

**The I.N.S.P.I.R.E. School for Autism
Response for Vermont Agency of Education
9-18-19**

Founded in 2008, The I.N.S.P.I.R.E. School for Autism in Brattleboro, VT, serves adolescents and young adults with autism spectrum disorders, ages 7-22, in a year-round, extended day model which strives to help students achieve their highest potential in leading self-sustaining lives in connection with their home communities. Always serving students with moderate to severe disabilities, The I.N.S.P.I.R.E. School has filled an important niche for families and school districts who seek a cost-efficient alternative to distant, residential schools. With our highly-skilled staff, individualized, data-informed educational strategies, and community-based vocational and co-curricular programming, the I.N.S.P.I.R.E. School helps to keep students close to home when public school programs are unable to provide the year-round consistency and intensity necessary for selected students.

In the Summer of 2015, after impressive dialogues with then Executive Director of the Austine School, William Gurney, The I.N.S.P.I.R.E. School hired Mr. Gurney as Interim Director, along with Interim Assistant Director Ray Stevens, for a one-year period upon the exit of our long-time director. Mr. Gurney's charge was to evaluate and make recommendations regarding the school's structure and practices, and lead a search to hire the next Executive Director. After an exhaustive search, The I.N.S.P.I.R.E. School hired Troy Kennett as Executive Director in the Summer of 2016 due to his exceptional reputation in New Hampshire as a Special Education Director, impressive knowledge of best practices in educational programming for autism spectrum disorders, and because of the school's positive, direct experience with Mr. Kennett as an LEA representing several of our students and families. Mr. Gurney also recommended the promotion of an existing employee to Business Manager, reporting to the Executive Director, to enable the new Executive Director to focus his attention on students and educational programming. Previously, responsibility for financial administration had fallen upon the Director who worked with Pieciak and Associates, our external accounting firm, and the board treasurer.

By all accounts from parents, staff, and board members who had ongoing daily, weekly, and monthly contact with staff and Mr. Kennett, the new Executive Director exhibited exceptional commitment to students, deep expertise in leadership and educational programming, and strong knowledge of special educational law and administration. Significant improvements in student services and progress were quickly recognized. For example, all "paraprofessionals", known as Assistant Educators at The I.N.S.P.I.R.E. School, acquired Registered Behavior Technician credentialing. Students were increasingly placed in successful vocational settings in the community. Technology-enabled data tracking of student IEPs enhanced the speed of progress, and parents enjoyed videotaped examples of student goal-attainment in student progress reports. Cameras were installed throughout the school for safety purposes, a vocational kitchen remodeling project was undertaken to prepare students for life and employment, and the need for and use of physical restraints by staff dropped significantly. Staff and student retention and morale during the first two years of Mr. Kennett's tenure improved significantly.

Having been counseled by the school's attorney to pull back our hands-on engagement with the school, board members felt enough trust to transition to a more conventional model of oversight from 2017 through 2018. This oversight included monthly board meetings with standard agenda items such as: approval of minutes, staffing changes and updates, fundraising,

student progress updates (goal attainment, progress reporting to parents and districts, use of educational technology to improve goal attainment, vocational placements, therapeutic interventions in speech, occupational and physical therapies, vertical and horizontal curricular alignment), financial updates (planned budget versus actual spending, cash flow, outstanding payables and receivables, bookkeeping practices, use of outside vendors). Mr. Kennett and the Business Manager made financial reports together. For example, in June 2018, the Executive Director and Business Manager reported the school finished the 2017/18 academic year with a small margin. In October 2018, the Executive Director and Business Manager reported to the Board that the school had no outstanding payables and was running a budget surplus due to enrollment which was higher than forecast. The board was informed, as well, that an outside bookkeeper had been in place performing bookkeeping duties since June, 2018. The Board was informed that the bookkeeper was supervising journal entries to ensure the Business Manager was accurately capturing this financial activity. In November 2018, the Board was informed that payroll had been moved in-house, with the outside bookkeeper supervising administration of this to ensure accuracy and reliability. With an outside accounting firm in place who had notified board members in the past when operating concerns arose, and under the belief that documentation was in place with the bank limiting access to certain accounts without board approval, and with no alerts from staff, the bank, the accountant, or vendors regarding financial concerns, the board believed our oversight was effective and that The I.N.S.P.I.R.E. school was in good fiscal health.

In October 2018, the Board was informed by Mr. Kennett of an apparent investigation launched by the Vermont Agency of Education (AOE) in response to a report by an individual from a Vermont public school district. Mr. Kennett did not know the focus of the investigation. In November 2018, Mr. Kennett reported that the AOE's inquiry related to failure to report a student incident to Department of Children and Family (DCF), though the incident had been reported to the student's parents and school district. The related employee was placed on administrative leave by the I.N.S.P.I.R.E.'s Board pending further guidance from the AOE as communicated through the school's attorney. The Board also made a resolution reaffirming the requirement to report student incidents to DCF as indicated by Vermont Law. Mr. Kennett and the school's attorney also reported that the AOE was interested in financial questions which had arisen regarding I.N.S.P.I.R.E. The Board notified parents and sending school districts of the AOE's investigation and commitment to providing full cooperation and response. The Board re-engaged Ray Stevens, Ph.D., former Head of the Austin School, as Interim Executive Director, and the board engaged Pieciak & Associates to conduct a financial audit. Dr. Stevens reported significant improvement in staff morale, student progress, and staff skills since his previous engagement with I.N.S.P.I.R.E.

In January 2019, the board received communication from our attorney who had been in communication with a representative of the AOE that the employee on paid administrative leave could return to duty. During the winter of 2019, board members, Mr. Kennett, and accountants at Pieciak and Associates conducted a deep dive into business management practices at The I.N.S.P.I.R.E School and discovered overdrafts, overdue bills, gaps in coverage, and reporting inaccuracies which had not been brought to our attention by internal mechanisms or external partners. Working extraordinarily quickly and via long hours, contact was made with all vendors to determine our status and moved to make all accounts current. When a substantial infusion of funds was required to ensure solvency, board members donated without hesitation, recognizing that 25 staff jobs and 16 students and families were dependent upon the consistent and high-

quality programming delivered by The I.N.S.P.I.R.E. School. The I.N.S.P.I.R.E. School ended its relationship with the Business Manager. The Board also hired Michael Bandler, CPA, as Chief Financial Officer. In Spring 2019, the board conducted an on-site inspection of records to examine receipts for paid bills, bank balances, checks and balances in expense reporting, and verification of proof of insurance coverage and payment, recognizing that examination of original source documents had been a weakness in our prior oversight. Satisfied that all financial obligations had been addressed, the school was solvent, a sustainable budget was in place, and receivables secured, the Board moved to ensure smooth cash flow by securing a line of credit with our bank.

In July 2019, The I.N.S.P.I.R.E. School bid farewell to Mr. Kennett and restored Dr. Stevens as Interim Executive Director. With an effort to improve checks and balances in financial oversight, new Board officers were appointed and charged with strengthening relationships with local accounting and banking partners. Restructuring of financial operations has occurred to ensure that the Chief Financial Officer reports to the Board of Directors and operates independently of the Executive Director. The Board has begun developing new financial policies and internal controls (provided separately), conducted a self-inspection/reflection of the Board's responsibilities, begun seeking an outside consultant to provide board member orientation and training, and continued work to recruit board members to increase our breadth of knowledge and experience. In addition, the Board has ensured that the line of credit cannot be accessed without Board approval. The Board is in the midst of developing an Audit Committee charged with auditing financial records on an ongoing basis. Ideally, this committee will contain professionals with accounting and legal expertise to provide expert oversight of internal financial practices.

Board members of The I.N.S.P.I.R.E. School are grateful for the Agency of Education's inquiry over the past year. Your questions have challenged us to elevate our oversight to ensure protection of the students, staff, and families we are committed to serving.