



Council for American Private Education  
 1300 Pennsylvania Ave., NW, #190-433  
 Washington, DC 20004  
 844-883-CAPE (tel)  
[www.CAPEnetwork.org](http://www.CAPEnetwork.org)

**CAPE member organizations:**

- Agudath Israel of America
- Association of Christian Schools International
- Association of Christian Teachers and Schools
- Association of Waldorf Schools of North America
- Christian Schools International
- Council of Islamic Schools in North America
- Council on Educational Standards and Accountability
- Evangelical Lutheran Church in America
- Friends Council on Education
- Islamic Schools League of America
- Lutheran Church – Missouri Synod
- Mercy Education System of the Americas
- National Association of Episcopal Schools
- National Association of Independent Schools
- National Catholic Educational Association
- National Christian School Association
- Office for Lasallian Education, Christian Brothers Conference
- Oral Roberts University Educational Fellowship
- Seventh-day Adventist Board of Education
- United States Conference of Catholic Bishops
- Wisconsin Evangelical Lutheran Synod Schools
- Affiliated State Organizations

# CAPE BOARD MEETING

**September 16-17, 2024**

**Hilton Arlington National Landing  
 2399 Richmond Highway  
 Arlington, VA 22202**

Time	Event	Location
<b>MONDAY, September 16, 2024</b>		
12:00 PM	Lunch	Crystal Ballroom
1:00 PM	Board Meeting Commences	Adams/Madison Room
2:25 PM	<i>Executive Session – Board Only</i>	
2:50 PM	SCN & Corporate Partners Rejoin Meeting	
4:00 PM	Meeting Adjourns for the Day	
5:00 PM	Reception	Crystal Ballroom
7:00 PM	Reception Concludes	
<b>TUESDAY, September 17, 2024</b>		
8:00 AM	Continental Breakfast	Crystal Ballroom
9:00 AM	Board Meeting Resumes	Adams/Madison Room
11:45 PM	<i>Executive Session – Board Only</i>	
12:00 PM	Lunch	Crystal Ballroom
1:00 PM	Board Meeting Resumes	Adams/Madison Room
3:20 PM	<i>Executive Session – Board Only</i>	
4:00 PM	Adjournment	



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September 16-17, 2024**

## *Tentative Agenda*

### **Monday, September 16**

**12:00 PM – 1:00 PM**

**Lunch (Crystal Ballroom)**

**1:00 PM**

**Business Meeting Commences  
(Adams/Madison Room)**

- 1) Preliminary Items (1:00 PM – 1:15 PM)
  - a) President’s Welcome and **Introductions**
  - b) **Overview** of the Next Two Days
  - c) Review of **Executive Committee Meeting Summary** – May 2024
  - d) Approval of Consent Agenda
    - i) **Board Meeting Summary** – March 2024
    - ii) Meeting Agenda for Today and Tomorrow
- 2) America’s Education System in a Changing Global Context: Jason Dougal, President and COO, **National Center on Education and the Economy** (1:15 PM – 2:20 PM)\*

**2:20 PM – 2:25 PM**

**Break**

- 3) **BOARD ONLY**: Nominations for CAPE Vice President (2:25 PM – 2:40 PM)

**2:40 PM – 2:50 PM**

**Break**

- 4) **Artificial Intelligence** and K-12 Education: **John Bailey**, Founder, Vestigo Partners (2:50 PM – 4:00 PM)\*

**4:00 PM**

**Meeting Adjourns for the Day**

**5:00 PM – 7:00 PM**

**Reception with Corporate Sponsors  
(Crystal Ballroom)**

**Tuesday, September 17**

**8:00 AM – 9:00 AM                      Continental Breakfast (Crystal Ballroom)**

**9:00 AM                                      Board Meeting Resumes (Adams/Madison Room)**

- 5) **Cell Phones** in Schools: [Zach Rausch](#), Associate Research Scientist, NYU-Stern School of Business and Lead Researcher to Jonathan Haidt (9:00 AM – 10:20 AM)\*

**10:20 AM – 10:35 AM                      Break**

- 6) Blue Ribbon Schools: Aba Kumi, Director, National Blue Ribbon Schools Program, U. S. Department of Education (10:35 AM – 11:00 AM)\*

- 7) State CAPE Network Update: Brian Broderick, Executive Director, Michigan CAPE (11:00 AM – 11:25 AM)\*

- 8) Board Discussion (11:25 AM – 11:45 AM)

- a) States Without a [State CAPE](#)
- b) CAPE Digital Marketing Effort
- c) 100 Year Anniversary of *Pierce v. Society of Sisters (1925)*

- 9) **BOARD ONLY**: Election of CAPE Vice President (11:45 AM – 12:00 PM)

**12:00 PM – 1:00 PM                      Lunch (Crystal Ballroom)**

**1:00 PM                                      Board Meeting Resumes (Adams/Madison Room)**

- 10) **Microschools**: [Darla Baquedano](#), Partnership Microschooling Field Coordinator, National Microschooling Center (1:00 PM – 2:05 PM)\*

**2:05 PM – 2:15 PM                      Break**

- 11) Public Policy Update: Members of the CAPE Monthly Meeting Group (2:15 PM – 3:15 PM)

**3:15 PM – 3:20 PM                      Break**

- 12) **BOARD ONLY**: CAPE Finances (3:20 PM – 4:00 PM)

- a) Presentation of CAPE's **Financial Review Report** for 2023-24: Kaitlyn Hardwick, Senior Manager, Johnson Lambert LLP
- b) Overview of CAPE's **Finances**
- c) Report on CAPE's **Investments**
- d) Report on Recent Meetings and Actions of the **Finance Committee**
- e) Board Action on **Budget** for 2024-25
- f) Action on **Dues** Proposal for 2025-26

**4:00 PM                                      Adjournment**

# CAPE Corporate Partners

## September 2024

**\*Platinum Partners\***



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## EXECUTIVE COMMITTEE MEETING

**May 28, 2024**  
**1:30 PM EST**  
**Via Zoom**

### Summary of Meeting

Participating in the videoconference call were: Mr. Drew Smith, President; Mr. Lincoln Snyder, Vice President; Mr. Larry Taylor, Secretary; Dr. Gary Arnold, Immediate Past President; and Mr. Michael Schuttloffel, Executive Director.

#### 1. Preliminary Items

Drew Smith called the meeting to order. Upon a motion by Gary Arnold, seconded by Drew Smith, the Executive Committee unanimously approved the summary of the January 2024 meeting of the Executive Committee. Upon a motion by Lincoln Snyder, seconded by Drew Smith, the Executive Committee unanimously approved the agenda for the current meeting.

#### 2. Phones in Schools

Michael Schuttloffel spoke to committee members about the increasing awareness of the harm that student cell phones in schools are causing, and the interest in Congress and elsewhere in taking steps to get phones out of schools. He explained how he met with a couple philanthropists who are deeply concerned about the issue and interested in potentially working with CAPE to encourage private schools to get phones out of schools.

Drew Smith said that this topic should be on the agenda for the September meeting. Lincoln Snyder said that we should be careful about legislating a top-down solution but expects most teachers would prefer not to have to deal with phones.

Gary Arnold suggested that there be a registry of the details of each CAPE member association's conference.

#### 3. Public Policy Update

Mr. Schuttloffel updated committee members on the latest developments in the tax exempt status case that CAPE has been tracking since the summer of 2022. The situation is moving on two tracks: legal and political. As far as legal, in March the 4<sup>th</sup> Circuit Court of Appeals ruled in favor of the position supported by CAPE. The

decision was unambiguous and contained some very helpful language for the CAPE position. On the political front, legislation has been introduced in the House and Senate to clarify that tax exempt status is not a form of federal financial assistance. Mr. Schuttloffel said that he and other members of the Monthly Meeting Group were on Capitol Hill recently advocating for the bill. Unfortunately, it has been challenging finding Democratic members of Congress willing to support the bill, even though it would protect all nonprofits, including left of center ones. CAPE has pointed out that two of the three 4<sup>th</sup> Circuit judges who ruled unanimously in favor of the private school position are Obama appointees, whereas the bad court decision that began this whole situation was authored by a Bush appointee. Also, in recent months, the Biden Administration has released three regulations on unrelated issues which nonetheless clearly state that tax exempt status is not federal financial assistance. Those arguments still are having a hard time breaking through, because the court cases involved Title IX disputes, and the politics of Democratic members of Congress supporting a Republican bill to help private schools avoid Title IX are difficult.

Mr. Schuttloffel also updated the Executive Committee on the status of the federal school choice bill that CAPE has endorsed. It has yet to receive a committee vote, and action on the bill this session of Congress is looking increasingly unlikely.

#### **4. CAPE Finances**

Committee members reviewed the most recent balance sheet, dated April 30, 2024, and the “Budget vs. Actual” report, also dated April 30, 2024. Committee members also reviewed a summary of CAPE’s investment portfolio as of March 31, 2024. Michael Schuttloffel said that he recommends that some funds be taken out of investments and put into checking in order to give CAPE’s checking account some cushion. Cushion is needed in large part due to the unbudgeted expense of CAPE’s digital marketing package. He said that in the past, the Finance Committee had suggested that investments funds could be used for special projects. He said this could qualify as such a special project. He also said that he is speaking to an acquaintance who is a financial manager about which account(s) to draw from in order to give the checking account some cushion and to get CAPE’s investments back in line with the allocations called for in CAPE’s investment policy. He said he would get back with Executive and Finance Committee members with a recommendation and that they can check with any people in their organizations who have financial investments expertise.

Mr. Schuttloffel brought up that the Lasallian schools’ representative still has not responded to CAPE communications. Eighteen months of voicemails, emails, and text messages have been fruitless. Lincoln Snyder said that he spoke with him at NCEA’s recent conference and that he was assured that they are happy with CAPE and will get back with us soon.

Mr. Schuttloffel also indicated that the proposed budget includes a 3% cost of living increase in the salary line. He also brought up the increasing expense of having board meetings in DC. He mentioned that Mary Pat Donoghue has said that it might be possible for CAPE to use the USCCB meeting space for a future board meeting or meetings if that would help CAPE’s finances. Lincoln Snyder said Georgetown University might be willing to make space available to us. Drew Smith suggested Philadelphia in 2026 for the 250 year celebration of the

Declaration of Independence. He said that Sidwell Friends in Bethesda, MD might be an option as well. Gary Arnold suggested Johns Hopkins in Baltimore through Ashley Berner.

Mr. Schuttloffel said that the proposed budget estimates a deficit of \$27,000 with the continued use of the digital marketing contract. If the digital marketing contract is discontinued, the budget would anticipate a \$3,000 surplus. Lincoln Snyder said that there is a cost for not being in the social media space, but that this is a lot of money for awareness. Gary Arnold wondered if the job could be done in house at close to the same effectiveness as what CAPE is paying an outside group for. Michael Schuttloffel said that he would like ask board members and corporate sponsors at the September meeting about whether they have noticed the increased social media output from CAPE and if they find value in it.

Lincoln Snyder moved to approve the proposed budget, Drew Smith seconded, and the proposed budget was approved unanimously.

## **5. CAPE Dues**

Michael Schuttloffel informed committee members that the Finance Committee recommended a 3% dues increase based mostly on inflation, but also on the expanded social media presence requested by board members, which has come with a cost.

Drew Smith made a motion to propose a 3% dues increase to the board, Lincoln Snyder seconded, and the proposal for a 3% dues increase was approved unanimously.

## **6. September 2024 Board Meeting Planning**

Michael Schuttloffel brought up possibilities for September 2024 board meeting topics and speakers beyond what has already been discussed. He said that John Elcesser (Indiana CAPE) attended a briefing by the National Center on Education and the Economy (NCEE) about what future employers want from young people and what young people in Indiana are in fact learning in school, and how they align or don't align. Mr. Elcesser said it was tremendously interesting and that a similar presentation using national data would be great for a CAPE board meeting.

Lincoln Snyder suggested a speaker on artificial intelligence. Mr. Schuttloffel said that per a suggestion from Mark Siegel, he planned to have some time on the agenda for board members to consider how they would like to commemorate the 100<sup>th</sup> anniversary of the *Pierce v. Society of Sisters* Supreme Court decision. Gary Arnold said that a speaker on microschoools would be timely.

## **7. Adjournment**

The meeting concluded at 2:30 PM.



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**CAPE Board Meeting  
March 11, 2024**

**Hyatt Regency Washington on Capitol Hill  
Washington, DC**

**Meeting Summary**

**In attendance from the CAPE Board:** Mr. Drew Smith (President), Mr. Lincoln Snyder (Vice President), Dr. Larry Taylor (Secretary), Ms. Mary Pat Donoghue (Treasurer), Dr. Gary Arnold, Ms. Sufia Azmat, Dr. Andrew Baker, Ms. Laura Colangelo, Sr. Lisa Griffith, Dr. Shaza Khan, Mr. Stephen Lindquist, Rev. David Madison, Ms. Rebecca Moskowitz, Ms. Cory Newman, Mr. Jim Rademan, Ms. Jennifer Thompson, Rabbi David Zwiebel, Ms. Stephanie DiNapoli (staff), Mr. Michael Schuttloffel (staff).

**In attendance from State CAPEs:** Mr. John Elcesser (IN CAPE and Chair of the State CAPE Network), Mr. Tim Benz (MN), Mr. Shane Blanton (MS), Mr. Brian Broderick (MI), Ms. Mary Camp (FL), Mr. Galey Colosimo (UT), Mr. Nick Compagnone (KS), Mr. James Cultrara (NY), Mr. John Elcesser (IN), Ms. Nicolette Gibson (MO), Ms. Mary Goslin (MA), Ms. Suzie Hanson (WA), Mr. Sean McAleer (PA), Mr. Garrett O'Day (MD), Dr. Ron Reynolds (CA), Rabbi Ariel Sadwin (MD), Mr. Mark Siegel, Esq. (OR), Dr. D. Merle Skinner (PA), Ms. Wanda Ayala De Torres (PR).

**Other attendees:** Ms. Sally Hiller (LCMS), Ms. Sheryl Jo (CSI), Ms. Emma Sulsona (PR CAPE).

**Preliminary Business**

Drew Smith welcomed board members to the meeting and thanked corporate sponsors for their support.

Michael Schuttloffel took the board through an overview of the day's agenda. He also asked for approval of the previous board meeting summary and the agenda for the current meeting.

Jim Rademan made the motion, Drew Smith seconded, and the motion was unanimously approved.



## **Learning Loss**

The board welcomed to the meeting two experts from the National Center for Education Statistics (NCES): Grady Wilburn, Statistician/Research Scientist, Assessment Division, and William Ward, Senior Research Scientist. They were joined by Mike Fassbach, NAEP Private School Coordinator at Westat.

Dr. Wilburn spoke to the board about the 2022 NAEP math and reading results. The eighth-grade scores showed the first ever math decline, down five points from 2019. Reading scores remained essentially flat.

Dr. Wilburn also broke out the scores by school type. Because private schools did not participate in NAEP at a high enough rate, he was only able to compare Catholic school scores with those from public schools.

Catholic school students recorded substantially higher scores on all four NAEP tests than public school students. In fourth grade math, Catholic school students were 11 points higher than their public school counterparts and 15 points higher in eighth grade. In reading, the difference was 17 and 19 points, respectively.

The three presenters renewed their plea that private schools increase their participation rate so private school scores, not just Catholic school scores, could be reported.

Sufia Azmat asked if CAPE member associations could be informed when their schools are declining to participate. Mr. Fassbach said that might be possible, though they would not be able to share which particular schools declined.

## **Strengthening the Relationship between AISAP & CAPE**

Janice Crampton, CEO/Executive Director of the Association of Independent School Admission Professionals, spoke to the board about her organization and her hope that CAPE and AISAP can increase cooperation.

Ms. Crampton gave the board a summary of AISAP's work to support admission and enrollment professionals. AISAP offers schools guidance on legal issues, communications and marketing, educational pedagogy, finances, data, and leadership.

Michael Schuttloffel talked about how there are organizations like AISAP that may not be the right fit for CAPE membership or for the corporate sponsorship program, which nonetheless need to be together with CAPE under the "private school umbrella." He added that the board would continue to consider this question as it pertains to AISAP and other organizations in the days ahead.

Debra Wilson asked about the extent to which Ms. Crampton is seeing a lot of turnover. She responded that the high level of turnover in the industry has been extraordinary.

## Identifying Areas of Cooperation between Cognia & CAPE

The board heard from two Cognia representatives: Adina Victor, Vice President of Non-Public School Services, and Brad Wever, Vice President of Policy.

Ms. Victor described Cognia's private school accreditation services while Mr. Weaver discussed Cognia's recently established policy and advocacy team.

During the Q&A, David Zwiebel described the effort in New York State to require private schools to provide an education that is "substantially equivalent" to that provided by the public schools. He said that it is imperative that an organization like Cognia continue to recognize the distinctiveness of private schools from public schools and appreciates their efforts in this regard.

Laura Colangelo asked about the dispute in Virginia between Cognia and the Virginia Council for Private Education (the Virginia CAPE), which approves the accrediting associations in Virginia. Ms. Victor said that this dispute is ongoing and that Cognia and VCPE do not have a relationship at this time.

Larry Taylor said that some school leaders have questioned whether Cognia's standards have become less rigorous as part of its going all-virtual for certain types of schools. Ms. Victor said that schools now have the option to go virtual for a reaccreditation, though an initial accreditation requires in-person. She said that this is to enable schools to save the significant costs of an in-person visit.

Ms. Thompson asked how Cognia vets accrediting agencies they partner with in order to ensure they follow proper standards. Ms. Victor described their vetting process, which involves several meetings to ensure their standards match. They also conduct joint school visits with potential partners.

Mr. Taylor also asked about Cognia's posture as far as controversial topics such as gender identity or sexual orientation and whether Cognia has been pressured to take a position on those issues. Mr. Weaver said that Cognia has not felt such pressure and is not getting involved in those issues. Ms. Victor said that Cognia focuses on the institution's mission and vision and is not there to judge that mission.

Sheryl Jo with CSI asked about systems accreditation versus accreditation of individual schools. Ms. Victor responded that they have a corporate accreditation process so that when a group of schools adds another school, it is a shorter, more streamlined process to get that school accredited.

Mr. Schuttloffel brought the session to a conclusion by saying that board members would discuss in the coming days how CAPE and Cognia can work together going forward.

## **Officers Standing for Reelection**

The board meeting went into executive session so board members could vote on whether to approve a second two-year term for the CAPE board president (Drew Smith) and the CAPE board Vice President (Lincoln Snyder). The board voted without opposition by voice vote for both officers to have second and final two-year terms in their roles.

## **Remarks from Chester Finn, Jr.**

After lunch, board members heard from Chester “Checker” Finn, Distinguished Senior Fellow and President Emeritus at the Thomas B. Fordham Institute.

Dr. Finn talked about the remarkable growth in school choice programs in recent years. He said he expects this trend to continue. He also laid out challenges facing the education sector that will impact private schools:

- Learning loss from the COVID pandemic;
- Politics seeping into education;
- Demographics: NCES projects a net 8% decline in K-12 students over this decade;
- Are private school tuition costs outstripping family incomes?
- Teacher recruitment and retention: finding and keeping good teachers at the right price is proving to be a tricky business for many schools;
- College: does every kid need to go to college and is getting kids ready for college the main purpose of K-12 education?
- Chronic absenteeism;
- Parents taking the side of the students against the teacher;
- How to educate advanced learners;
- Are schools innovating?

Dr. Finn went on to ask, pointedly, why the private schools are not participating in the National Assessment of Educational Progress (NAEP).

## **Public Policy Update: CAPE Monthly Meeting Group**

Board members next heard from members of the CAPE Monthly Meeting Group. First, Michael Schuttloffel and Whitney Silverman with the National Association of Independent Schools gave board members an update on the matter of private schools’ tax exempt status having been ruled a form of federal financial assistance by two federal district courts in the summer of 2022. One of those rulings was appealed to the 4<sup>th</sup> Circuit Court of Appeals, where oral arguments appeared to go well for the private school side. In Congress, legislation has been introduced that would clarify the previous understanding that tax exempt status is not federal financial assistance.

Sister Dale McDonald with the National Catholic Educational Association told board members that recently released child care regulations provide for both certificates and contract programs, which is good news for faith-based providers. There was concern that certificates would be

pushed out, which is why CAPE and some member organizations submitted comments on that rulemaking.

Ms. Silverman discussed changes by the Federal Trade Commission to the Children's Online Privacy Protection Rule (COPPA) that would place new restrictions on the use and disclosure of children's personal information and limit the ability of companies to condition access to services on monetizing children's data. The proposal aims to shift the burden from parents to providers to ensure that digital services are safe and secure for students.

### **State CAPE Network Update**

Laura Colangelo, Executive Director of the Texas Private Schools Association, gave an overview of the previous day's State CAPE meeting, including the election of Brian Broderick (MI) as her successor as State CAPE Representative to the CAPE Board, and the State CAPE Network's farewell to the retiring Ron Reynolds (CA).

Michael Schuttloffel encouraged board members to look at the map of State CAPEs on the CAPE website and to let him know if they have any suggestions for potential state CAPE leaders in states where there is no State CAPE.

### **Visit to Samsung Executive Briefing Center**

Board members departed for a visit to Samsung's Executive Briefing Center in Washington, DC. Samsung representatives briefed the board on education industry and technological trends and the priorities of the Samsung government affairs team.

### **Adjournment**

The meeting adjourned at approximately 4:15 PM.

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Larry Taylor, Secretary

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Michael Schuttloffel, Executive Director

# Cellphone bans spread in schools amid growing mental health worries

More large school districts and states are among those banning smartphones during the school day.

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By [Laura Meckler](#), [Hannah Natanson](#) and [Karina Elwood](#)

August 27, 2024 at 7:00 a.m. EDT

Students returning to school in a growing number of states and districts are facing tight restrictions and outright bans on cellphone use as evidence mounts of the damaging impact persistent connection to the internet has on teenagers.

In Los Angeles, the second-largest district in the country, the school board [voted in June](#) to ban cellphone use. In Clark County, Nev., the district will require students in middle and high schools to store phones in pouches during the day, starting this fall. Several states — including Indiana, Louisiana, South Carolina and Florida — have enacted legislation limiting cellphone access during the school year. And governors in at least [three other states, including Virginia](#), have called on schools to restrict or ban the devices. Other states have provided funding to support restrictive policies.

Of the nation's 20 largest school districts, at least seven forbid use of cellphones during the school day or plan to do so, while at least another seven impose significant restrictions, such as barring use during class time but permitting phones during lunch or when students are between classes, according to a Washington Post review.

Pressure on school leaders has come from teachers and parents who see cellphones [as a distraction](#), an impediment to learning and a constant toll on students' mental health.

“Everybody has been saying, ‘Take the phones,’” New York City Schools Chancellor David Banks, whose district plans to announce a cellphone ban soon, [told NY1](#) this summer. “It is a major problem. Parents, teachers, administrators and kids. So we’re going to try and get ready to do something that makes some sense.”

The [most recent federal survey](#), in 2021, found that 43 percent of high schools and 77 percent of middle schools prohibit nonacademic use of cellphones or smartphones during school hours. Experts and administrators say those numbers have risen significantly.

Among schools with restrictions, policies and practices vary. The Charlotte-Mecklenburg district in North Carolina allows students to bring cellphones to school but requires they be kept in silent mode while on school property and forbids any noninstructional use including personal calls and texts. The Houston Independent School District requires that phones be turned off. The Duval County district in Florida mandates that students turn off and stow away their phones in pockets or personal bags during class time.

Penalties for violating phone rules usually include confiscation, sometimes requiring parents to retrieve the device from an administrator's office. Occasionally misbehavior yields more-severe consequences, such as exclusion from extracurricular activities or even suspension, for repeat offenders.

Other districts ban use of phones during instructional time — or allow teachers to do so in their individual classes — but permit use during lunch or in the hallways.

The most restrictive polices require students to hand over phones for the entire school day or store them in a locking pouch, such as those sold by Yondr. Demand for the \$30 pouches has skyrocketed, more than tripling this calendar year, the company said, though it would not say how many are in use. The company projects that it will serve more than 2 million students by year's end.

In Los Angeles, officials are exploring how to implement a cellphone ban that will extend through the entire school day.

“Knowing what we know, something must be done,” Alberto M. Carvalho, superintendent of the Los Angeles Unified School District, said in an interview. “Smartphones and the content students access relentlessly 24/7 are distracting kids from learning and eroding their mental health.”

Walking into lunchrooms, he said, he often sees tables of four or five students where everyone is staring at their phones, rather than interacting with one another.

“It's heartbreaking,” he said.

## The pendulum swings back

In 2009-2010, before cellphones became ubiquitous, schools generally barred their use, seeing them as distractions. A federal survey that year found that 91 percent of all schools prohibited nonacademic use of cellphones during school hours.

That started to change as companies began developing applications and programs that allowed cellphones to be used for educational purposes, said Victor Pereira, a lecturer on education at Harvard University. Phones could suddenly be used as a measurement device in laboratories or to play games that test learning. By 2015-2016, just 66 percent of all schools barred their use. Then the coronavirus pandemic arrived, and for many students, phones were a lifeline to learning in a virtual school environment.

But in the years since, as some students began to exhibit a dependency on cellular devices, schools started returning to earlier prohibitions. By 2020-2021, the share of all schools barring use reached 77 percent — although those figures are much lower among high schools.

“Decisions to put cellphones in front of young people at different ages — it’s been a pendulum,” Pereira said.

Lobbying for phone-free schools has spiked. A group of advocates and academics wrote Education Secretary Miguel Cardona in October asking him to urge schools to adopt phone-free policies. A bipartisan Senate bill would create a \$5 million grant program to cover the costs of secure containers for storing phones during the school day. Last year, the White House directed the Education Department to create model policies around devices as part of a youth mental health initiative, though the agency has yet to release them.

In a 2023 advisory, U.S. Surgeon General Vivek H. Murthy warned that social media, which children often access through their phones, is a direct threat to mental health. He said social media usage can spur depression, anxiety, body dissatisfaction, disordered eating behaviors and low self-esteem, especially among teenage girls. Murthy suggested parents establish “tech-free” zones in which children cannot access their phones.

A study published in 2022 concluded that taking away phones could help learning. It was based on an experiment in which different classrooms of New York Institute of Technology undergraduates spent six weeks learning with and without cellphones. Afterward, researchers surveyed the students on their mindset and what they learned.

“We found the people who did not have their phones had lower levels of anxiety, high levels of course comprehension and high levels of mindfulness,” said Melissa Huey, an assistant professor of psychology at New York Tech and one of the two authors of the study.

She added that the outcomes she observed among college students would probably be more pronounced for K-12 students.

## A push from teachers

Some of the recent push for restrictive policies has come from teachers, who see firsthand how distracting phones can be and who are exhausted from policing student use.

Seventy-two percent of high school teachers reported that students getting distracted by cellphones was a “major problem” in their classrooms, according to a fall 2023 Pew Research Center survey. The National Education Association, the country’s largest teachers union, reports educators’ widespread frustration with cellphone use and encourages its members to negotiate local policies “restricting access to personal devices during the school day.”

That approach worked in Cleveland, where the teachers union successfully pushed for a student cellphone ban in negotiating its recently approved contract.

The newly approved language requires administrators at every school to collect student cellphones before students go to their classrooms. It takes effect this school year.

The previous policy required that students keep their phones off, but that meant constant monitoring by teachers, said Shari Obrenski, president of the Cleveland Teachers Union.

Teachers were also concerned about fights. Obrenski said high school students used cellphones to schedule fights, record them and post the videos to social media. “They were using the phones to create chaos and perpetuate violence in our schools,” she said.

There’s often pushback from students and sometimes from parents when cellphone restrictions are adopted, administrators say.

Some parents worry about reaching their children during an emergency — such as a school shooting. Advocates respond that students can use phones in the school office if there’s a need to communicate with a parent or caregiver, and that school shootings are rare.

On Change.org, more than 170 petitions about cellphone bans, most of them calling for fewer restrictions, have been created over the past six months, together garnering more than 120,000 signatures, a spokeswoman for the platform said.

One targeting a new law in Louisiana banning cellphone use, created by students, has garnered more than 43,000 signatures. “As high school students, we are currently being treated little better than kindergartners,” the petition says.

## Two approaches in Florida

Last year, Florida became the first state to enact a law that requires all public schools to ban student cellphone use during class time and block access to social media on district WiFi networks. Districts may decide whether students can access phones during lunch and between classes.

In July, Florida’s Hillsborough County adopted a policy that requires phones to be placed on silent and put away in middle and elementary school. In high schools, phones can be used only during lunch, with exceptions for teachers who want to utilize phones for instruction.

Steinbrenner High School English teacher Calvin Dillon said in an interview that blanket bans won’t work.

“Thinking that you can actually get rid of the phones, it’s not realistic. It’s naive,” Dillon said. “But if you create a situation or an experience that’s more interesting than what they could find in the phone for 20 seconds, you know, then you’re doing your job.”



Nate Casibang, a senior at Sickles High School in Hillsborough County, said he understands why lawmakers were eager to ban phones from the classroom. But he likes using the device for educational purposes, like in one of his favorite classes last year, French, where the teacher relied on the educational platform Canvas to post assignments and grades. Most days, students were expected to use their phones to access Canvas, he said.

Nate, 17, knows that phones can be harmful — he doesn't like how he feels after scrolling on TikTok for two hours. But he doesn't want people to forget that good comes from phones, too.

“It's easy to paint a bad narrative,” he said. “But also, more people than you could ever imagine are using it to be smarter, and smarter than any previous generation.”

Elsewhere in Florida, Orange County Public Schools adopted a full ban, requiring students in all grades to leave their cellphones silenced and in backpacks all day long.

Marc Wasko, principal of the 3,500-student Timber Creek High School in Orange County, said he was surprised by how quickly students adapted. At first, he said, administrators were confiscating about 100 phones a day. That quickly dropped to about 10 to 30.

The school added lunchtime programming to help students with the transition. On Tuesdays and Fridays, there's pickleball. Sometimes there's a DJ. Students read and use the library more.

Wasko recalled joyful moments that might never have happened if students were glued to their phone screens: Kids brought Polaroid and digital cameras to school to capture homecoming week last school year. They seem to be talking more, he said. Students now greet him in the hallway.

“It was nice,” Wasko said, “to see kids being kids.”

# Mother, daughters exchange frantic texts during Georgia school shooting

The 14-year-old girl's message: "Mommy im scared."

🕒 3 min    ↻    📌



By [Laura Meckler](#)

September 4, 2024 at 6:08 p.m. EDT

At 10:23 a.m. Wednesday, sophomore Abby Turner texted her mother from her second-period biology class at Apalachee High School. There was a lockdown at the school. It wasn't a drill.

Her mom asked where she was in the classroom.

"i can't explain it i'm shaking to much," Abby replied, according to text messages shared with The Washington Post.

Abby and her friends had heard banging outside. They opened the classroom door and saw police in the hallway, then ran to the back of the room and hid behind a long lab table.

"That's when I thought I heard shots," Abby, who is 15, said in an interview. "It was like quick."

Like an automatic weapon.

Her teacher gave everyone instructions in a voice that was soft but very direct: "Get down, be quiet, don't move, don't talk."

"I was nervous and couldn't breathe," Abby said. "I was just sitting with my friend, hugging her."

That's when she texted her mother. "I wanted to do it in case I couldn't do it later," she said. "It was my first instinct."

Reading these messages at home, Sonya Turner first called her husband to tell him something was up but that maybe, despite their older daughter's text, it was just a drill. Then she called back: "It's real, it's real, please go to the school," she told him. Derrick Turner took off, soon waiting near the perimeter while emergency vehicles sped onto the campus.

Turner heard from their younger daughter, who is a ninth-grader. Both she and her sister were safe but terrified. The three connected via a group text, one girl saying she didn't know what to do. Turner typed: "Pray...."

"I did. Like 8 times," answered Isabella Faith Turner, 14. Mom then texted the words of the Lord's Prayer and told the girls to keep praying. "I love you!" she added.

"I love you," Isabella responded. And then, "Mommy im scared."

"Dad is coming," Turner replied. "We are coming."

### **School shootings: Tracking gun violence in the U.S.**

The Post has spent years tracking the number of students affected by school shootings. More than 382,000 students have experienced gun violence at school since the Columbine High massacre in 1999.

(The Washington Post)

Turner spent part of the day waiting for news with another mother, a friend whose husband is in law enforcement and who was heading to the scene. That mom could not reach her son. "I'm watching her life fall apart," Turner said. Both were imagining the worst.

Finally, the other mom got through to him. "He was in the classroom where the first teacher was shot and killed," Turner said.

Turner had been resting at home Wednesday morning because of abdominal surgery she underwent about a week ago. While she knew her husband was already at the campus and would get to the girls as soon as he could, waiting was still torturous. She finally decided she had to go — though she had to walk most of the mile and a half, because cars of arriving parents were parked the entire route from her house to the school and beyond.

The students had been moved into the football stadium to wait. There, Abby met up with a friend with a terrifying story.

“When I found her we were both crying,” Abby said. Then her friend showed her the blood on her shoes. She told Abby she had tried to help after her teacher was shot.

“She said that nobody wanted to get up,” Abby said.

Eventually, the two parents were reunited with their two daughters. The family all came home shaken.

“They’re okay right now,” Turner said. “But it hasn’t hit them.”

# Why Teachers Are Finding Meaningful Careers In Microschools

**Kerry McDonald** Contributor 

*Kerry McDonald writes about innovative K-12 learning models.*

Follow



Aug 28, 2024, 09:43am EDT



A teacher works with a student at The Urban Cottage in Tampa, Florida. MARISSA HESS

For more than two decades, Marianne O’Loan ushered in the new school year as a New Hampshire public school teacher, but as she begins her second year working as a part-time science teacher at [The Harkness House](#)

microschool in Nashua, New Hampshire, the retiree finds renewed professional fulfillment.

“It is so nice to be able to have relationships with the kids and have freedom with what to teach,” O’Loan told me during a recent interview. “I ask the students what they want to learn, and we go from there to figure out different curriculum and programs. It’s such a refreshing environment to work in. It makes me want to teach more.”

O’Loan is among a growing number of teachers across the U.S. who are finding greater meaning as educators outside conventional classrooms. While many of these teachers are leaving traditional schools to become founders of new microschools and similarly small, individualized learning communities, others are eager to teach in these innovative schools and spaces.

In June 2023, O’Loan retired from teaching in the Bedford, New Hampshire public schools and began doing occasional tutoring work when she heard from her former colleague, Nathan Fellman, that he was looking for a part-time science teacher for his new microschool. Fellman left the public school system a year earlier to launch The Harkness House, a state-recognized independent middle school that will be expanding into high school offerings in the coming months. The microschool currently serves 15 full-time private school students, and an additional 15 part-time homeschoolers.

“The most rewarding thing I find as an independent school founder who spent 20 years in public schools is the flexibility,” said Fellman. “Flexibility means freedom, it means autonomy. It means responsiveness and the ability to truly meet all students where they are.”

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## **Best High-Yield Savings Accounts Of 2024**

By **Kevin Payne** Contributor



## Best 5% Interest Savings Accounts of 2024

By Cassidy Horton Contributor

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Freer, more flexible education is also what is attracting teachers like O’Loan, who desired more scheduling flexibility as well as greater curriculum flexibility. She says she retired earlier from the district than she otherwise might have because of the increased pressures put on teachers, especially in the wake of the pandemic. “There is a lot of stress on the teachers to try and figure out a way to make up for what the students had lost during the Covid time,” said O’Loan, adding that the stress was taking a toll on her health and well-being.

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She’s not alone. According to the RAND Corporation’s [2024 State of the American Teacher Survey](#), teachers report levels of job-related stress and burnout that are twice that of adults working in other professions. More than 20 percent of teachers said they intended to leave their jobs by the end of the 2023/2024 academic year.





Students conduct a science experiment at The Harkness House in Nashua, New Hampshire. NATHAN FELLMAN

It's not just public school teachers who are leaving conventional classrooms for alternatives. In Tampa, Florida, Gabrielle Leffew left her job as an elementary school teacher at a traditional private school to become an English Language Arts and homesteading teacher at [The Urban Cottage Educational Collaborative](#), a Montessori-inspired schooling alternative. Launched in 2015 by former public school teacher Marissa Hess, The Urban Cottage provides part-time drop-off academic and enrichment programs for more than 100 homeschooled students who learn from 14 teachers—including Leffew.

“I find it freeing, but I've also found it very stretching because you really have to think outside of the box for some of these kiddos,” said Leffew, who enrolled her own child at The Urban Cottage. “Typically, you're used to being handed a curriculum and told how to do it and what is expected. Now, it's about finding what is going to work best for each child.”



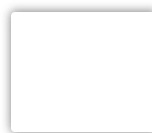


That personalization is by design. Hess, who was homeschooled as a child, set out to create an educational environment that would offer the type of tailored learning she enjoyed while growing up, and that she found to be absent as a teacher in conventional schools. She wanted her teachers at The Urban Cottage to experience the creativity and autonomy that led many of them to become educators in the first place. “Our teachers only teach the content areas that they are most passionate about and experts in, and are compensated with a living wage and the benefit of not being overworked,” said Hess. “This creates an environment where the teachers are happy and not stressed out by administration. When teachers are not micromanaged and forced to jump through the next top-down, district-handed mandate, but are instead allowed to do the art of teaching children their most cherished content areas, the students flourish.”

Leffew agrees. She had never considered homeschooling as an option—either personally or professionally—but she explained that microschoools and similar homeschooling programs such as The Urban Cottage create the ideal conditions for both students and teachers to thrive. They also enable working parents like her, and others who may not have thought that homeschooling was a possibility, to enjoy the freedom and flexibility of homeschooling along with structured academic support and a consistent community.

Leffew hopes that more parents consider innovative education options for their children, but she also hopes that more teachers consider working in these schools and spaces as well. “I think you're going to walk away every day feeling satisfied with yourself and your work,” said Leffew. “You're going to feel excited and you're going to feel passionate about teaching your students. That's something that I really enjoy, and I think a lot of teachers would love that feeling.”

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Kerry McDonald

Follow

Kerry McDonald works at the intersection of education and enterprise, spotlighting the entrepreneurs who are building innovative learning models across the U.S. She is a senior fellow at the Foundation for Economic Education where she leads the Education Entrepreneurship Lab and hosts the *LiberatED* podcast. She is also the Velinda Jonson Family Education Fellow at State Policy Network, an adjunct scholar at the Cato Institute, and a regular contributor at Forbes.com and The 74. The bestselling author of *Unschooling: Raising Curious, Well-Educated Children Outside the Conventional Classroom*, Kerry has a B.A. in economics from Bowdoin College and a Master's degree in education policy from Harvard University. She lives in Cambridge, Massachusetts with her husband and four children. Follow her for ideas and inspiration on seeking or starting a creative schooling option. **Read Less**

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# Council for American Private Education

## 2024 Review

September 6, 2024

Board of Directors  
Council for American Private Education

We have reviewed the financial statements of the Council for American Private Education (the Council or CAPE) for the year ended June 30, 2024, and have issued our review report thereon dated September 6, 2024.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Council's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. Had the scope of our engagement been to conduct an audit of the Council's financial statements, other matter may have come to our attention requiring communication to management or those charged with governance.

Our review was made for the purpose of expressing a conclusion about whether we are aware of any material modifications that should be made to the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Consistent with our professional standards, the policy of our firm and our personal commitments to keep the lines of communication open with you, management, and our review team, we would like to share with you the following.

**Significant Accounting Policies and Their Application**

Management is responsible for the selection and use of appropriate accounting policies. As is the case with most organizations, the Council has available alternative accounting principles from which to choose. The significant accounting policies followed by the Council are described in Note 1 to the financial statements.

The accounting policies selected and applied by the Council are appropriate under the circumstances and are consistent with those used by other similar organizations.

**Significant Accounting Policies and Their Application (Continued)**

The Council adopted the Financial Accounting Standards Board Accounting Standards Update 2016-13 and subsequent amendments, Financial Instruments – Credit Losses (Topic 326) on July 1, 2023. The standard requires the Council to record its best estimate of the current expected credit loss (CECL) on certain financial assets, taking into consideration historical information, current conditions, and reasonable and supportable forecasts to arrive at a lifetime estimated loss. The impact of the adoption is disclosed in Note 1 to the financial statements.

We noted no transactions entered into by the Council during the year for which there is lack of authoritative guidance or consensus.

**Management’s Judgments and Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management’s current judgments.

The most sensitive estimates affecting the financial statements are the valuation of investments as disclosed in Note 3 to the financial statements as well as the allocation of expenses as disclosed in Note 7 to the financial statements.

**Significant Difficulties Performing the Review**

No significant difficulties were encountered in performing the review.

**Management Representations and Uncorrected Misstatements**

We have requested certain representations from management that are included in the management representation letter, which is included as an exhibit to this document.

We are not aware of any uncorrected misstatements other than those that are clearly trivial.

**Review Adjustments**

No review adjustments were recorded.

**Disagreements with Management, Including Matters Discussed and Resolved**

There were no disagreements with management about matters that individually or in the aggregate could be significant to the Council’s financial statements or the review report.

**Management’s Consultations with Other Accountants**

We are not aware of any consultations with other accountants regarding accounting or review issues other than with JFW Accounting Services in the normal course of providing outsourced accounting services.

**Significant Issues Discussed or Subject to Correspondence with Management**

The following significant matter was discussed with management:

- The Council did not have a lease for a 5-month gap between March 2024 and July 2024. The Council continued to pay month-to-month at the same rent and utility surcharge until a new lease began in August 2024. As a result, management was recommended to monitor the expiration of leases and other agreements ensuring they have a contract to support the expense.

**Financial Statements Included in a Council-Prepared Document**

We are not aware of any Council-prepared document that will contain the reviewed financial statements.

**Independence**

We are independent with respect to the Council in accordance with the applicable independence rules.

This letter is intended solely for the information and use of the Board of Directors and management and is not intended and should not be used by anyone other than those specified parties.

We appreciate the cooperation and courtesies extended to us by the Council's personnel. Please do not hesitate to contact us if you would like clarification on these or any other matters.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style.

Vienna, Virginia  
September 6, 2024



Council for American Private Education  
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Washington, DC 20004  
844-883-CAPE (tel)  
[www.CAPENetwork.org](http://www.CAPENetwork.org)

**CAPE member organizations:**

September 6, 2024

Agudath Israel of America

Association of Christian Schools International

Association of Christian Teachers and Schools

Association of Waldorf Schools of North America

Christian Schools International

Council of Islamic Schools in North America

Council on Educational Standards and Accountability

Evangelical Lutheran Church in America

Friends Council on Education

Islamic Schools League of America

Lutheran Church – Missouri Synod

Mercy Education System of the Americas

National Association of Episcopal Schools

National Association of Independent Schools

National Catholic Educational Association

National Christian School Association

Office for Lasallian Education, Christian Brothers Conference

Oral Roberts University Educational Fellowship

Seventh-day Adventist Board of Education

United States Conference of Catholic Bishops

Wisconsin Evangelical Lutheran Synod Schools

Affiliated State Organizations

Johnson Lambert LLP  
2650 Park Tower Drive, Suite 801  
Vienna, Virginia 22180

This representation letter is provided in connection with your review of the financial statements of the Council for American Private Education (the Council or CAPE), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of obtaining limited assurance as a basis for reporting whether you are aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We represent that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of the date of this letter that we have fulfilled our responsibilities as set out in the terms of the review engagement letter dated June 13, 2024 including:

**Financial Statements**

1. We acknowledge and have fulfilled our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP, as set out in the terms of the engagement letter.
2. We acknowledge and have fulfilled our responsibilities for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatements whether due to fraud or error.
3. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of GAAP.
5. Guarantees, whether written or oral, under which the Council is contingently liable have been properly accounted for and disclosed in accordance with the requirements of GAAP.

6. Material concentrations known to us have been properly accounted for and disclosed in accordance with GAAP.
7. The methods and significant assumptions as disclosed in the financial statements were used to determine fair values of financial instruments and result in a measure of fair value appropriate for financial statement measurement and disclosure purposes. The categorization of the Council's investments into the hierarchical levels as defined by ASC 820, Fair Value Measurements, is based on the lowest level of significant input to the securities' valuation.
8. All transactions have been recorded and are reflected in the financial statements.
9. We have responded fully and truthfully to all of your inquiries.
10. We have disclosed to you the identity of the Council's related parties and all of the related party relationships and transactions of which we are aware, and we have appropriately accounted for and disclosed such relationships and transactions.
11. We have no knowledge of significant facts relating to any fraud or suspected or alleged fraud known to management that may have affected the Council involving:
  - a. Management
  - b. Employees who have significant roles in internal controls, or
  - c. Others, when the fraud could have a material effect on the financial statements.
12. We have no knowledge of significant facts relating to any allegations of fraud or suspected fraud known to management that may have affected the Council's financial statements communicated by employees, former employees, regulators or others.
13. We have disclosed to you all known actual or possible instances of noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
14. We have disclosed to you all information relevant to the use of the going concern assumption in the financial statements.
15. We have properly accounted for all events occurring subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure, and have made the necessary adjustments or disclosures.
16. We are not aware of any uncorrected misstatements, other than those that are clearly trivial.
17. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements, and have appropriately accounted for and disclosed such litigation and claims in accordance with GAAP.
18. The Council is an exempt organization under 501(c)(3) of the Internal Revenue Code. We are not aware of any activities that would jeopardize the Council's tax exempt status and all activities subject to tax on unrelated business income or excise tax or other tax have been properly reported. All required filings with tax authorities are up to date. We have not been informed of any tax reviews by federal or state taxing authorities. There is no tax position considered to be uncertain if it was to undergo an inspection by the IRS or state authorities.
19. With respect to the fact that your firm has assisted us by drafting the financial statements, including appropriate disclosures required by GAAP, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual, Michael Schuttloffel, who possesses suitable skill, knowledge or experience to oversee the services;
  - c. Evaluated the adequacy and results of the draft preparation by reviewing and accepting the financial statements as complete and accurate; and
  - d. Evaluated and accepted responsibility for the financial statements.

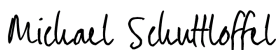


20. Financial assets including trade receivables recorded in the financial statements represent valid claims against debtors for services arising on or before statements of financial position date. We have recorded our best estimate for the allowance for current expected credit loss (CECL) in accordance with U.S. GAAP including:
  - a. Pooling of financial assets with similar risk characteristics or separate analysis of financial assets that do not or no longer share common risk characteristics with other financial assets in the pool.
  - b. Use of appropriate estimation methods including the accuracy and reliability of sources of historical data/model inputs, current conditions and reasonable and supportable forecasts.
21. All leases are classified as short-term leases in accordance with GAAP.
22. We have reviewed our service and intercompany contracts for potential embedded leases and we do not believe the Council has any embedded leases.

### Information Provided

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documents, and other matters;
  - b. Minutes of meetings of stockholders, directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared;
  - c. Additional information that you have requested from us for the purpose of the review; and
  - d. Unrestricted access to persons within the Council and others from whom you determined it necessary to obtain review evidence.
2. We have no plans or intentions that may materially affect the carrying amounts or classification of assets and liabilities.
3. We have disclosed to you any other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450, *Contingencies*.
4. No material losses exist (such as from obsolete inventory or purchase or sale commitments) that have not been properly accrued or disclosed in the financial statements.
5. The Council has satisfactory title to all owned assets, and no liens or encumbrances on such assets exist, nor has any asset been pledged as collateral, except as disclosed to you and reported in the financial statements.
6. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

DocuSigned by:



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Michael Schuttloffel, Executive Director  
michael@capenet.org

Signed by:



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Lesley Tweedie, Outsourced Accountant  
lesley@jfwaccountingservices.com

# **Council for American Private Education**

## **Financial Statements**

*Years Ended June 30, 2024 and 2023  
with Independent Accountant's Review Report*

Council for American Private Education

Financial Statements

Years Ended June 30, 2024 and 2023

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## Independent Accountant's Review Report

Board of Directors  
Council for American Private Education

We have reviewed the accompanying financial statements of the Council for American Private Education (the Council or CAPE), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Council's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with GAAP. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

### ***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with GAAP.

### ***Emphasis of Matter - Adoption of New Accounting Standard***

As discussed in Note 1 to the financial statements, effective July 1, 2023, the Council adopted Financial Accounting Standards Board Accounting Standards Update 2016-13 and subsequent amendments, *Financial Instruments-Credit Losses (Topic 326)*. Our conclusion is not modified with respect to this matter.



Vienna, Virginia  
September 6, 2024

Council for American Private Education

Statements of Financial Position

As of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 78,449	\$ 89,702
Investments	1,261,959	1,148,706
Accounts receivable, net	20,051	11,179
Website	7,426	9,710
Prepaid expenses	2,260	1,883
Other assets	-	1,500
Total assets	<u>\$ 1,370,145</u>	<u>\$ 1,262,680</u>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 9,179	\$ 4,755
Deferred revenue	7,500	56,550
Other liabilities	<u>2,449</u>	<u>142</u>
Total liabilities	19,128	61,447
<b>Net assets</b>		
Net assets without donor restrictions	1,348,610	1,198,126
Net assets with donor restrictions	<u>2,407</u>	<u>3,107</u>
Total net assets	<u>1,351,017</u>	<u>1,201,233</u>
Total liabilities and net assets	<u>\$ 1,370,145</u>	<u>\$ 1,262,680</u>

See independent accountant's review report and accompanying notes.

Council for American Private Education

Statements of Activities

Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Membership dues	\$ 276,626	\$ 273,626
Blue Ribbon School contract revenue	34,485	38,061
Corporate sponsorships	97,500	61,000
State CAPE dues and meeting fees	23,500	30,750
Net investment income	26,302	21,262
Other income	<u>4,227</u>	<u>4,740</u>
Total revenue	462,640	429,439
<b>Expenses</b>		
Salaries, payroll taxes and benefits	322,378	312,533
Meeting expense	54,418	34,144
Professional fees	48,360	36,453
Blue Ribbon School contract expense	8,583	7,453
Telephone and internet	950	1,390
Insurance	2,753	969
Postage and delivery	2,025	1,438
Office supplies	1,325	1,639
Other	2,910	1,877
Bank/merchant service fees	789	861
Travel/meals/parking	4,850	5,126
Memberships and subscriptions	1,914	8,624
Licenses and permits	230	180
Computer repairs and software	1,746	1,364
Rent	<u>2,855</u>	<u>2,800</u>
Total expenses	456,086	416,851
Change in net assets without donor restrictions from operations	7,254	12,588
Change in fair value of investments	<u>143,230</u>	<u>99,015</u>
Change in net assets without donor restrictions	150,484	111,603
Change in net assets with donor restrictions	<u>(700)</u>	<u>3,107</u>
Change in net assets	149,784	114,710
Net assets, beginning of year	<u>1,201,233</u>	<u>1,086,523</u>
Net assets, end of year	<u>\$ 1,351,017</u>	<u>\$ 1,201,233</u>

See independent accountant's review report and accompanying notes.

Council for American Private Education

Statements of Cash Flows

Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 149,784	\$ 114,710
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in fair value of investments	(143,230)	(99,015)
Changes in operating assets and liabilities:		
Accounts receivable	(8,872)	(11,179)
Website	2,284	(4,610)
Prepaid expenses	(377)	(1,883)
Other assets	1,500	(1,500)
Accounts payable and accrued expenses	4,424	4,755
State CAPE network scholarship fund	-	(3,541)
Deferred revenue	(49,050)	56,550
Other liabilities	<u>2,307</u>	<u>142</u>
Net cash from operating activities	(41,230)	54,429
<b>Cash flows from investing activities</b>		
Purchase of investments	(25,023)	(20,967)
Sale of investments	<u>55,000</u>	<u>-</u>
Net cash from investing activities	<u>29,977</u>	<u>(20,967)</u>
Net change in cash and cash equivalents	(11,253)	33,462
Cash and cash equivalents, beginning of year	<u>89,702</u>	<u>56,240</u>
Cash and cash equivalents, end of year	<u>\$ 78,449</u>	<u>\$ 89,702</u>

See independent accountant's review report and accompanying notes.

# Council for American Private Education

## Notes to Financial Statements

Years ended June 30, 2024 and 2023

### **Note 1 - Organization and Summary of Significant Accounting Policies**

#### *Organization*

The Council for American Private Education (the Council or CAPE) was incorporated under the laws of the District of Columbia on November 23, 1971. The Council serves to assist and strengthen the efforts of national organizations and state affiliates serving private elementary and secondary schools by providing a framework for communication and cooperation between these groups. The Council has a focus on encouraging vigorous diversity in education and encouraging a broad public commitment to excellence in private education. The majority of the Council's programs are accomplished through membership dues.

#### *Basis of Accounting*

In accordance with generally accepted accounting principles in the United States (GAAP), the accompanying financial statements have been prepared using the accrual basis of accounting. Revenue is recognized when earned and expenses when the obligation is incurred.

#### *New Accounting Pronouncement - Credit Losses*

The Council adopted the Financial Accounting Standards Board Accounting Standards Update 2016-13 and subsequent amendments, Financial Instruments – Credit Losses (Topic 326) (the guidance) on July 1, 2023. The guidance replaces the incurred loss impairment model with an expected loss model, also referred to as the current expected credit loss (CECL) model which takes into consideration historical information, current conditions, and reasonable and supportable forecasts. The model requires companies to measure expected credit losses on financial assets measured at amortized cost and record an allowance for credit loss against those assets. The Council adopted the guidance using the modified retrospective approach. There was no impact to the Council from adopting the credit loss standard as of July 1, 2023.

#### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

#### *Income Tax Status*

The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is classified by the Internal Revenue Service as an organization that is not a private foundation under Section 509(a)(2) of the Code. The Council is required to pay federal and state income taxes on unrelated business income, if incurred. Management has concluded that the Council has maintained its tax exempt status, and there are no uncertain tax positions as of June 30, 2024 and 2023.

*See independent accountant's review report.*



## Council for American Private Education

### Notes to Financial Statements (Continued)

#### **Note 1 - Organization and Summary of Significant Accounting Policies (Continued)**

In the normal course of business, the Council may be subject to tax and other regulatory contingencies including fines and penalties. As of June 30, 2024, management does not believe it is probable that any tax or other regulatory fines or penalties are due by the Council.

#### *Cash and Cash Equivalents*

The Council considers cash equivalents to include all liquid investments with a maturity of three months or less when purchased. Cash and cash equivalents consist of interest bearing checking accounts. The Federal Deposit Insurance Corporation (FDIC) insures amounts on deposits with each financial institution up to limits prescribed by law. The Council may hold funds with financial institutions in excess of FDIC insured amounts; however, the Council has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

#### *Accounts Receivable*

Accounts receivable consists of amounts due to the Council primarily related to the Blue Ribbon Schools Program. Accounts receivable are analyzed by management for credit losses. There was no allowance for credit losses as of June 30, 2024 and 2023.

#### *Credit Loss*

The Council measures expected credit losses on financial assets held at amortized cost (accounts receivable) and records an allowance for credit loss when management determines a credit loss exists. Allowances for credit losses are recorded as contra-assets that reduce the corresponding financial assets on the statements of financial position, with the offset recorded as credit loss income (expense) in the statements of activities. As the estimate of expected credit losses changes with subsequent evaluations, those increases and decreases are recognized in the statements of activities. The Council writes off uncollectible amounts against the allowance for credit losses when it determines that financial asset is partially or fully uncollectable. No allowances for credit losses were recorded as of June 30, 2024.

Prior to the adoption of the credit loss standard on July 1, 2023, financial assets reported at amortized cost were reviewed for impairment using an incurred loss model.

#### *Fixed Assets - Website*

Acquisitions of fixed assets greater than \$4,000 are recorded at cost and depreciated or amortized using the straight-line method over their useful lives. The useful life of the website is five years.

## Council for American Private Education

### Notes to Financial Statements (Continued)

#### **Note 1 - Organization and Summary of Significant Accounting Policies (Continued)**

##### *Investments*

Investments are recorded at fair value, with the related interest income, dividends and gains and losses reported in the statements of activities. The Council includes money market funds as investments. The change in fair value of investments represents realized and unrealized fluctuations in market value of investments. Gains and losses realized upon sales are calculated using the specific identification method. The Council prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The levels of the hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets that the Council has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

##### *Net Assets*

The accompanying financial statements report the financial position and activities in two classes of net assets as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are generated from revenues and expenses without donor-imposed restrictions. These funds are available for the overall operations of the Council.

Net Assets With Donor Restrictions - Donor restricted net assets represent contributions received by the Council for which the use is specified by the donor for a specific purpose or period of time. Additionally, net assets may be restricted by a donor in perpetuity when the use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Council.

## Council for American Private Education

### Notes to Financial Statements (Continued)

#### **Note 1 - Organization and Summary of Significant Accounting Policies (Continued)**

##### *Corporate Sponsorships*

Revenue from corporate sponsors is recognized at a point in time in the period the sponsor receives benefits, which is considered to be the performance obligation for financial reporting purposes. The transaction price is determined by the type of sponsorship level selected by the sponsor and payment is due within 30 days of the invoice issue date. Amounts received in advance for sponsorships related to future years are recorded as deferred revenue when received and recognized as revenue when the sponsor receives benefits and no refunds are provided.

##### *Membership Dues and State CAPE Dues*

Membership dues are assessed twice a year. Membership dues are recognized over time throughout the membership cycle during which time members have continuous access to membership benefits, which are considered to be one performance obligation for financial reporting purposes. The transaction price is determined by K-12 enrollment size and payment is due upon receipt. Amounts received in advance of a given membership period are recognized as deferred revenue when received and recognized as revenue over the course of the applicable membership period. Membership dues are non-refundable in the event of a membership cancellation.

##### *Blue Ribbon School Contract Revenue*

Blue Ribbon School contract revenue is recognized quarterly for the Blue Ribbon Contract based on allowable reimbursable expenses up to a limit identified in the agreement. The Council performs various tasks and services on behalf of the National Blue Ribbons Schools Program, including several milestones throughout the contract period that are the performance obligations. No deferred revenue is recorded and no refunds are provided as the Council is only reimbursed based on milestones reached.

##### *Measure of Operations*

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Council's ongoing operations and interest and realized income earned on investments. Nonoperating activities are limited to the change in fair value from investments.

##### *Functional Allocation of Expenses*

The costs of providing programs and other activities have been summarized on a functional basis in Note 7. Certain costs are directly charged to programs and other costs, such as salaries and benefits, meetings, professional fees, rent, travel and other costs have been allocated among programs, fundraising, board meetings and management and general services benefited. Such allocations are determined by management based on estimated time and effort.

## Council for American Private Education

### Notes to Financial Statements (Continued)

#### **Note 1 - Organization and Summary of Significant Accounting Policies (Continued)**

##### *Subsequent Events*

The Council has performed an evaluation of subsequent events through September 6, 2024, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and notes to the financial statements.

##### *Risks and Uncertainties*

The Council invests in various securities. These securities are exposed to a variety of risks, such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amount reported in the statements of financial position.

#### **Note 2 - Liquidity and Availability of Financial Assets**

As of June 30, 2024, the Council has \$1,360,459 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$78,449, investments of \$1,261,959, and accounts receivable of \$20,051. As of June 30, 2023, the Council has \$1,249,587 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$89,702, investments of \$1,148,706 and accounts receivable of \$11,179. Except for the net assets restricted for the State CAPE network scholarship fund, none of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Council's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Additionally, the Council's transfers cash in excess of daily requirements into various short-term investments including, certificates of deposit and short-term treasury instruments. Funds invested may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

#### **Note 3 - Investments and Fair Value Measurement**

The Council's total return on investments for the years ended June 30 are comprised of the following:

	2024	2023
Interest	\$ 1,282	\$ 1,082
Dividends	25,020	20,180
Net change in fair value of investments	143,230	99,015
Total investment income (loss)	<u>\$ 169,532</u>	<u>\$ 120,277</u>

*See independent accountant's review report.*

## Council for American Private Education

### Notes to Financial Statements (Continued)

#### **Note 3 - Investments and Fair Value Measurement (Continued)**

The following table is a summary of the Council's investments measured at fair value within the fair value hierarchy at June 30:

	<u>2024</u>	<u>2023</u>	<u>Fair Value Level</u>
Equity mutual funds	\$ 795,827	\$ 812,760	Level 1
Fixed income mutual funds	278,561	271,771	Level 1
Money market funds	<u>187,571</u>	<u>64,175</u>	Level 1
Total	<u>\$ 1,261,959</u>	<u>\$ 1,148,706</u>	

#### **Note 4 - Retirement Plan**

The Council has a defined contribution 403(b) plan covering all full-time employees of the Council. The Council makes a matching contribution of 8.5% for all participants. Employees' accounts are fully vested at the time of contribution. The Council's contribution to the plan was \$19,327 and \$18,764 for the years ended June 30, 2024 and 2023, respectively.

#### **Note 5 - Commitments**

The Council enters into several agreements with hotels providing room accommodations for future meetings. Many of the agreements contain a clause whereby the Council is liable for damages in the event of cancellation. At June 30, 2024 and 2023, the exposure for damages was approximately \$2,832 and \$12,023, respectively.

The Council entered into a lease agreement effective March 1, 2022. The term of the lease was twelve months, with no option to extend the term of the lease. In March 2023, the Council signed a new lease agreement for the period March 1, 2023 through February, 28, 2024. The Council entered into a 12-month lease effective August 1, 2024. The Council accounts for the operating leases as short-term leases. The Council's short term lease costs for the years ending June 30, 2024 and 2023 totaled \$2,856 and \$2,800, respectively. Future minimum lease payments under the lease agreement are \$2,856 for the year ending June 30, 2025.

Council for American Private Education  
Notes to Financial Statements (Continued)

**Note 6 - Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the funds restricted for State CAPE network scholarships.

Net assets with donor restrictions were composed of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Subject to the expenditure for a specified purpose:		
State CAPE network scholarship fund	\$ 2,407	\$ 3,107
	<u>\$ 2,407</u>	<u>\$ 3,107</u>

*See independent accountant's review report.*

Council for American Private Education  
Notes to Financial Statements (Continued)

**Note 7 - Functional Expenses**

	For the Year Ended June 30, 2024							
	Program Services				Supporting Services			
	Blue Ribbon	Newsletter/ Program	Advocacy for Private Education	Total Program	Fundraising	Board Meetings	General and Administration	2024 Total
Salaries, payroll taxes and benefits	\$ 19,445	\$ 27,596	\$ 179,374	\$ 226,415	\$ 5,080	\$ 41,960	\$ 48,923	\$ 322,378
Meeting expense	710	4,317	34,377	39,404	795	6,565	7,654	54,418
Professional fees	1,294	1,837	11,939	15,070	338	2,793	30,159	48,360
Blue Ribbon School contract expense	8,583	-	-	8,583	-	-	-	8,583
Telephone and internet	57	81	529	667	15	124	144	950
Insurance	166	236	1,532	1,934	43	358	418	2,753
Postage and delivery	620	127	832	1,579	24	195	227	2,025
Office supplies	80	113	737	930	21	173	201	1,325
Other	176	249	1,619	2,044	46	379	441	2,910
Bank/merchant service fees	-	-	-	-	-	-	789	789
Travel/meals/parking	988	305	2,498	3,791	56	463	540	4,850
Memberships and subscriptions	-	-	-	-	-	-	1,914	1,914
Licenses and permits	14	20	128	162	3	30	35	230
Computer repairs and software	105	149	972	1,226	28	227	265	1,746
Rent	172	244	1,589	2,005	45	372	433	2,855
<b>Total expenses</b>	<b>\$ 32,410</b>	<b>\$ 35,274</b>	<b>\$ 236,126</b>	<b>\$ 303,810</b>	<b>\$ 6,494</b>	<b>\$ 53,639</b>	<b>\$ 92,143</b>	<b>\$ 456,086</b>

*See independent accountant's review report.*

Council for American Private Education  
Notes to Financial Statements (Continued)

**Note 7 - Functional Expenses (Continued)**

	For the Year Ended June 30, 2023							
	Program Services				Supporting Services			
	Blue Ribbon	Newsletter/ Program	Advocacy for Private Education	Total Program	Fundraising	Board Meetings	General and Administration	2023 Total
Salaries, payroll taxes and benefits	\$ 18,752	\$ 25,003	\$ 175,018	\$ 218,773	\$ 6,251	\$ 40,629	\$ 46,880	\$ 312,533
Meeting expense	-	-	1,593	1,593	-	32,551	-	34,144
Professional fees	583	827	5,374	6,784	152	1,257	28,260	36,453
Blue Ribbon School contract expense	7,453	-	-	7,453	-	-	-	7,453
Telephone and internet	83	111	778	972	28	181	209	1,390
Insurance	58	78	543	679	19	126	145	969
Postage and delivery	86	115	805	1,006	29	187	216	1,438
Office supplies	98	131	918	1,147	33	213	246	1,639
Other	113	150	1,051	1,314	38	244	281	1,877
Bank service fees	-	-	-	-	-	-	861	861
Travel/meals/parking	308	410	2,870	3,588	103	666	769	5,126
Memberships and subscriptions	-	-	7,000	7,000	-	-	1,624	8,624
Licenses and permits	11	14	101	126	4	23	27	180
Computer repairs and software	82	109	764	955	27	177	205	1,364
Rent	168	224	1,568	1,960	56	364	420	2,800
Total expenses	<u>\$ 27,795</u>	<u>\$ 27,172</u>	<u>\$ 198,383</u>	<u>\$ 253,350</u>	<u>\$ 6,740</u>	<u>\$ 76,618</u>	<u>\$ 80,143</u>	<u>\$ 416,851</u>

*See independent accountant's review report.*



Council for American Private Education  
Notes to Financial Statements (Continued)

**Note 8 - Accounts Receivable**

As of June 30, 2024 and 2023, accounts receivable consists of the following:

	2024		2023	
	Opening Balance	Closing Balance	Opening Balance	Closing Balance
Blue Ribbon Schools Program	\$ 11,179	\$ 20,051	\$ 916	\$ 11,179
Total accounts receivable	<u>\$ 11,179</u>	<u>\$ 20,051</u>	<u>\$ 916</u>	<u>\$ 11,179</u>

**Note 9 - Deferred Revenue**

As of June 30, 2024 and 2023, deferred revenue consists of the following:

	2024		2023	
	Opening Balance	Closing Balance	Opening Balance	Closing Balance
Membership dues and state CAPE dues	\$ 41,550	\$ -	\$ -	\$ 41,550
Corporate sponsorships	15,000	7,500	-	15,000
Total deferred revenue	<u>\$ 56,550</u>	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ 56,550</u>

*See independent accountant's review report.*

# CAPE

## Statement of Financial Position

As of August 31, 2024

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
1080 Business Sweep Money Market-7198	172,260.40
1085 CAPE Checking PNC-5596	12,500.00
1120 MofA Bond Fund	179,958.64
1122 MofA Equity Index (Reserve)	144,333.59
1124 MofA Mid-Cap Equity Index (Reserve)	47,523.64
1126 MofA Money Market (Reserve)	67,571.16
1149 Vanguard Cash Res Fed MM	120,000.00
1150 Vanguard Extended Mkt Idx	257,320.83
1153 Vanguard Total Bond Mkt Idx	98,601.57
1155 Vanguard Total Stock Idx	346,648.13
<b>Total Bank Accounts</b>	<b>\$1,446,717.96</b>
Accounts Receivable	
1200 Accounts Receivable	85,520.50
<b>Total Accounts Receivable</b>	<b>\$85,520.50</b>
<b>Total Current Assets</b>	<b>\$1,532,238.46</b>
Other Assets	
1510 Website	11,424.00
1515 Website Accumulated Amortization	-3,998.40
<b>Total 1510 Website</b>	<b>7,425.60</b>
<b>Total Other Assets</b>	<b>\$7,425.60</b>
<b>TOTAL ASSETS</b>	<b>\$1,539,664.06</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	2,960.08
<b>Total Accounts Payable</b>	<b>\$2,960.08</b>
Credit Cards	
2050 AMEX-97003	2,316.74
<b>Total Credit Cards</b>	<b>\$2,316.74</b>
Other Current Liabilities	
2140 Accrued Expenses	8,500.00
<b>Total Other Current Liabilities</b>	<b>\$8,500.00</b>
<b>Total Current Liabilities</b>	<b>\$13,776.82</b>
<b>Total Liabilities</b>	<b>\$13,776.82</b>

# CAPE

## Statement of Financial Position

As of August 31, 2024

	TOTAL
Equity	
3000 Opening Bal Equity	22,061.15
3100 Restricted SCN Scholarship Fund	2,407.41
3900 Retained Earnings	1,326,546.57
Net Revenue	174,872.11
<b>Total Equity</b>	<b>\$1,525,887.24</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,539,664.06</b>

# CAPE

## Budget vs. Actuals

July 2023 - June 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Revenue</b>				
4010 Campaign Income	4,225.00	6,000.00	-1,775.00	70.42 %
4090 Membership Dues	276,625.60	281,836.58	-5,210.98	98.15 %
4200 Contracts				
4210 BRS Program	34,485.12	30,000.00	4,485.12	114.95 %
<b>Total 4200 Contracts</b>	<b>34,485.12</b>	<b>30,000.00</b>	<b>4,485.12</b>	<b>114.95 %</b>
4300 Corporate Sponsors	97,500.00	80,000.00	17,500.00	121.88 %
4600 State CAPE Dues	17,000.00	17,500.00	-500.00	97.14 %
4605 SCN ALEC Membership Dues	-250.00		-250.00	
<b>Total 4600 State CAPE Dues</b>	<b>16,750.00</b>	<b>17,500.00</b>	<b>-750.00</b>	<b>95.71 %</b>
4610 State CAPE Meeting Fees	6,750.00	5,000.00	1,750.00	135.00 %
<b>Total Revenue</b>	<b>\$436,335.72</b>	<b>\$420,336.58</b>	<b>\$15,999.14</b>	<b>103.81 %</b>
<b>GROSS PROFIT</b>	<b>\$436,335.72</b>	<b>\$420,336.58</b>	<b>\$15,999.14</b>	<b>103.81 %</b>
<b>Expenditures</b>				
6030 Amortization Expense	2,284.80		2,284.80	
6120 Bank Service Charges	554.26	550.00	4.26	100.77 %
6125 Merchant Service Fees	234.98	275.00	-40.02	85.45 %
6165 Memberships & Subscriptions	1,914.47	1,500.00	414.47	127.63 %
6180 Insurance				
6180.4 D&O Insurance	1,701.63	2,000.00	-298.37	85.08 %
6410.1 Liability Insurance /Workman's	1,051.00	1,500.00	-449.00	70.07 %
<b>Total 6180 Insurance</b>	<b>2,752.63</b>	<b>3,500.00</b>	<b>-747.37</b>	<b>78.65 %</b>
6230 Licenses and Permits	230.00		230.00	
6240 Miscellaneous	96.27	500.00	-403.73	19.25 %
6250 Postage and Delivery	2,024.66	1,000.00	1,024.66	202.47 %
6260 Printing and Reproduction	95.06		95.06	
6270 Professional Fees/Outsourcing				
6275 ADP Payroll Fee	1,981.58	1,725.00	256.58	114.87 %
6283 Office/Mailing Support Services	540.00	550.00	-10.00	98.18 %
6285 Digital Marketing	12,500.00		12,500.00	
6287 Web Services	6,435.12	4,200.00	2,235.12	153.22 %
6650 Accounting	16,552.66	16,200.00	352.66	102.18 %
6651 Audit	10,350.00	10,000.00	350.00	103.50 %
<b>Total 6270 Professional Fees/Outsourcing</b>	<b>48,359.36</b>	<b>32,675.00</b>	<b>15,684.36</b>	<b>148.00 %</b>
6299 Rent	2,856.00	2,900.00	-44.00	98.48 %
6300 Repairs				
6320 Computer Repairs	250.00	200.00	50.00	125.00 %
6330 Equipment Repairs		200.00	-200.00	
<b>Total 6300 Repairs</b>	<b>250.00</b>	<b>400.00</b>	<b>-150.00</b>	<b>62.50 %</b>
6340 Telephone/Internet	950.31	1,200.00	-249.69	79.19 %
6350 Travel/Meals/Parking				
6370 Meals	433.20	600.00	-166.80	72.20 %

# CAPE

## Budget vs. Actuals

July 2023 - June 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
6380 Travel	1,109.97	1,000.00	109.97	111.00 %
6382 DC Area Travel & Parking	3,307.25	2,000.00	1,307.25	165.36 %
<b>Total 6350 Travel/Meals/Parking</b>	<b>4,850.42</b>	<b>3,600.00</b>	<b>1,250.42</b>	<b>134.73 %</b>
6440 Meeting Expenses (Bd/SC)				
6440-1 Meeting expense Hotel	49,975.83	25,000.00	24,975.83	199.90 %
6440-2 Meeting Expense Travel	2,758.26	2,500.00	258.26	110.33 %
6440-3 Meeting expense Food	184.01		184.01	
6440-4 Honorarium	1,500.00		1,500.00	
<b>Total 6440 Meeting Expenses (Bd/SC)</b>	<b>54,418.10</b>	<b>27,500.00</b>	<b>26,918.10</b>	<b>197.88 %</b>
6450 Conference/Meeting Fees	434.19		434.19	
6550 Office Supplies	1,325.45	800.00	525.45	165.68 %
6553 Computer/Software	1,496.14	1,200.00	296.14	124.68 %
6560 Payroll Expenses				
6560-1 FICA	12,570.92	16,468.46	-3,897.54	76.33 %
6560-2 Health Benefits	20,000.04	20,000.00	0.04	100.00 %
6560-4 Medicare	3,857.86	3,851.50	6.36	100.17 %
6560-5 Pension	19,326.96	19,326.86	0.10	100.00 %
6560-6 Salary	266,620.72	265,620.36	1,000.36	100.38 %
<b>Total 6560 Payroll Expenses</b>	<b>322,376.50</b>	<b>325,267.18</b>	<b>-2,890.68</b>	<b>99.11 %</b>
6875 BRS Review Panel				
6875-1 Meeting Room/Food	5,604.37	5,000.00	604.37	112.09 %
6875-2 Lodging	2,005.46	1,000.00	1,005.46	200.55 %
6875-3 Panel Meals	193.50	200.00	-6.50	96.75 %
6875-4 Panel Travel	780.35	1,000.00	-219.65	78.04 %
<b>Total 6875 BRS Review Panel</b>	<b>8,583.68</b>	<b>7,200.00</b>	<b>1,383.68</b>	<b>119.22 %</b>
<b>Total Expenditures</b>	<b>\$456,087.28</b>	<b>\$410,067.18</b>	<b>\$46,020.10</b>	<b>111.22 %</b>
NET OPERATING REVENUE	<b>\$ -19,751.56</b>	<b>\$10,269.40</b>	<b>\$ -30,020.96</b>	<b>-192.33 %</b>
Other Revenue				
4410-1 Dividends	25,020.21		25,020.21	
4410-2 Unrealized Gains/(Loss)	143,232.43		143,232.43	
7010 Interest Income	1,281.97		1,281.97	
<b>Total Other Revenue</b>	<b>\$169,534.61</b>	<b>\$0.00</b>	<b>\$169,534.61</b>	<b>0.00%</b>
NET OTHER REVENUE	<b>\$169,534.61</b>	<b>\$0.00</b>	<b>\$169,534.61</b>	<b>0.00%</b>
<b>NET REVENUE</b>	<b>\$149,783.05</b>	<b>\$10,269.40</b>	<b>\$139,513.65</b>	<b>1,458.54 %</b>

<b>CAPE INVESTMENT PERFORMANCE</b> 7/1/06 to 06/30/2024 (Most Recent Account Statements)	<b>Total cost of accounts</b>	<b>\$333,301.25</b>
	<b>Value of accounts</b>	<b>\$1,261,957.56</b>
	<b>Difference \$</b>	<b>\$928,656.31</b>
	<b>Difference %</b>	<b>278.6%</b>

Investment Name	Account Number	Value on 7/1/06	Deposits & Withdrawals	Earnings (Losses)	Annual Return 2013	Total Investment (Value + Deposits)	Current Market Value	Gain/Loss (\$)	Gain/Loss (%)
Mutual of America Money Market	237218933-00	\$165,787.27	-\$123,500.00	\$25,283.89	0.02%	\$42,287.27	\$67,571.16	\$25,283.89	NA
Mutual of America Equity Index (3/4/04)	237218933-00	\$57,152.54	-\$60,000.00	\$147,181.05	21.33%	-\$2,847.46	\$144,333.59	\$147,181.05	NA
Mutual of America Mid-Cap Equity (8/07)	237218933-00	\$23,500.00	-\$55,000.00	\$79,023.64	21.72%	-\$31,500.00	\$47,523.64	\$79,023.64	NA
Mutual of America Bond Fund (6/14)		\$0.00	\$160,000.00	\$19,958.64		\$160,000.00	\$179,958.64	\$19,958.64	12.5%
Smith Barney Gov Bonds & CDs	376-41416-14	\$102,082.88	-\$112,357.08	\$10,724.20		\$0.00	\$0.00	\$10,274.20	10.5%
PNC Bank Certificate of Deposit	11001411516	\$23,519.79	-\$25,234.15	\$1,714.36		\$0.00	\$0.00	\$1,714.36	7.3%
Vanguard Extended Market Index Fund	0098/88023670866	\$0.00	\$43,675.00	\$213,645.83	38.37%	\$43,675.00	\$257,320.83	\$213,645.83	489.2%
Vanguard Total Stock Market Index Fund	0085/88023670866	\$0.00	\$43,675.00	\$54,926.57	33.52%	\$43,675.00	\$98,601.57	\$54,926.57	125.8%
Vanguard Bond Market Index Fund (6/14)	0585-88023670866	\$0.00	\$90,000.00	\$256,648.13		\$90,000.00	\$346,648.13	\$256,648.13	285.2%
Vanguard Cash Reserves Money Market	0566-88023670866					\$0.00	\$120,000.00	\$120,000.00	N/A
						\$0.00	\$0.00	\$0.00	N/A
						\$0.00	\$0.00	\$0.00	N/A

Performance vs. Benchmarks	CAPE Fund	Benchmark
1 Year as of 1/31/17 (M) or 2/28/17 (V)		
MofA Equity Index vs. S&P 500 Index	19.93%	20.04%
MofA MiC Index vs. S&P MC 400 Index	29.96%	30.17%
MofA MM vs. Citi 3-month T-Bill Index	0.23%	0.30%
MofA Bond vs. Barclay's U.S. Ag Index	3.49%	1.45%
Vanguard Total Stock vs. Spliced Total Stock	26.28%	26.29%
Vanguard Extended Mkt vs. Spliced EMI	32.65%	32.51%
Vanguard Bond Mkt vs. Spliced Barclays	1.45%	1.54%

Investment Allocation	
Equity	43.41%
Fixed Income	47.08%

**CAPE member organizations:**

Agudath Israel of America

Association of Christian Schools International

Association of Christian Teachers and Schools

Association of Waldorf Schools of North America

Christian Schools International

Council of Islamic Schools in North America

Council on Educational Standards and Accountability

Evangelical Lutheran Church in America

Friends Council on Education

Islamic Schools League of America

Lutheran Church – Missouri Synod

Mercy Education System of the Americas

National Association of Episcopal Schools

National Association of Independent Schools

National Catholic Educational Association

National Christian School Association

Office for Lasallian Education, Christian Brothers Conference

Oral Roberts University Educational Fellowship

Seventh-day Adventist Board of Education

United States Conference of Catholic Bishops

Wisconsin Evangelical Lutheran Synod Schools

Affiliated State Organizations

**CAPE Finance Committee Meeting**

**Via Zoom**  
**May 7, 2024**  
**11 AM Eastern**

***Summary of Meeting***

**Participants:** Mary Pat Donoghue (Treasurer), Laura Colangelo, Jim Rademan, Michael Schuttloffel (staff).

**1. Preliminary Items**

Mary Pat Donoghue made a motion to approve the agenda, Jim Rademan seconded, and Committee members unanimously approved the agenda as submitted.

**2. Current Financial Condition**

Committee members reviewed the most recent balance sheet and “budget vs. actual”

report, both dated March 31, 2024. Michael Schuttloffel pointed out that the checking account was getting a little lower than he prefers due to some outstanding dues not yet paid by some member organizations. He also informed committee members that investment earnings are up over \$217,000 in the last year.

Mr. Schuttloffel pointed out that the major unanticipated expense is the digital marketing firm, which is costing CAPE \$2,500 a month. Board members had previously expressed a strong interest in increasing CAPE’s social media footprint, hence the decision to do this, and the tempo of CAPE’s social media posts and email blasts has increased dramatically as a result of these services. The sense of the committee was that this is an important effort, especially as a way of attracting corporate sponsors, and that CAPE should continue with the service until the September board meeting, at which time the full board, and the corporate sponsors, can discuss whether it is bearing fruit. Mary Pat Donoghue suggested that investment earnings might be a way of covering the expense.

Laura Colangelo asked if Michael thinks the new corporate sponsorship program is going well. Michael said yes, but that a timer needs to be brought to the board meetings to keep corporate sponsors on schedule.

### **3. Budget for 2024-25**

Committee members reviewed and discussed the draft budget and budget assumptions for 2024-25. Michael Schuttloffel explained that the proposed budget anticipates corporate sponsorships to yield \$90,000, but it all depends on corporate sponsor interest. Laura Colangelo suggested trying to get everyone's sponsorship term to line up with CAPE's fiscal year.

Committee members told Mr. Schuttloffel they do not believe CAPE should increase the prices of the corporate sponsorship packages yet.

Mr. Schuttloffel explained that the budget presumes the loss of the Lasallian schools (whose representatives have not responded to phone, email, and text messages for 18 months), which is somewhat offset by the gain of the Mercy schools.

In response to a question from Ms. Colangelo, he said that the Executive Committee has decided to maintain CAPE's current status as subcontractor for the private school portion of the National Blue Ribbon Schools program. He added that if more schools do not apply, he suspects that the Department of Education may consider closing the private school part of the program.

Mr. Schuttloffel also explained that hotel meeting costs have increased dramatically and that CAPE may need to seriously consider meeting farther out in the suburbs going forward. Ms. Donoghue said that there may be an opportunity to use the meeting space at USCCB if that would help.

With respect to the salary line, Michael Schuttloffel explained that the proposed budget includes a 3 percent cost of living increase in the salary line for staff. While it has been CAPE's policy to provide staff with a cost of living increase pegged to the Consumer Price Index (CPI), last year the staff COLA was set at 3 percent due to the unusually high CPI. It is ultimately up to Finance and Executive Committee members to make the decision on salary changes.

He said that the proposed budget estimates a deficit of \$27,000. If the digital marketing contract is discontinued, the budget would anticipate a \$3,000 surplus.

Jim Rademan motioned, Mary Pat Donohue seconded, and the Committee voted unanimously that the budget be forwarded to the Executive Committee.



#### **4. Dues for 2025-26**

Committee members reviewed CAPE's current dues policy. Mary Pat Donohue said that given inflation, 3% seems reasonable. Mr. Schuttloffel added that board members have wanted to see more from CAPE on the social media front and that has been done, but it came with an expense.

The committee decided to recommend a 3 percent dues increase to the Executive Committee. Jim Rademan motioned, Laura Colangelo seconded, and the committee unanimously agreed to recommend a 3 percent dues increase for fiscal year 2025-26.

#### **5. Adjournment**

The Zoom meeting concluded at approximately 12:00 PM ET.

**CAPE**  
**Proposed Budget**  
July 2024 - June 2025

	<b>7/1/2024 - 6/30/2025 Proposed Budget</b>	
<b>Revenue</b>		
4010 Campaign Income		5,000.00
4090 Membership Dues		286,000.00
<b>4200 Contracts</b>		
4210 BRS Program		30,000.00
<b>Total 4200 Contracts</b>	<b>\$</b>	<b>30,000.00</b>
4300 Corporate Sponsors		90,000.00
4600 State CAPE Dues		16,500.00
<b>4605 SCN ALEC Membership Dues</b>		
<b>Total 4600 State CAPE Dues</b>	<b>\$</b>	<b>16,500.00</b>
4610 State CAPE Meeting Fees		6,000.00
<b>Total Revenue</b>	<b>\$</b>	<b>433,500.00</b>
<b>Gross Profit</b>	<b>\$</b>	<b>433,500.00</b>
<b>Expenditures</b>		
6120 Bank Service Charges		550.00
6125 Merchant Service Fees		275.00
6165 Memberships & Subscriptions		1,700.00
<b>6180 Insurance</b>		
6180.4 D&O Insurance		2,000.00
6410.1 Liability Insurance /Workman's		1,500.00
<b>Total 6180 Insurance</b>	<b>\$</b>	<b>3,500.00</b>
6240 Miscellaneous		500.00
6250 Postage and Delivery		2,000.00
<b>6270 Professional Fees/Outsourcing</b>		
6275 ADP Payroll Fee		1,800.00
6283 Office/Mailing Support Services		550.00
6285 Digital Marketing		30,000.00
6287 Web Services		4,750.00
6650 Accounting		16,200.00
6651 Audit		10,750.00
<b>Total 6270 Professional Fees/Outsourcing</b>	<b>\$</b>	<b>64,050.00</b>
6299 Rent		2,900.00
<b>6300 Repairs</b>		
6320 Computer Repairs		200.00
6330 Equipment Repairs		200.00
<b>Total 6300 Repairs</b>	<b>\$</b>	<b>400.00</b>
6340 Telephone/Internet		1,000.00
<b>6350 Travel/Meals/Parking</b>		
6370 Meals		600.00
6380 Travel		1,000.00
6382 DC Area Travel & Parking		2,250.00
<b>Total 6350 Travel/Meals/Parking</b>	<b>\$</b>	<b>3,850.00</b>
<b>6440 Meeting Expenses (Bd/SC)</b>		
6440-1 Meeting expense Hotel		35,000.00
6440-2 Meeting Expense Travel		2,500.00
6440-3 Meeting expense Food		0.00
6440-4 Honorarium		1,000.00
<b>Total 6440 Meeting Expenses (Bd/SC)</b>	<b>\$</b>	<b>38,500.00</b>
6450 Conference/Meeting Fees		0.00
6550 Office Supplies		800.00
6553 Computer/Software		1,200.00
<b>6560 Payroll Expenses</b>		
6560-1 FICA		12,895.57
6560-2 Health Benefits		20,000.00
6560-4 Medicare		3,967.05
6560-5 Pension		19,906.68
6560-6 Salary		273,589.34
<b>Total 6560 Payroll Expenses</b>	<b>\$</b>	<b>330,358.64</b>
<b>6875 BRS Review Panel</b>		
6875-1 Meeting Room/Food		6,000.00
6875-2 Lodging		1,500.00
6875-3 Panel Meals		200.00
6875-4 Panel Travel		1,000.00
<b>Total 6875 BRS Review Panel</b>	<b>\$</b>	<b>8,700.00</b>
<b>Total Expenditures</b>	<b>\$</b>	<b>460,283.64</b>
<b>Net Operating Revenue</b>	<b>-\$</b>	<b>26,783.64</b>
<b>Other Revenue</b>		
4410-1 Dividends		
4410-2 Unrealized Gains/(Loss)		
7010 Interest Income		
<b>Total Other Revenue</b>	<b>\$</b>	<b>0.00</b>
<b>Net Other Revenue</b>	<b>\$</b>	<b>0.00</b>
<b>Net Revenue</b>	<b>-\$</b>	<b>26,783.64</b>

## **Key Assumptions in Drafting CAPE's Budget for FY 2024-25**

### **Income:**

- 1) BRS Program: Income from the Blue Ribbon Schools Program is expected to be at \$30,000, as was budgeted last year.
- 2) Membership Dues: Pursuant to action taken by the Board in September 2023, dues will be increased for 2024-25 by 3%. The proposed budget does not include revenue from dues from the Christian Brothers/Lasallians.
- 3) The new format for corporate sponsorships is expected to yield \$90,000 but this will depend on renewals and whether pricing changes are made.
- 4) Other income lines generally reflect levels comparable to actual income received for 2023-24, with expected increases or decreases incorporated where appropriate.

### **Expenses:**

- 1) The draft budget includes a \$30,000 outlay (\$2,500 a month) for the digital marketing firm CAPE has contracted with.
- 2) It is CAPE policy to build a cost of living increase into each year's budget for salary, pegged to the Consumer Price Index (CPI). However, with inflation pushing the CPI so high, the cost of living increase for staff was set at 3.0% each of the last two years. The draft budget for FY2024/25 also includes a cost of living increase of 3.0%.
- 3) Other expense lines for next year generally reflect levels comparable to actual expenses for the current year, with expected increases or decreases incorporated where appropriate.

### **Bottom Line:**

- 1) The proposed budget estimates a deficit of \$27,000. If the digital marketing contract is discontinued, the budget would anticipate a \$3,000 surplus.



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## CAPE Dues Schedule and Policies

K-12 Enrollment	2022-2023 Assessment	2023-2024 Assessment	2024-2025 Assessment
241,000+	\$36,942	\$38,050	\$39,647
221,000-240,999	\$34,228	\$35,255	\$36,313
201,000-220,999	\$31,509	\$32,454	\$33,428
181,000-200,999	\$28,734	\$29,596	\$30,484
161,000-180,999	\$26,017	\$26,798	\$27,602
141,000-160,999	\$23,303	\$24,002	\$24,722
121,000-140,999	\$20,586	\$21,204	\$21,846
101,000-120,999	\$17,868	\$18,404	\$18,956
81,000-100,999	\$15,151	\$15,606	\$16,074
61,000-80,999	\$12,433	\$12,806	\$13,190
41,000-60,999	\$9,658	\$9,948	\$10,246
21,000-40,999	\$6,699	\$6,900	\$7,107
0-20, 999	\$4,106	\$4,229	\$4,356

**CAPE member organizations:**

Agudath Israel of America

Association of Christian Teachers and Schools

Association of Christian Schools International

Association of Waldorf Schools of N.A.

Christian Schools International

Council of Islamic Schools in North America

Council on Educational Standards and Accountability

Evangelical Lutheran Church in America

Friends Council on Education

Islamic Schools League of America

Lutheran Church—Missouri Synod

National Association of Episcopal Schools

National Association of Independent Schools

National Catholic Educational Association

National Christian School Association

Office for Lasallian Education, Christian Brothers Conference

Oral Roberts University Educational Fellowship

Seventh-day Adventist Board of Education

United States Conference of Catholic Bishops

Wisconsin Evangelical Lutheran Synod Schools

Affiliated State Organizations

Assessments are based on the total K-12 enrollment during the previous academic year in schools represented by the organization.

According to the dues policy approved by the Board in October 1993, an organization that cannot meet the above dues-paying requirements may request the executive committee for an exemption involving payment of the minimum of \$3,400 or 2.5 percent of its operating budget. At the time of application for an exemption, the organization must submit in writing when it will be able to pay the full dues amount as well as any extenuating circumstances. These factors will be taken into consideration when the executive committee makes its decision.

According to an amendment to the dues policy approved by the Board in October 1998, organizations new to CAPE are permitted to pay 50 percent of what would be their regular dues during their first year of membership in CAPE, 75 percent during the second year of membership, and 100 percent thereafter.

According to an amendment to the dues policy approved by the Board in March 1999, an organization that does not pay full dues for a period of one year and does not arrange for an exemption in accordance with the policy governing exemptions shall be advised that their voting rights have been suspended and that the organization's membership in CAPE is in jeopardy. An organization that does not pay dues for two consecutive years and does not arrange for an exemption in accordance with the policy governing exemptions shall forfeit its membership in CAPE.