance:

Marcia Berkowitz, ACCEPT
Jesse Lieb, Social Sentinel
Bruce Norling, CPA

Cathy Ellis, ACCEPT
Heather Harer, Social Sentinel

1) Welcome and Introductions

Dr. Gutekanst called the meeting to order at 10:05 a.m.

2) Review of Minutes

Dan Gutekanst requested a motion to approve the Meeting Minutes from October 12, 2017. Brad Jackson put forth the motion to approve the meeting minutes from October 12, 2017 as presented and Jon Evans seconded the motion. All were in favor and the minutes were accepted.

3) Financial Update

Bruce Norling, CPA reported that the audit of the FY17 financial statements was conducted during the latter part of 2017. He concluded that the financial statements fairly represent the financial position of the Collaborative as of June 30, 2017. The Collaborative's net position decreased by \$910,754 (25%) during the year. This change was the result of an increase in expenses by \$220,589 in addition to the cumulative impact of \$690,165 due to a change in accounting principles related to the implementation of GASB75. The accountants encountered no difficulties in dealing with management in performing and completing the audit. The financial statement disclosures are neutral, consistent and clear. All significant transactions have been recognized in the financial statements for the proper period. There is no surplus to return to the districts for FY17. The transition

from Bill Hurley to Cathy Ellis as Director of Finance has gone smoothly from the auditors' perspective.

There were a number of questions about GASB75 and the impact on OPEB liability. Cathy Ellis provided clarification about several issues. She explained that ACCEPT adopted GASB75 July 1, 2017, which replaces GASB45. GASB75 provides for more frequent valuations of the OPEB Trust and uses updated scales for valuation.

The basis for the actuary report included Healthy Mortality Scales and Health Care Cost Trend Rates along with the assumption that 30% of the ACCEPT eligible staff would retire from ACCEPT and take the medical coverage. These assumptions and bases have increased the liability on the financial statements for the OPEB Retirement by \$690,165. She further explained that ACCEPT will be studying the staff population over several years to identify trends related to longevity with the Collaborative, based on ages of employees. This study will be shared with the actuary team Angell Pension Group prior to the next Actuary Report in 2019. Perhaps the biggest change is that OPEB liability now appears on the Balance Sheet as an obligation rather than simply being reflected in the Notes section of the Collaborative's financial statements. Cathy noted ACCEPT made no cash funding to OPEB in FY17 as there is no requirement to do so.

Cathy reported on the current financial state of Collaborative. She noted that as of November 30th ACCEPT is operating in line with the budget. School year programs have higher enrollment than budgeted which results in program expenses being greater than budgeted but in line with these additional students and the revenue they generate.

The building operating expenses for 4 Tech Circle are within our expectations at this point – time will tell how the costs will be through the winter, particularly to heat this building. A few additional expenses, directly related to the building, have arisen. They are being applied to the Reserve established a few years ago by the Board for this purpose. The total Reserve was \$500,000; \$279,000 was used in FY17 and an additional \$70,000 to date this year.

Cathy explained that Professional Development Programs have been impacted by the changes in distribution of 274 funds. She noted that since districts depended on those funds to send staff for workshops, enrollment has declined and workshops are being cancelled.

Cathy reported that Transportation continues to be an area that she monitors closely. There are several open positions for drivers. The savings from these open positions is offset by the increase in outside vendor costs. Currently, Transportation is in line with the budget through Nov. 30th.

Cathy shared that she has held several meetings with district Business Managers to review the FY19 Transportation Assessment Model. Business Managers approved a 10% contingency to be added in FY19 assessment. Based on a review of utilization, districts can also expect an increase of 6.6% for FY19. Final FY19 Assessment will be presented at the January Business Manager meeting.

4) **Executive Director's Report**

Marcia shared that developing this year's Annual Report provided her with the opportunity to reflect on, and appreciate, all the Collaborative accomplished last year. She highlighted the following areas from the Annual Report:

- ACCEPT focused on branding and on communicating successes and offerings, in line with the strategic plan. The Collaborative was selected to participate in the Community Action Partners (CAP) program affiliated with Harvard University. The CAP consulting team worked with ACCEPT constituents all school year to define the ACCEPT Advantage as well as marketing, branding, and identifying communications needs and opportunities.
 - The ACCEPT Advantage was identified as exceptional services to students and families, educators, and districts, with particular attention to:
 - High quality
 - Responsiveness
 - Outcome-focused
 - Supporting districts
- 58 non-member districts, regional schools, charter schools, and parochial schools, in addition to member districts, utilized ACCEPT's programs, specialized expertise, and services. This does **not** include professional development participants, who came from throughout the state.
- Private school tuitions went up an average of 6.3% compared to ACCEPT's increase of 0%, further widening the cost savings over private programs.
- It was a year of collaboration with funders, new neighbors, local businesses, the artist in residence, and so many friends and family who donated books, beautiful furniture, store fixtures, restaurant equipment, time, and more.
 - With the help of Lorie Bowness, ACCEPT's art teacher, and artist Stephanie Boyd Berks student drawings were compiled to create the fabulous mural that greets visitors in the new William T. Hurley Library.
 - The new, universally accessible, play area has been well utilized. Students are enjoying exploring their creativity with the Big Blue Blocks.
 - The model apartment is being well utilized.
 - The Staples-produced YouTube continues to attract attention.
- As illustrated on page 11, ACCEPT has made substantial progress in achieving its purpose.
- The Report includes a brief overview of each program offering along with a cost comparison highlighting the substantial savings of ACCEPT programs compared to private schools.
 - Marcia shared information about a recently released MOEC. Based on the most recently available data, FY15, two-thirds out-of-district tuition dollars

in Massachusetts are spent on private schools. Among member districts, 79% of out-of-district costs are being spent on private schools rather than any collaborative. This is more than \$45 million annually. Brad Jackson voiced concerns about the underlying hypotheses of the analysis, stating strong in-district programming and geography play a role in placement decisions. Cathy MacLeod suggested that Special Education Directors be invited to the next Board Meeting for a more in-depth discussion of the MOEC findings.

- It is noteworthy that:
 - 117 students enrolled in school year programs
 - 64 families benefitted from home-based services
 - 32 districts engaged ACCEPT for consultation and evaluation services
 - 1,359 educators enrolled in ACCEPT PD workshops
 - 224 para-professionals engaged in on-line training
 - \$3,930,553 in Medicaid reimbursement returned to municipalities
 - 560 students transported to 92 locations
 - 605 students enrolled in VHS courses

Marcia provided information about proposed changes to the Employee Handbook. ACCEPT would like to update the retiree benefits section to reflect practices consistent with member districts and to reduce ambiguity. Specifically the eligibility for a retiree to participate in an ACCEPT health plan would be contingent upon completion of 10 consecutive years of service at ACCEPT immediately prior to retirement; eligibility for retirement benefits under the MA Teachers Retirement Program of the MA State Retirement Program; and enrollment in a health plan offered by ACCEPT on the date of retirement.

Recent events pointed to the need to re-examine the Collaborative's drug and alcohol policy. The proposed policy is far more comprehensive and provides new protocols to deal with suspected concerns with any staff member. The Board asked that ACCEPT's attorney review the proposed policy prior to the next Board Meeting so the changes can be voted on in January.

Marcia provided an update on grant funding. ACCEPT was unsuccessful in its bid for the Robert Lamprey/Mutual One grant during this funding cycle. However, the Flutie Foundation did fund a proposal for \$20,000 toward the purchase of the Practical Assessment Exploration System (PAES), a hands on, simulated work environment functional skills curriculum that will allow the Collaborative to take its transition services to the next level.

Since most districts will not be receiving any 274 grant money meaning there are little or no funds available to send staff to workshops. This is creating a challenge for ACCEPT and some offerings have been cancelled due to lack of enrollment. Ideas are being solicited from Special Ed Directors and Curriculum Directors and Marcia urged Board members to share thoughts on how ACCEPT can help address district needs for PD given the current fiscal situation.

5) Approvals

Approval of the Financial Audit for the Year Ended June 30, 2017

Dr. Gutekanst requested a motion to approve the Financial Audit for the year ending June 30, 2017 and fund balance allocation as presented by Bruce Norling, CPA for submission to the Commonwealth of Massachusetts Office of the State Auditor. Nancy Gustafson put forth a motion, which was seconded by David Lussier. All were in favor.

Approval of the Annual Report 2016-2017

Dr. Gutekanst requested a motion to approve the Collaborative Annual Report for 2016-2017, as presented, to be submitted to the MA Department of Elementary and Secondary Education. Robert Tremblay put forth a motion, which was seconded by David Lussier. All were in favor.

6) Social Sentinel

Jesse Lieb and Heather Harer provided a brief overview of Social Sentinel, a service to assist school districts better protect their communities by alerting them to threats shared publicly on social media. Peter Sanchioni endorsed Social Sentinel and encouraged the Board to explore it in greater detail. There was enough interest that Social Sentinel was invited to come to the January Board Meeting to meet with the Board and district Special Education Directors, together.

7) Adjournment

Dr. Gutekanst requested a motion to adjourn the meeting. All were in favor and the meeting adjourned at 11:00 a.m.

Future Meeting Dates (all meetings begin at 10:00 AM at the ACCEPT Center for Learning and Growth):

January 11, 2018

March 15, 2018

May 10, 2018

June 14, 2018 (contingency date in case of weather-related cancellation)