



Board of Directors Meeting
Friday, April 3, 2020, 2:00 PM-3:00 PM
Zoom Call

Directors Attending (Remotely)

- Jennifer Moses
- Ron Beller
- Tony Adams
- Carolyn Hack
- Jonathan Mariner
- Robin DeGracia

Directors Absent

- Nolan Highbaugh

Staff Attending (Remotely)

- Terence Johnson, CEO
- Markus Mullarkey, COO
- Chayla Gibson, Head of HR
- Ric Zappa, Chief Schools Officer
- Estefania Garcia, Executive Assistant

Call to order - Meeting was called to order by Jennifer Moses at **2:00 PM**. A quorum was established

A1. Finance & Facility Update

Markus Mullarkey shared Caliber Public Schools' current financial status and a preliminary report on the impact of the COVID-19 school closures. Attendance is secure as a result of the State's decision not to require schools to report attendance during COVID-related school closures. He also shared that a modest amount of additional emergency funding has been provided. He also addressed the Central Office budget, which is also impacted.

The State has "rainy day funds" that can help mitigate the drop in future funding due to the expected recession in California's economy caused by COVID-19, however, Caliber is still expected to experience a material drop in funding for the upcoming fiscal year. Mr. Mullarkey presented estimates regarding potential revenue drops due to COVID-19 for the upcoming fiscal year. He reported that substantial uncertainty exists as to what the funding impact will be and his concern over how that will impact the organization's overall financial outlook.



Jonathan Mariner presented a question regarding the timing for approval of state fiscal budgets. Mr. Mullarkey replied that the State normally forms a budget in June for the upcoming Fiscal Year. He shared his concern that a credible budget will not be available this June given significant economic uncertainties and so the preliminary budget for the next fiscal year is likely subject to significant revision. He also reported that schools have received advice to plan for a 5% drop but to look at the budget if a 10% drop were to happen.

Mr. Mullarkey discussed a new emergency funding opportunity, the Paycheck Protection Program. The Paycheck Protection Program is intended to provide short term loans to small businesses in efforts to avoid a reduction in payroll/staff. Mr. Mullarkey discussed that the Paycheck Protection program is structured as a loan program, however, employers who take the loan and do not reduce staff may have their loan forgiven. Mr. Mullarkey shared this program would help Caliber Public Schools keep employees and payroll steady. Robin DeGracia asked how long staff has to be retained in order for the Loan to be forgiven as well as what would happen if teachers quit. Mr. Mullarkey will seek clarification from the SBA if Caliber is approved for the loan.

Upon approval by the Board, Mr. Mullarkey indicated that Caliber would submit an application. The requested loan amount is approximately \$2.5 Million and the hope is that the loan would eventually be forgiven. Mr. Mullarkey also shared that if for any reason the Loan is not forgiven Caliber Public Schools will be able to repay the loan and incur only a modest 0.5% interest rate.

Mr. Mullarkey asked for Board approval to proceed with the Paycheck Protection Program application, and if approved, to borrow the maximum amount possible in order to retain workers and maintain payroll during the crisis.

Tony Adams made a motion to approve staff's request. Robin DeGracia seconded the motion.

- Jennifer Moses: Y
- Tony Adams: Y
- Robin DeGracia: Y
- Jonathan Mariner: Y
- Ron Beller: Y
- Carolyn Hack: Y

Motion Passed



Mr. Mullarkey reminded the Board of their previous authorization for Terence Johnson and himself to draw on the organization's line of credit from First Republic if needed. He will keep them updated regarding the need, if any, to draw from the line of credit.

C. Public Comment

Next board meeting: 4/22 @ 1:00 PM Via Zoom Call
Meeting adjourned at 2:51 PM