

Ka ‘Umeke Kā‘eo Governing Board Minutes

January 21, 2021

1. Meeting Opening

1.1 Call to Order: The Governing Board meeting for Ka ‘Umeke Kā‘eo Public Charter School was called to order at 5:09 P.M. on January 21, 2021, via Zoom by Director of Operations Louisa Lee.

1.2 Attendance: Board members present included: Lima Naipo, Kelly Osorio, Kaaka Swain, Halealoha Ayau, Pohai Kyota, Nohea Nahale-a, Laura Acasio, Liliha Fredrick and Louisa Lee as board support.

1.3 Approval of Agenda: Approved

https://docs.google.com/document/d/1HH3YftEtPMVYyobKcc1qSf4WRnW0dpXAVa3kPd1_ljA/edit?usp=sharing (*L. Naipo moved, K. Swain second*)

1.4 Public Comments on Agenda and Non Agenda Items: None

1.5 Haumāna Report: None

1.6 Approve Minutes:

a) December 7, 2020 Emergency Meeting Minutes

<https://docs.google.com/document/d/10INoP2hoEU5ktCQmlOi0K7OT6lVIvxRFFi0WApG0Mgg/edit?usp=sharing>

b) December 23, 2020 Meeting Minutes:

<https://docs.google.com/document/d/10vVe1UDIwJkZHAnrm5tRR3vZ7sPRj4j9LlIyJ4vFb3o/edit?usp=sharing>

1.7 Financials

a) December Financials

https://drive.google.com/file/d/1OUy9xSFTjxc8Hqm3IVwxLpnO_4Hs0q7J/view?usp=sharing

2. Matters For Decision

2.1 Motion: To review the AG’s position on Ka ‘Umeke’s current cash assets and proceed with

the lease for 2212 Kalaniana'ole Street property. Motion was made by K. Swain with a second from H. Ayau. It was discussed that the board must ensure that it is doing its due diligence and that use of Ka 'Umeke's cash assets is a justified use that is allowable as per our current contract. Additionally that moving forward with use of existing funds is not a violation of the board's fiduciary responsibilities. The Motion was tabled for further review. On January 27, 2021 Board Chair L. Naipo made the following amended motion (second L. Frederick). The motion was approved by all board members via email on January 27, 2021:

Motion: In the matter of our consideration of leasing land for additional facilities by utilizing funds saved by Ka Umeke Kaeo, I move that this Board formally recognize the following understandings:

- (1) the Charter School Commission was informed by Budget and Finance that once yearly appropriations are received by charter schools, they are considered "encumbered" and retaining such funds does not constitute carry over and we understand only recently, that the B&F disputes this;
- (2) the Charter School Commission awareness that some charter schools, including Ka Umeke, were (and have been for many years) saving portions of their appropriation to use towards facilities and land purchase, and that the Commission is okay with this since funds are considered "encumbered";
- (3) that the yearly audits effectively demonstrate that Ka Umeke Kaeo yearly expenses exceed yearly state fund appropriations;
- (4) that Ka Umeke Kaeo fiscal practices involve spending down the yearly State fund appropriations first and as such do not believe we are engaging in the practice of carrying over state fund appropriations;
- (5) that Ka Umeke Kaeo has been informed from Deputy AG Ushiroda that, "Until we get clarity and direction from the Commission and Budget & Finance, I recommend that Ka Umeke suspend its practice of setting aside portions of its annual appropriation towards the purchase of land and/or facilities";
- (6) that the Board has given the previous recommendation by Deputy AG Ushiroda due consideration and in the performance of our due diligence, have determined that we have not been setting aside State fund appropriations since those funds are spent first;
- (7) that Ka Umeke Kaeo has also been informed by Deputy AG Ushiroda that, "I recommend that Ka Umeke return a certified public accountant to perform a forensic audit going back to 2001 to identify the source(s) of accumulation of the \$950,000, which I now understand is \$1,639,772.22. This would benefit Ka Umeke by identifying sources that would not be subject to appropriation laws such monies obtained through donations and fund raising";
- (8) that the Board has given this recommendation by Deputy AG Ushiroda due consideration and in the performance of our due diligence, have determined that we are confident in our accounting

practices of the impossibility of carry over of yearly State fund appropriations and as such respectfully decline the recommendation; and

(9) however, if the Deputy AG is insistent on this recommendation, then we the Board would agree with the agreement that the AG's pay for the forensic audit.

The motion was approved via email and follow up communication from the Governing Board was sent to AG Ushiroda.

2.2 Motion: To Approve the MOA Template and Terms between Ka 'Umeke Kā'eo. Motion was made by L. Naipo with a second from K. Swain. The motion was tabled so board members could continue to work on the MOA terms. On February 3, 2021 board member K. Osorio made a motion to approve the final draft of the MOA with Hui Ho'oleimaluō for the property at 2212 Kalaniana'ole St. Hilo Hawai'i 96720 with a second from board member H. Ayau. On February 3, 2021 the motion was approved by all board members. Link to 2212 MOA:

https://drive.google.com/drive/folders/1Ceuy4Ntf7H3L74ae4Y1W-Odmz_0vc4bv?usp=sharing

3. Matters for Discussion

3.1 The Director of Operations gave an update on the budget situation and reported that 90% of PPA for the 20-21 SY had been disbursed to schools.

4. Reports

NONE

5. Meeting Closing

5.1 Announcements: None

5.2 Next Meeting: Feb 23, 2021.

5.3 Adjournment: Meeting was adjourned at 7:15 P.M. by Board Support Louisa Lee.

Minutes submitted by: Board Support, Louisa A. Lee