

**BOARD OF DIRECTORS QUARTERLY MEETING**

**DECEMBER 6, 2024 – 2 pm via Zoom**

The quarterly meeting of the Board of Directors convened on Friday, December 6, 2024, at 2 pm via Zoom. Notice of the meeting was duly executed, per the Bylaws.

**BOARD DIRECTORS IN ATTENDANCE:**

Ms. Marion Mullauer, Chair

Mr. Raymond Brown, 1st Vice-Chair

Ms. Renee Winsky, Secretary

Ms. Kati Penney, Treasurer

Mr. Craig Ballew

Dr. Lorraine Costella

Dr. Nancy Grasmick

Mr. Jim Knell

Mr. Mark Potter

Mr. Jack Pumphrey

Dr. Karen Rigamonti

Mr. Lou Smith

Mr. Christopher Trapani

Mr. Bob Travers

Dr. Joanne Waeltermann

Mr. Bruce Wright

Ms. Robin Zimelman

**BOARD DIRECTORS IN ATTENDANCE BY PROXY:**

Ms. Karen Malinowski, 2nd Vice-Chair

Mr. John Huynh

Mr. Scott Wales

Senator Guy Guzzone

**BOARD DIRECTORS ABSENT:** Delegate Stephanie Smith

**MSB ADMINISTRATION IN ATTENDANCE:**

Mr. W. Robert Hair, Superintendent

Ms. Kibian Vazquez, Chief Financial Officer

Ms. Marlo Jacobson, Director of Development

Ms. Diane Colburn, Director of Statewide Services and Outreach

Ms. April Tucker, Human Resources Director

Ms. Valerie Johnson, Executive Assistant

**NEXT SCHEDULED BOARD MEETING: March 28, 2025**, **at 2 pm via Zoom.**

**CALL TO ORDER/ROLL CALL:** Ms. Marion Mullauer called the meeting to order at 2 pm. A quorum was present.

**APPROVAL SEPTEMBER 13, 2024 MINUTES:** Ms. Renee Winsky motioned to approve the September 13, 2024, minutes provided in the Dropbox materials; Dr. Lorraine Costella seconded this. A vote was taken, and the minutes were approved.

**CHAIR’S REPORT:** Ms. Mullauer emphasized the need for new board candidates with fundraising experience. She stated that Rabbi Lauren Tuchman is under consideration and could begin serving in the spring. She requested that Mr. Rob Hair obtain Rabbi Tuchman’s resume/CV for distribution to the Board in January for her nomination.

Ms. Mullauer noted that the terms of the Governor-appointed Board members will expire on June 30, 2025, and thanked Mr. Ray Brown for agreeing to serve another term. Following her board nomination confirmation, Rabbi Tuchman will be considered for a Governor appointment.

She announced that a bylaw amendment motion to rename the Development Committee to the Advancement Committee will be presented during the Advancement Committee report, reflecting its broader focus on marketing, fundraising, alumni relations, and community outreach.

Ms. Mullauer reported that the IT modernization project is progressing but will exceed the original $800K allocation due to the need to replace the Student Information and Finance software systems. Reallocating funds will cover the additional costs.

To streamline meetings, she requested that all members review the Dropbox materials in advance, allowing Committee chairs to focus on key points for more efficient discussions.

**SUPERINTENDENT’S REPORT:** Mr. Hair reported on the following:

**Strategic Plan:** The strategic plan emphasizes education, employee experience, visibility and partnerships, and campus infrastructure. Key goals include delivering high-quality, accessible curriculum, strengthening transition programs, attracting and retaining a diverse workforce, and enhancing community engagement and philanthropic support.

Mr. Lou Smith inquired about including the American Council of the Blind as a stakeholder alongside the National Federation of the Blind. Mr. Hair will assess their inclusion in outreach efforts.

Ms. Zimelman and Dr. Karen Rigamonti shared valuable insights from their experiences with the MSB transition process, which could enhance program improvements. Mr. Pumphrey noted that the Programs and Facilities Committee is developing a post-graduation/discharge survey for families and students. Ms. Zimelman and Dr. Rigamonti will join the work group's next meeting.

The Board was receptive to the strategic plan, providing constructive feedback and Board consensus to move forward, with emphasis on ensuring the right priorities are addressed.

**Construction Updates:** The Bledsoe building has been demolished, and the site is cleared. The Sipple pool demolition is scheduled for winter break. The Bledsoe Cottages will be occupied in January, pending final inspection by the Department of Human Services.

**Athletics Facility and Security Upgrade:** The $65.4 million athletics facility and security upgrade project includes a multi-purpose gym, competitive pool, sensory pool, and security office and entrance enhancements. Renderings were shared during the discussion.

**Legislative Advocacy:** Senator McCray and Delegate Forbes have toured the campus. Senators Feldman and Zucker are scheduled to visit in December.

The school is not seeking an FY26 funding increase, as current formula funding is sufficient, reflecting the success of past legislative advocacy to raise Pay Plan funding. Mr. Hair will continue engaging with legislators and the IAC to address long-term financial needs.

Mr. Hair will meet with legislators to highlight the significance of the Athletics Facilities and front entrance security upgrades and will testify at the IAC appeal hearing for $22 million in FY26 funding for the project.

**Athletic Facilities Project Cash Flow Projections:** Mr. Hair presented four state funding scenarios based on the $65.4 million estimate for the athletics facilities project, ranging from full funding to very limited funding. Project cost estimates submitted to the state are not yet the Guaranteed Maximum Price but reflect the best available estimates.

**Project Costs:**

* The total estimated project cost is $65.4 million, including construction, design, furnishings, fixtures, and equipment.
* Estimated state maximum allocation: $62.4 million (MSB has 100% state share).
* The direct cost to the school is $3 million, including an owner's contingency of $1.9 million and $1.1 million for permits, utilities, and insurance.

**State Funding Requests:**

* FY25: $4.2 million (approved).
* FY26: $22.2 million (requested).
* FY27: $27 million (requested).
* FY28: $9 million (requested).

**Financial Position:**

* Money market account balance: $13.2 million, established to support forward funding construction.
* Endowment balance: $71.6 million, with $45 million available as unrestricted funds.
* Total available funds: $58.2 million.

**Key Date:**

* By June 2025, the maximum project allocation and FY26 funding allocation will be known.

**Cash Flow Scenarios:** Construction span: 36 months.

**Scenario 1:** Full state funding (ideal but unlikely). $5.7 million from the money market account is recuperated by FY28, with $3 million used by FY29.

**Scenario 2:** State funding capped at $18 million per year. Money market fund exhausted by FY27, requiring $4.4 million from the endowment is used and reimbursed within three months FY29.

**Scenario 3:** $15 million state funding in the first year, up to $12 million in subsequent years. $10.67 million from the endowment is used and reimbursed within 18 months by FY30.

**Scenario 4:** State funding is limited to $10 million in the first year and $5 million afterward. $24.8 million from the endowment will be used and reimbursed over 10 years by FY36.

**Additional Considerations:**

Ms. Vazquez and Mr. Hair are investigating other strategies for bridge funding, including having had preliminary conversations with Chase and MHHEFA.

Concerns were raised about significant endowment draws under limited funding scenarios. Mr. Ray Brown questioned if the $13.2 million in the money market account was net of the three-month reserve, which Ms. Katie Penny confirmed. The requirement of maintaining a three-month operating cash reserve was discussed.

Cash reserves should be considered for any impact on the endowment and money market account.

Mr. Brown also stressed ensuring funds for IT modernization.

Uncertainty around the timing and amount of the state's approved funding of $62 million was highlighted. Mr. Mark Potter noted that by July 1, 2026, the Board would know FY27 funding levels, aiding decision-making.

Ms. Mullauer noted scenarios 1 and 2 were workable but raised concerns about a potential $4.4 million shortfall and emphasized exploring funding alternatives, including phasing the project.

She urged the Board to be aware of financial challenges and design progress, with decisions needed by June 2025.

Mr. Hair reassured the Board that funding alternatives were being explored and that the IAC remains supportive of the project.

Discussions focused on timing of state funding, maintaining reserves, balancing priorities, and potentially phasing the project.

**COMMITTEE REPORTS:** (see attached reports for further details)

**Advancement Committee:** Mr. Potter reported on the Committee’s activities, focusing on strategic support for the Superintendent and Director of Advancement. The goal of 100% Board participation in giving was emphasized, with nine of 21 members contributing this fiscal year. Members unable to give now were encouraged to pledge by June 30, 2025.

He noted that the William S. Ratchford, II Outdoor Learning Center is 90% funded. The 5,000-square-foot space honors Mr. Ratchford's contributions to the Board and the school, with significant support from Mrs. Ratchford and an anonymous donor for furnishings.

Mr. Potter introduced a motion to amend the bylaws to define the Advancement Committee’s role, seconded by Ms. Winsky. The motion passed, and the bylaws will be updated.

**Audit Committee:** Ms. Kati Penney reported the endowment's market value at $71.6 million as of September 30, 2024, with a 4.68% net return.

The FY2024 financial audit received an unqualified opinion, with no material weaknesses, deficiencies, or changes in accounting policies or adjustments.

Ms. Penney motioned to approve the FY2024 Financial Audit, seconded by Mr. Potter. The motion passed.

She noted Ms. Vazquez's preliminary review of the September 30, 2025, financial statements, indicating the school is tracking well against the budget.

The Committee also reviewed cash flow projections for the athletic facilities project and confirmed the policy to maintain a three-month cash reserve, with any excess allocated to the money market account.

**Human Resources/Nominations:** Ms. Robin Zimelman reported on career growth and professional development initiatives, including university partnerships for internships and teacher training. A DEIA framework involving managerial and non-managerial employees, aligned with NLRB (National Labor Relations Board) principles is being developed. She highlighted DEIA as a key element of the HR strategy to promote diversity, equity, and inclusion across the organization.

**Legislation:** In Ms. Karen Malinowski’s absence, Dr. Joanne Waeltermann reported that legislative advocacy efforts were already addressed in other reports. She noted that talking points are being prepared for Mr. Hair's meetings with the IAC and legislators.

**Programs and Facilities:** Mr. Jack Pumphrey reported on developing the post-graduation/discharge survey, intending to have it ready by April 1, 2025, for the class of 2025. Graduates will be surveyed at 6 months, 18 months, and 3 years post-graduation. Current enrollment is 205 students.

He noted a 67% increase in IEP goal attainment since implementing the Friday training regimen, with more data to be shared in March. The Committee continues to monitor staff turnover and vacancy trends.

The Board expressed gratitude to the staff and recognized the positive impact of the training regimen.

**Adjournment of the Open Session:** Ms. Mullauer motioned to close the open session to go into an Executive session, which Ms. Winsky seconded.

The Board members voted individually to close the open session and proceed with the Executive session to discuss a personnel matter as permitted under applicable laws and policies.

The open session was adjourned at 4 pm.

Respectfully submitted by,

Ms. Renee Winsky

Board Secretary

**Attachments:**

Strategic Plan Overview

Athletic Facilities Project Cash Flow Projections

Advancement Committee report and motion

Audit Committee report and motion

Human Resources/Nomination Committee report

Legislation Committee report

Programs and Facilities Committee report