



Washington Yu Ying Board of Trustees Meeting Minutes

July 14, 2020 (via Zoom)

BOT Members in Attendance: Vincent Baxter, Liza Douglas, Amy Lee, Rob Anderson, Jose Sousa, Jevon Walton, Kelly Yee, Darren Riley , Wendy Rueda, Lemar White, Abi Sze-Levine

Absent: Michelle Stuntz (Trustee)

Others in Attendance: Maquita Alexander (Staff), Cheri Harrington (Staff), John Kenchelian (Staff)

The meeting was called to order at 6:38 p.m. EDT by Chairperson Vincent Baxter.

As this meeting was not a public meeting, there was no overview of the public agenda.

ITEMS REQUIRING VOTING

[Approval of June Minutes](#)

No changes proposed by Board Members. Motion to approve June 2020 minutes raised by Chairperson Baxter. Ten members voted in favor. Zero members opposed. One member abstained (Kelly Yee).

[Election of Board Secretary for School Year 2021](#)

Lemar White was nominated by Chairperson Baxter. Unanimous approval by vote of members present.

[Approval of School Year 2021 Budget](#)

Jose Sousa motioned to approve the budget as presented (budget notes below); Darren Riley seconded the motion. The motion passed unanimously.

OTHER INFORMATION/BUSINESS

[Management updates - Fall Reopen Plan Update](#)

Document distributed prior to meeting. No questions/discussion from Board Members.

Committee Updates

Finance Committee Updates were presented by Amy Lee, Maquita Alexander, Cheri Harrington and John Kenchelian. The Committee focused on budget updates for FY2021. May 2020 and June 2020 financial information will be reported/presented at the next board meeting.

Amy Lee noted that the budget creation for SY2021 was the most challenging since the start of the school 12 years ago.

Maquita Alexander commenced the budget presentation with the mission, vision and values of the school- since everything ties back to the school's mission. All school operations are also performed through the lens of Yu Ying's core values. Ms. Alexander noted that there are many changes in budget due to COVID-19.

Cheri Harrington presented information on the strategic priorities, goals, revenues, expenses and changes impacted by COVID-19. The SY2021 budget commenced July 1, 2020.

Strategic priorities: The strategic priorities for SY2021 are improvements to buildings (some due to COVID-19), improvements to distance learning model/environment, new staffing model to support younger learners, second campus/expansion.

Goals: 100K in net income, 1-3% gross margin and at least 90 days of cash on hand.

Revenues: \$11.6M projected. 90% from state and local funds. 5% from earned fees (investment earnings, before and after school care), 2% federal funding, less than 1% from private donations. Overall, revenues are expected to go up less than 1% compared to SY2020. There is projected to be a 40% decrease in REEF program revenues (before and after school care) due to COVID-19 and school closure. PPF went up by 3% (this revenue is based on the number of students enrolled).

566 students are projected to enroll for SY2021. The same number was budgeted for SY2020 and the actual enrollment was 569. For SY2021, there are projected to be 59 special ed students, 80 english language (EL) learners, and 35 at-risk students. The large increase in english language learners is due to changes in the methodology in testing to exit the program. Spanish, russian, french, turkish and other languages comprise the EL group. There was no testing during FY2020 which resulted in no one exiting. The budget includes a 2.2% increase in PPF Facilities revenues, \$138K from federal grants and \$78K from special ed grants.

Revenue decreases due to COVID-19: REEF revenue, \$400K (-40%), National School Lunch Program \$39K (-30%), Summer Camp \$20K (-66%), Paid Meal Sales \$42K (-60%).

Expenses: \$10.5M in expenses projected for FY2021. Expenses overall are expected to increase by 4%. Salaries are expected to increase by 3% due to step increases for faculty/staff. The budget also includes expenditures for 0.5 FTE for a communications specialist and 2 FTEs for the new 75/25 kindergarten

model. Benefits and healthcare costs are also increasing significantly (22%) as there were employees that had major healthcare expenditures over the past two years, causing increases in premiums. There will be no changes to healthcare benefits for FY2021.

Expense changes due to COVID-19: Student supplies/snacks expense remains constant, decreases in student meals, decreases in REEF contracted instruction, and a reduction in field trips. There are also decreases in staff travel (non-PD), REEF teacher salaries, professional development/PD travel.

Anticipating an increase in teacher bonuses. Mrs. Harrington noted that there is uncertainty around these estimates, but they will be monitored closely

For FY 2021, there will be increases in building improvements (for example: repairs to the fresh air system installed in 2014, installation of exhaust fans in a classroom to convert it into a nurses' facility for more capacity, touchless faucets, restroom improvements, change to roof of building, etc.), contracted building services, janitorial services (sanitizing equipment, etc.) and computers - fixed assets (iPads for younger learners and chromebooks for older students; each student receives one).

Mrs. Harrington anticipates that with the FY2021 proposed budget, Yu Ying will still meet Tier 1 indicators/measures. Cash is expected to decrease due to building improvements (new roof, HVAC system). Maintenance and repairs costs, large quantities of PPE, etc. could factor into negative gross margin or negative net income which could jeopardize Tier 1 ranking. Another big concern would be hiring more teachers.

John Kenchelian presented on the following areas related to the FY2021 budget: strategic priorities, key assumptions, budget summary, changes and assumptions.

Strategic Priorities: continue to prepare for expansion, invest in new kindergarten teaching staff model, maintenance and repairs on existing facility at 220 Taylor and the procurement of laptops and iPads to continue to facilitate virtual learning

Key Assumptions: Budgeted enrollment of 566 students, 3% increase in per-pupil funding and 3.7% salary increases

Budget Summary: Revenues of \$11.6 million, expenses of \$11.5 million and net income of approximately \$100K (1% of gross margin - the School typically budgets 3%). Ending cash expected to be \$11.7 million. The School has typically always outperformed the budget/forecast. We are expecting 365 days of cash at the end of year (to be used to support expansion costs). We ended FY2020 with approximately 402 days of cash. There is currently \$4 million in the investment account (over 1/3 of cash balance). The proposed budget meets all debt covenants with BB&T.

Summary of Changes: (1) 3% PPF increase, (2) less REEF, paid meal sales, summer school and classroom fee revenue, (3) adding 2.5 teaching positions and raises according to salary scale; higher salaries lead to higher taxes and 22% increase in health insurance costs, (4) additional investment in

expansion feasibility, (5) less contracted instruction, food service, student events and field trips due to COVID-19, (6) depreciating more fixed assets with computer purchases and building improvements, (7) computer purchases for students and staff for virtual learning, (8) roof replacement and HVAC/air filter project, (9) disposal of old copier lease in FY2020.

Assumptions: Projected that SpEd to remain relatively stable, ELL student population will be rising, at-risk population steadily and slowly rising.

CLOSING ITEMS

There were no closed meeting agenda topics. There will be no Board meeting in August 2020. The meeting in September 2020 will serve as both a board meeting and the annual retreat.

Final remarks by Chairperson Baxter: The Washington Yu Ying leadership team is managing the COVID-19 situation remarkably. Staff members evidently have students' best interest at heart.

The meeting was adjourned at 7:44 p.m. EDT.