

School Advisory Board Meeting
Accredited Italian Embassy School in Beijing
Monday August 10th 2020
From 4:00 p.m. to 5:15 p.m.

Participants, via Zoom:

- School Holder & President, Franco Cutrupia
- School Treasurer, Sergio Bertasi
- School Administrator, Giulia Ziggotti
- Educational Coordinator, Annalisa Torrero
- Teachers' Representative (Kindergarten), Celeste Grassi
- Teachers' Representative (Primary), Marco Pasciuti
- Parents' Representative, Paola Caciolli
- Parents' Representative, Valentina Liberatore

The School Superintendent, Counsellor Luca Fraticelli has informed he could not join.

Agenda (as communicated on 08/01/2020 and updated on 08/06/2020):

- A. Closure of primary section: core reasons (President)
- B. Kindergarten and future programs (President)
- C. School year 2019-20 economics: balance (Treasurer)
- D. School year 2020-21 economics: budgets and future programs (Treasurer)
- E. On-line lessons – possible refunds of fees (Treasurer)
- F. Presentation of the new structure - premises and organisation (Administrator)
- G. School reopening: inspection of school premises and approval for reopening (Administrator)
- H. Didactic activity and prospective recovery of lessons (Didactic coordinator)
- I. Miscellaneous

The President opens the meeting at 4:00 p.m.

A. Closure of primary section: core reasons (President)

The President confirms the closure of the primary, as communicated to the Parents on July 8th 2020 (as per herewith attached copy) and informs that **he wishes to explain the causes that led to this decision in detail.**

His speech is, therefore faithfully transcribed below:

The COVID-19 story has shown that, on the part of many families, there has not been a proper **understanding and sharing of these essential points:**

- social and cultural spirit that inspires the school

- teachers' commitment to quality teaching
- professional and economic protection, implemented by the school management in favour of the school staff
- severity of the financial situation of the school-company, structurally in deficit (as widely advertised)

I hope that in the future, a greater understanding and a more widespread and convinced sharing of the school objectives and its inspiring principles will be achieved.

The crisis has undoubtedly produced **notable effects on the school community** close to our school. Suffice it to say that for the 5 primary classes, only five (5) enrollment applications were received on the date they closed (July 7th).

The most evident consequence has been **to speed up the decisions concerning the primary**. However, it should be emphasised, the underlying **core reasons had been identified for some time: fees** that were too low, inadequate to cover the costs (much higher than foreseen by the feasibility study) and, in particular, **lack of demand for our primary (contrary to what the feasibility study claimed)**

To understand the decisions, it **is therefore essential to start from the feasibility study**.

I realise - I stress - that what I am about to say may be unpleasant and even irritating, but mere arguments cannot have any value against the proof of the facts (or "contra facta non valent argumenta"). Responsibilities must be clear, and interpretations that are not supported by facts must not be spread!

The School Management has made every effort, including financially, with the capable help of the teaching staff.

Unfortunately, the project was based on **incorrect economics** (underestimated **costs**, highly overestimated **revenues and demand**), not taking into due account

- o that a **private school** was to be established, i.e. a service **company** in a specific field, education,
- o and that, therefore, as for **every company** it was essential to rely on **well-verified and well-considered economic "fundamentals"**, if it was to make it last and progress

Based on our five-year operational experience I would like to say that in said feasibility study

- a) **the feasibility was almost assumed a priori** (in fact at its beginning, on page 4, it states "**the will to build a school in Beijing ...**"), while
b) **the data used were not adequately compared with reality**

Here are some of the assumptions of the feasibility study contradicted by the facts:

A) Reference to an enlarged "**catchment area**" with a **radius of about 179 km** around Beijing (Tianjin, Baoding and Tangshan) and extended "also to the entire Hispanic community, sharing the same cultural roots" (pages 4 and 8) and 43). Let's imagine a child who travels 360 km a day to go to school! **Our pupils all come from the Chaoyang district** (let's say within a radius of max 10 Km from the school)

B) **Annual fees** (page 42): "CNY 80,000 ... for Kindergarten and CNY 98,000 for ... primary ... with three-year review". We know the fees we practised in 19-20: 65,500CNY and 90,000 CNY

C) **Enrolled students expected (page 42) after 5 years**: "... completion of the cycle (**total 120 children**)", of which 60 for infancy (3 classes of 20) and 60 children for primary (5 classes). **We reached 86 pupils in 2019-20, of which only 20 for the primary.**

D) Declared the **possibility of having Chinese children in Kindergarten** (page 43): "... it could also be attended by Chinese students ..."
That is forbidden!

E) **primary classes with up to 15 pupils** (page 28): in reality, we never reached the minimum number of 8 pupils per class provided for by art. 3.5 of the MAE-MIUR implementation rules no. 4716 and permission has always had to be requested to waive it.

F) **Salaries for teachers**: "11,000 CNY / month" (page 43), albeit with the warning "... with a certain margin of uncertainty for Italian teachers ..." – This indication proved to be **entirely out of the market** from the very first year.

G) **Expected economic result** of the project (page 43 and page 47): "... starting from the third year, ... **a substantial positive margin**", that is (as shown in the tables on page 47) **an overall profit** in the first five years of CNY **4,534,264!**"

These are, on the contrary, the facts:

at the end of the first five years the school remained alive only because it was able to take advantage of a **financial aid**, which **covered the losses, of 8.8 million CNY (= 1,080,000 euros), coming as follows:**

- CNY 7.4 million from donations (**of which CNY 5.4 million from the School Holder**)
- 1.4 million CNY from MAECI grants

The data of the **operation result** were **strongly negative because, compared to the feasibility study,**

- **the costs** are much higher,

- **the revenues** are just as much lower,
- **the demand for the primary tuition** proved - **despite the low fees and scholarships of the School Holder and the excellent level of education provided** – to be wholly inadequate

Why was the demand totally inadequate?

An accurate feasibility study in the "observation of consumer needs" (as stated on page 5 of the study mentioned above) **should have gone beyond the surface, to then reach the correct conclusions.**

A properly conducted investigation would, in fact, have ascertained that:

- 1) those who benefit from reimbursement of school fees from their employer (state or company), **prefer to enrol their children in international schools with an established reputation, which have a widespread presence, not limited to Beijing.**

That is an **indisputable fact**, on which it is not necessary to dwell on. Even officials of our Embassy, having to think about continuing their children's studies in other foreign locations, did not enrol them - **understandably!** - to our primary.

An Accredited Italian compulsory school, which is not part of a widespread network in various countries, such as those of the French School and the British School, **has no future in China!**

Hope it won't be forgotten in the future!

- 2) Italian or foreign couples, especially if one of the spouses is Chinese, who see their future of life and work linked to China (and there are not a few!) **choose Chinese schools to make their children learn spoken and written Chinese well.**
- 3) to limit their costs, **private companies** increasingly tend to **send personnel abroad who are either unmarried or have no school-age children**
- 4) **the behaviours as mentioned above and trends have been consolidated for years, well before the study in question was drawn up**

I would like to end the topic of the economic unsustainability of the primary by recalling that **there was also talk - to keep the primary alive - of its possible revamping by adding a "Spanish section."**

Let's say first of all that this "solution" would lead us out of our mission, and above all, it would diabolically persevere in the error of producing a priori

assumptions. I allow myself to consider it **an impromptu "joke"**, made without thinking of a serious examination and an equally serious and detailed evaluation of the following:

- 1) **economic aspects and necessary funding**,
- 2) **real situation of the Spanish-speaking community**, for which the same above-mentioned considerations 1), 2), 3) and 4) apply
- 3) **possibility to choose, in well-known international schools in Beijing and based in various countries, a curriculum that includes Spanish**

Always remaining on a factual basis, we finally remember that the **absolute majority** of children **who have finished our Kindergarten has not enrolled in our first class of primary**. We also recognise that more than one has abandoned our primary to enrol in other schools.

In conclusion, it seems to me that we can say that the choice of a kindergarten is wholly detached from that of a primary school.

A contrary assertion to persuade to continue a primary of a few children with no hope of taking off, is not supported by the facts and **would only be specious**.

B. Kindergarten and future programs (President)

Our hope, in so much present uncertainty, is

- **That the health situation stabilises and the economic horizon gives positive signs**
- **That 2020-21 can be overcome** without too serious repercussions
- Consequently, the **minimum budget of 18-20 children** in Kindergarten can be implemented. That anyway foresees the need for **donations of CNY 776,714**

We understand that in this economically critical period, there may be difficulties in promptly paying fees. However, it should not be forgotten that the school has current expenses to meet (**rents and salaries**). It, therefore, trusts in the cooperation of families to avoid the risk of being in a situation of **serious insolvency**.

Yesterday, Sunday August 9th, the Education Commission announced the opening dates of the school year. The kindergartens will open on September 8th (sections for large and medium-sized children, 5 and 4 years old) and September 11th (section for younger children).

Nonetheless, I must emphasise that we are very concerned about some bureaucratic aspects, which can affect the opening of the school. I refer to the announced preliminary inspection visits, which, if conducted with excessive rigidity, could detect problems that prevent the issuance of the permit to open the school premises, even if the school has regularly obtained the renewal of the permit (in May 2020). In this regard, we trust in the essential help of our Embassy.

Unfortunately, as is known, the majority of our personnel will not be able to continue with us, at least in the phase that is opening up. I'm sincerely sorry. However, **I hope that the experience gained in our school can help them for the future:** this is my wish!

On the other hand, **I ask those who will remain with us have a convinced adhesion and awareness that this project - born, as has been repeatedly demonstrated, on assumptions that do not correspond to reality - can only be saved with the sacrifice of all those who participate in it.**

We will then - we hope - arrive **at 2021-22 school year!**

At that point, we will have to commit to re-founding the school, focusing on the Kindergarten.

We have seen growing interest in it until the pre-pandemic period.

We must immediately focus on **financial sustainability**. While not betraying our social and cultural purposes, we will have to increase the fees adequately and not merely cosmetically, contrary to what we did last school year (2019-20). Only in this way we can guarantee a long-term life to our new school project.

We trust that, after this challenging period, families and their children can return to Beijing and the goodness of our educational system (Reggio Children) and the ability demonstrated by our teachers bring back many pupils to our Kindergarten.

The **name** of the school will be, in agreement with the Embassy, changed to: **"Accredited Italian Kindergarten in Beijing – Scuola italiana paritaria d'infanzia a Pechino"**.

We also intend to **maintain the Italian accreditation**, which according to art. 6.1 of decree 4716 MAE-MIUR "... can be granted to educational institutions with only one course (e.g. only kindergarten ...)" in the case of "... schools located in **geographical areas of priority importance for Italian foreign policy**".

With the **help of the Education Superintendent**, Counsellor Fraticelli, we are proceeding both to obtain the registration of the new name of the school from the Chinese authorities and to request the Italian authorities to confirm the **accreditation of the Kindergarten only**.

The **MAECI grant**, considering the reduced number of students and the closure of the primary, **will be considerably lower**.

C. School year 2019-20 economics: balance (Treasurer)

The final balance for the 2019-20 school year is as follows:

Total costs CNY 7,138,994

Total revenues CNY 6,950,648

NEGATIVE Result (CNY 188,346)

The costs of CNY 7,138,994 were covered as follows:

- a) Fees paid by **families**: CNY 6,280,206, equal to **87.97%** of the annual costs
- b) **Donations from the School Holder** for scholarships: CNY500,000, equivalent to **7%** of the yearly costs
- c) **MAECI grant**: CNY 343,982 equal to **4.82%** of the annual costs "

Pls. refer to the herewith attached file.

D. School year 2020-21 economics: budgets and future programs (Treasurer)

The budget presented for 2020-21 (a copy of which is attached herewith) provides for:

Total costs CNY 3,489,248

Total revenues CNY 1,193,413

NEGATIVE result (CNY 2,295,835) which to be covered requires:

- Use of the MAECI contribution estimated based on the school year 2019-20, CNY 352.331
- Use of the remaining balance at June 30th, 2020 of donations CNY 1,166,790
- Scholarships awarded by the School Holder CNY 26,200
- Further commitment of the School Holder.

The School Holder's commitment is to write off losses up to a **maximum of CNY 770,000**.

The Treasurer points out that the school is fighting a battle for survival. The need to reassess the school situation before the end of the first semester is foreseeable.

In the event of force majeure, the school confirms that it will comply with the policy already officially communicated in the document "School Fee Policy" (pls. refer to "**Refund Policy under Force Majeure**" quoted here below).

The school will also consult with the Italian Embassy about any reductions in the salaries of school staff, to generate additional reimbursements for families. Obviously, the reductions would be temporary, that is, limited to the closing time of the school premises imposed by the local Authorities. Besides they would be small, as in the 2020-21 school year employment contracts of teachers and staff of the school a cut in salaries of 20% -40% has been implemented.

Refund Policy under Force Majeure:

In case of exceptional events, resulting in the mandatory school closure, and the suspension of its tuition and services, fully or partially, in its premises, the school shall pursue its social approach and, while continuing to pay salaries to its staff, shall promptly organise home learning for its pupils using appropriate platforms. That shall require the parents' cooperation to help the teachers to perform their job with the distant children fruitfully.

Should the full mandatory closure of the school premises of either the Kindergarten or the Primary or both last longer than 14 (fourteen) continuous calendar days, the school will implement a reduction of its staff's monthly remuneration up to a maximum of 30% (thirty per cent) for the whole duration of the closure period.

The school shall refund the families by equally dividing the savings originated by the closure (staff salary reduction, lunch fee costs, and any other savings in G&A expenses), after deducting the extraordinary expenses caused by the school closure and by the government mandatory instructions, and shall issue **credit notes. All the credit notes shall be either used for the payment of the next school year fees or shall be refunded to the families by June 30th, 2021.**

E. On-line lessons – possible refunds of fees (Treasurer)

In line with the practice followed by Reggio Children, in the event of **provisions of the Chinese Authorities that prevent the access to school premises**, the school will implement on-line lessons and possibly, when the premises are accessible again, also remedial lessons.

To meet the needs of families, it will also try to implement partial reimbursements of school fees.

The financial deficit situation of the school is known, having been further illustrated also during the present meeting. The following points should be kept in mind.

- There are no Italian government's funds intended for reimbursement of school fees
- **As to rents, unfortunately, despite the intervention of our Embassy, we were not shown any flexibility** by the DRC. So, we can't think of savings that might generate refunds
- The cost of **meals** can be reimbursed pro-rata. And this **will undoubtedly be done**
- The staff salaries of **the school year 2020-21 have been reduced by a percentage between 20% and 40%, compared to the previous school year**. If we want to **temporarily** intervene on them in the event of school closure to be able to implement reimbursements of fees, there is, therefore, a minimal room for manoeuvre. However, the school, to avoid the turbulence of last year, which we would say was exaggerated – **after consulting the Embassy**, which is particularly sensitive to the needs of the community – **will consider possible further temporary reductions in salaries**, which might generate reimbursements. These would be **minimal reductions** for the reason mentioned above.

F. Presentation of the new structure - premises and organisation (Administrator)

The school retains its premises in the DRC compound and has two adjoining apartments, **both already occupied by the Kindergarten: 5-1-11 and 5-1-12.**

The **school administration** has been transferred to apartment **5-1-12.**

A room in 5-1-11 will be used as an infirmary, and a nurse from the Beijing United Family Hospital (with whom a one-year contract has been entered) will occupy it

The other rooms will be used as classrooms for pupils.

As known, the use of kitchens is no longer allowed. Quality catering will be used. The supplier, La Pizza Group, was chosen through a tender. **The cost of the lunch service (2 snacks and lunches) is 12,000 RMB / year.** Last year it was 13,000 RMB / year.

The school staff consists of:

- 1) Administrator, Giulia Ziggiotti
- 2) Finance and administration manager, Isabell Geng
- 3) Educational coordinator, Annalisa Torrero
- 4) Kindergarten Coordinator, Celeste Grassi
- 5) Atelierista, Ippolita Gallo
- 6) English teacher, Mirko Ranieri

- 7) Teachers' assistant, Anna Xiao
- 8) Chinese teacher, Hong Yanyu
- 9) Teacher of the history of religions, Maria Anna Lombardi
- 10) Nurse (an employee of Beijing United Family Hospital)
- 11) An auxiliary staff

G. School reopening: inspection of school premises and approval for reopening (Administrator)

As mentioned by the President, two inspections have been planned:

- "121 self-assessment points": **the inspection is carried out by the Education Commission of the Chaoyang District and the Center for Disease Control** of the Chaoyang District (朝阳区疾病控制中心); and
- Hygiene inspection: **the inspection is carried out by the Maternal and Child Care Hospital** of the Chaoyang district (朝阳区妇幼保健院) and **is requested by the Health Commission** (卫健委).

The health inspection was added, as a mandatory inspection aimed at reopening the Schools **for the school year 2020-21**, to that of the "121 self-assessment points" which still constitutes a **separate inspection** and for which we were ready in June.

We are preparing for both, with the support of Beijing United Families Hospital.

H. Didactic activity and prospective recovery of lessons (Didactic coordinator)

Home-learning proposal from August 17th

Introduction:

The teachers reflected on the layout of the spaces in a vision of educational offer suitable for the heterogeneous group of children of this year.

The premises have been modified following the government directives for the prevention of Covid-19.

The school maintains the **bilingualism of Italian and English**, the teaching of **Chinese**, and from this year, the learning of English will be implemented according to the **Cambridge curriculum**. Our direct collaboration with **Reggio Children** continues, focusing on the figure of the **Atelierista**.

Home learning proposal and organisation of the first period:

1) While last year it was implemented by sending a PDF document (activity sheets) and making two weekly video calls, this year the following is proposed:

- Introductory video of the spaces and teachers
 - Video recordings of structured activities in the following languages:
 - I. Italian
 - II. English
 - III. Chinese
 - IV. Italian Atelier
 - A weekly video call with a proposal of the three teachers of Italian, English, Chinese for a small group
- Note: the weekly video call for new children is to be confirmed with the parents.

Based on the experience of the last semester, we will eliminate the activity sheets.

Moreover,

- 2) We organised a **meeting via ZOOM with the families**. The meeting will take place on **Tuesday, August 11th, 2020**, from 15:00 to 16:00 (Beijing time).
- 3) We will organise the elections of the new parents' representatives on-line on Saturday August 22nd
- 4) We have evaluated the use of Seesaw as a communication platform, and we will discuss with the parents for the use (otherwise done through WeChat + WeTransfer)
- 5) Recovery of lessons: 2 times a week, from 15:30 to 16:30, until the end of November 2020. The proposal will be developed in dialogue with families, in a reflection of collective intentions based on the family -school educational pact, an essential prerequisite of our school.

I. Miscellaneous

The President reads the message received on 08/08/2020 from the Counsellor Fraticelli, who, as said at the beginning, was not able to attend.

"Dear Franco,

I would ask you to communicate that the Embassy continues and will continue to support the school, both in relations with the Chinese authorities and with Italian institutions.

The decision to close the primary school was very hard and difficult and we hope that the school, even with only the childhood section, will continue on its path and in its activity, with the desirable prospect, already from next year, to see a recovery and consolidation of the number of enrolled children.

We are waiting to know the amount of the ministerial contribution, which should continue to be paid. The same, being commensurate with the size of the school and the number of classes, it will hardly be larger than the previous year. However, we look forward to it.

*Thank you and best regards.
Luca"*

The President thanks the representatives of the families for the work done during the year and - through them - extends his thanks to the families close to the school. He then thanks the teachers for their capable and convinced involvement in the educational activity of the school.

Parents' representatives thank the School team.

There is no other business.

The meeting was held in Italian and is declared closed at 5.15 p.m. The Italian report will be translated into English: in case of discrepancies, the Italian text will prevail.

Prepared by the School Administrator
Date: 11 08 2020