

## **BOARD OF DIRECTORS MEETING MINUTES**

### **August 25, 2016**

#### **Call to Order / Roll Call**

President/CEO Margaret Fortune called the meeting to order at 5:06pm. Board Secretary Michelle Grace called the roll:

Paulette Brown Hinds: PRESENT

Bertha Gorman: ABSENT

Scott Loehr: PRESENT

Rick Rubino: PRESENT

Ollie Watson: PRESENT

Quorum reached.

#### **Announcement of Items to be Discussed in Closed Session**

President/CEO Margaret Fortune announced the item to be discussed in Closed Session:

Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case.

#### **Public Comment Regarding Items to be Discussed in Closed Session**

None heard.

#### **Closed Session 5:09 pm**

#### **Open Session Call to Order – 5:32 pm**

#### **Announcement of Action Taken in Closed Session**

The Board met in closed session and no action was taken.

**Flag Salute** – Matt Taylor, Director of Data & Analytics led the flag salute.

#### **Adoption of Agenda**

Member Rubino made a motion to adopt the agenda as presented.

Member Watson seconded.

Roll call vote: Paulette Brown Hinds: AYE    Scott Loehr: AYE    Rick Rubino: AYE    Ollie Watson: AYE

Motion carried.

**Public Comment** – None heard.

#### **Approve Meeting Minutes from June 16, 2016 Board Meeting**

Member Rubino made a motion to approve the June 16, 2016 Board Meeting minutes.

Member Loehr seconded.

Roll call vote: Paulette Brown Hinds: AYE    Scott Loehr: AYE    Rick Rubino: AYE    Ollie Watson: AYE

Motion carried.

### **Summary Presentation of 2015-2016 Smarter Balanced Assessment Consortium (SBAC) Results**

Matt Taylor, Director of Data & Analytics, presented the item. SBAC data were publicly released on August 24, 2016. The main points: low income, African American students are the largest sub group. Fortune Schools are outperforming the county and district schools in the comparison in the African American subgroup. Sacramento and San Bernardino schools had a very similar performance. Demographic information for students served in Sacramento County and in San Bernardino City was compared to county and district totals, respectively.

Fortune School results for English Language Arts – compared to Sacramento County results:

Overall: Fortune School students are performing 14% lower than the county on English Language Arts.

Economically Disadvantaged students: Fortune School students are slightly below county results, however in the African American Disadvantaged subgroup, Fortune School students are out-performing the county.

Math results were very similar in Sacramento with the exception of Disadvantaged and African American Disadvantaged student subgroups who out-performed the county at a higher percentage. In the subgroups of Latino overall and Latino Economically Disadvantaged students, Fortune School students out-performed.

Hardy Brown College Prep results for English Language Arts – compared to San Bernardino City USD:

Overall: Hardy Brown College Prep students under-performed overall and within the Economically Disadvantaged subgroup of students, and out-performed in the African American and African American Economically Disadvantaged subgroups. However, in math, Hardy Brown College Prep students out-performed students across the board. The schools chosen for the comparisons were based on plotting the addresses of current Fortune students to see what their neighborhood school would be. The state has not yet released the statewide CST results for Science; looking forward to having those results to compare student performance.

### **Public Hearing: Department of Transportation Airport Review for Alice Huffman Middle School and Rex & Margaret Fortune Middle College High School Sites**

CFO Bonnie Bensen presented the item. Education Code requires that if an entity is planning to locate a school within two miles as the crow flies from the end of a runway at an airport, a review must be conducted by the Department of Transportation to determine if there are safety or noise issues that could arise.

President/CEO Margaret Fortune called the Public Hearing to order at 6:12 pm.

The Department of Transportation has concluded that there is no objection to the middle school and high school sites being located as proposed. The middle school location is an existing building in a business park; the high school will be built from the ground up on a piece of land adjacent to the same business park.

There being no public comment or questions from the Board, the Public Hearing closed at 6:16 pm.

### **Ratify Alice Huffman College Prep Middle School Lease**

CFO Bonnie Bensen presented the item. Terms were brought to the Board at a previous meeting. The middle school will be located in the business park in the building formerly occupied by DeVry University. The lease is for 178 months, commencing in October 2016 for 24,000 square feet of space. Six months of free rents are included at the front of the lease; lease amount increases 3% annually. There are provisions in the lease that allow for termination of the lease if all of the governmental approvals are not secured. Fortune is currently working with the city of Elk Grove to get a conditional use permit and requesting a rezoning, as the building is currently zoned for light industrial use.

Member Watson made a motion to ratify the Alice Huffman College Prep Middle School lease.

Member Brown Hinds seconded.

Roll call vote: Paulette Brown Hinds: AYE    Scott Loehr: AYE    Rick Rubino: AYE    Ollie Watson: AYE

Motion carried.

### **Approve Unaudited Actuals for 2015-16 for Rex and Margaret Fortune School of Education**

CFO Bonnie Bensen presented the item. Board members received detailed budget spreadsheets for the Charter Management Organization and the charter schools. The organization's overall excess of revenue over expenses is \$270,000; it was anticipated at second interim that expenditures would exceed revenues by \$42,000. Several factors contributed to the positive swing, including the later start of a contract with a WASC Consultant for Accreditation; ADA at Hardy Brown College Prep was projected to be 332 at second interim; it actually came in at 341. In

addition, HBCP's and Fortune School's certificated salaries came in under budget. The unaudited actuals will be submitted to San Bernardino County Office of Education and Sacramento County Office of Education, respectively. Member Rubino made a motion to approve the Unaudited Actuals for 2015-16 for Rex and Margaret Fortune School of Education.

Member Watson seconded.

Roll call vote: Paulette Brown Hinds: AYE    Scott Loehr: AYE    Rick Rubino: AYE    Ollie Watson: AYE

Motion carried.

### **Information Item: Reallocation of Special Education Funds from Hardy Brown College Prep to Fortune School**

Chief Financial Officer Bonnie Bensen presented the item. At the June 2016 Board Meeting, the Board approved a resolution to reallocate Special Education Funds from the Hardy Brown College Prep charter to the Fortune School charter. In the past, the reallocation has been an option. This year, there will be no reallocation of funds as excess funds were absorbed with the hiring of a Program Specialist for Special Education.

### **Approve 2016-17 Consolidated Applications for Fortune School and Hardy Brown College Prep**

Chief Financial Officer Bonnie Bensen presented the item. This application allows Fortune School of Education to apply for federal funding for its charter schools. It is required that the Board be advised as to what is being applied for. Title I, Part A funds are being applied for as well as Title II, Part A funds for professional development for both Hardy Brown College Prep and Fortune School. Fortune is not applying for any additional funding.

Member Loehr made a motion to approve the 2016-17 Consolidated Applications for Fortune School and Hardy Brown College Prep.

Member Brown Hinds seconded.

Roll call vote: Paulette Brown Hinds: AYE    Scott Loehr: AYE    Rick Rubino: AYE    Ollie Watson: AYE

Motion carried.

Member Brown Hinds had to be excused from the meeting at 6:45 pm; quorum retained.

### **Ratify 2016-17 Student-Parent Handbooks for Hardy Brown College Prep, Fortune School, William Lee College Prep, Alan Rowe College Prep, Ephraim Williams College Prep and Hazel Mahone College Prep**

Chief Operating Officer Michelle Grace presented the item. Handbook revisions made this year were primarily due to changes in law including recognition of gender identity versus gender; performance levels grading scales were changed to move away from CST language; the newly-adopted Attendance Policy was provided to all families with the Handbook and receipt of the policy was added to the Acknowledgement Form in the Handbook.

President/CEO Margaret Fortune discussed changes to the Discipline Matrix that are underway. The Discipline Matrix is a component of the Handbook. A Leadership Retreat was held during the summer to learn about the standard of documentation for suspensions and expulsions presented by Fortune's legal counsel. Illuminate, Fortune's new student information system, has capabilities that will enable student discipline to be tracked more thoroughly. A Discipline Committee was formed to address the way in which discipline is administered. The goal is to have a discipline program that helps teach students ways to be successful through restorative practices. The Discipline Committee is a standing committee as the practices around discipline will continue to evolve. The revised Discipline Matrix, once completed, will come back to the Board for review.

Member Loehr made a motion to ratify the Student-Parent Handbooks for Hardy Brown College Prep, Fortune School, William Lee College Prep, Alan Rowe College Prep, Ephraim Williams College Prep and Hazel Mahone College Prep

Member Rubino seconded.

Roll call vote: Scott Loehr: AYE    Rick Rubino: AYE    Ollie Watson: AYE

Motion carried.

**Ratify Form 990 Tax Return for 2014-15**

Chief Financial Officer Bonnie Bensen presented the item. The return was emailed to the Board at the time it was filed. The deadline to file preceded the date of the Board Meeting.

Member Watson made a motion to ratify the Form 990 Tax Return for 2014-15.

Member Rubino seconded.

Roll call vote: Scott Loehr: AYE      Rick Rubino: AYE      Ollie Watson: AYE

Motion carried.

**Board Review of Comparable Compensation Data for Charter School Chief Executive Officers, Chief Financial Officers, Chief Operating Officers**

CFO Bonnie Bensen presented the item. When completing the Form 990, there is a question related to the Board’s review of executive compensation. In April 2015, the Board reviewed the compensation for the Chief Executive Officer and Chief Financial Officer, as those positions are called out in the regulations. What the April 2015 action did was establish the base salary; any modification of any kind after the base salary has been established has to be reviewed by the Board, including a cost of living increase that is provided to all employees. The compensation of the Chief Operating Officer, a newly appointed position, must also be reviewed by the Board. Salary comparison information was provided to the Board from a compensation study previously provided to the Board in April 2015, the most current data available. It will become standard practice annually to bring compensation data review to the Board prior to the adoption of the budget.

**Approve Resolutions Regarding Executive Compensation for President/CEO, Chief Financial Officer, Chief Operating Officer**

Chief Financial Officer Bonnie Bensen presented the item. The purpose of the resolution is to affirm that the Board has reviewed the executive compensation for the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer, and approves the compensation for each position as disclosed.

Member Rubino made a motion to approve the Resolutions regarding Executive Compensation for President/CEO, Chief Financial Officer, and Chief Operating Officer.

Member Loehr seconded.

Roll call vote: Scott Loehr: AYE      Rick Rubino: AYE      Ollie Watson: AYE

Motion carried.

**Ratify Compensation for President/CEO, Chief Financial Officer and Chief Operating Officer**

Chief Financial Officer Bonnie Bensen presented the item. Because salaries went into effect July 1, 2016, it has been advised that once the resolutions were passed, the Board would also ratify the compensation for the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer.

Member Watson made a motion to ratify the compensation for the President/CEO, Chief Financial Officer, and Chief Operating Officer.

Member Rubino seconded.

Roll call vote: Scott Loehr: AYE      Rick Rubino: AYE      Ollie Watson: AYE

Motion carried.

There being no additional business, the meeting was adjourned at 7:04 pm.

Submitted by,



Michelle Grace  
Board Secretary