

BOARD OF DIRECTORS MEETING MINUTES

June 8, 2017

Call to Order / Roll Call

President/CEO Margaret Fortune called the meeting to order at 5:02 pm. Board Secretary Michelle Grace called the roll:

Eleanor Brown – Present

Paulette Brown Hinds – Present

Bertha Gorman – Present

Scott Loehr – Present

Rick Rubino – Present

Ollie Watson – Present

Quorum reached.

President/CEO Margaret Fortune led the flag salute.

Adoption of Agenda

Member Gorman made a motion to adopt the agenda as published.

Member Brown seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Rick Rubino – AYE

Ollie Watson – AYE

Motion carried.

Public Comment

Mr. Hardy and Mrs. Cheryl Brown, along with members of the Brown family, presented a framed lithograph highlighting the 175 year History of the African American Press in America, and a framed description of the historical timeline to Hardy Brown College Prep for permanent display in the school. President/CEO Margaret Fortune accepted the generous gift on behalf of the school. Mrs. Brown also shared that St. Paul AME Church has adopted Hardy Brown College Prep and will be donating school supplies to the school.

Welcome Dr. Eleanor Brown, Newly Appointed Board Member

Confirm Board of Directors' Term Extensions

President/CEO Margaret Fortune introduced Dr. Eleanor Brown, newly appointed member to the Fortune School of Education Board of Directors. Ms. Fortune shared Dr. Brown's extensive background in education, as well as her long standing support of Fortune School during her tenure on the Sacramento County Board of Education. Dr. Brown shared her gratitude for the opportunity to serve on the Board. With that appointment, Ms. Fortune confirmed the updated Board Terms for the Fortune School Board of Directors.

Approve Consent Agenda Items

Member Loehr made a motion to approve the consent agenda items.

Member Brown Hinds seconded.

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Rick Rubino – AYE

Ollie Watson – AYE

Motion carried.

Approve Board Meeting Dates for 2017-18

Member Watson made a motion to approve the Board Meeting dates for 2017-18.

Member Gorman seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Rick Rubino – AYE

Ollie Watson – AYE

Motion carried.

Approve Revised Single Plan for Student Achievement for 2016-17 for Hardy Brown College Prep

Vanessa Caigoy, Coordinator of Compliance, presented the item. This item was brought forward from the April, 2017 Board Meeting. The first revision is in the area of professional development. Principal Toiya Allen is participating in training through Relay Education to learn to more effectively use data to drive instruction. The second revision is in the budget assigned to Smarter Balanced Assessment Consortium (SBAC) prep, in order to hire temporary, long-term substitute teachers at Hardy Brown College Prep to facilitate small learning groups in testing grades to help scholars prepare for state testing.

Member Brown Hinds made a motion to approve the Revised Single Plan for Student Achievement for 2016-17 for Hardy Brown College Prep.

Member Rubino seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Rick Rubino – AYE

Ollie Watson – AYE

Motion carried.

Approve Single Plan for Student Achievement for 2017-18 for Fortune School and Hardy Brown College Prep

Vanessa Caigoy, Coordinator of Compliance, presented the item. The Single Plan for Student Achievement (SPSA) is the document that the respective School Site Councils are responsible for writing, following and managing to ensure each campus is reaching the goals described, as well as evaluating the progress toward those goals throughout the school year. The SPSA governs how the school sites spend Title I funds and must be approved by the Board. In addition, if the School Site Council revises their school's SPSA, those revisions must come back to the Board for approval. Highlights in the 2017-18 SPSAs are continuing to fund the Music Program across the schools; continuing the Art Program at Hardy Brown College Prep; funding for Response to Intervention (RTI) aides as described in Fortune School SPSA; parent academies across all schools, the annual Parent Convention for all parents, and bus passes for homeless students as appropriate.

Member Rubino made a motion to approve the Single Plan for Student Achievement for 2017-18 for Fortune School and Hardy Brown College Prep.

Member Brown seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Rick Rubino – AYE

Ollie Watson – AYE

Motion carried.

Approve Local Control and Accountability Plans (LCAP) for 2017-2020 and LCAP Annual Updates for 2016-17 for Fortune School and Hardy Brown College Prep

Matt Taylor, Director of Data & Analytics and Vanessa Caigoy, Coordinator of Compliance, presented the item. The Local Control and Accountability Plan (LCAP) is a required document that details how schools/districts plan to spend Local Control Funding Formula (LCF) dollars. The LCAP also provides the Board with details on the schools' goals, as well as progress

toward those goals. The State of California has moved from one-year LCAPs to three-year static LCAPs. The goals are three-year goals, and the annual actions to reach those goals may be different. Two LCAPs must be adopted: one for Hardy Brown College Prep and one for Fortune School, which the state considers one Local Education Agency (LEA). There are five schools included in the Fortune School LEA. An LCAP addendum is anticipated that will incorporate the LEA Plan into the LCAP; the Department of Education is currently working on that. Once the addendum is released, the LCAPs will be brought back to the Board for approval, due to the revision. The LCAP is presented to the Board prior to adopting the operational budget in order for the Board to understand the plans, goals and expected outcomes of the plan. This allows those items to be tied back to the budget when it is presented. Because organizational priorities are created that are the same across the organization, the LCAPs will generally include the same goals. Steps to reach those goals may differ depending on what is needed at the respective school. Fortune School's LCAP includes high school plans and goals as a result of the new high school that will open in Sacramento in fall, 2017; those goals do not appear in Hardy Brown College Prep's LCAP. Parent survey results are included in each LCAP and were posted on all campuses for parents/guardians to view. Staff across the organization are proud of the positive parent survey results. Middle school students were also surveyed; the results were positive from students as well. Stakeholder feedback was gathered by holding meetings with all staff members and hosting parent meetings on all campuses.

Member Gorman made a motion to approve the Local Control and Accountability Plans (LCAP) for 2017-2020 and LCAP Annual Updates for 2016-17 for Fortune School and Hardy Brown College Prep.

Member Brown Hinds seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Rick Rubino – AYE

Ollie Watson – AYE

Motion carried.

Member Rubino had to excuse himself at 6:20pm. Quorum retained.

Approve 2017-18 Operational Budgets for Fortune School of Education, including Hardy Brown College Prep and Fortune School Charters

Chief Financial Officer Bonnie Bensen presented the item. The enrollment projection for 2017-18 is 1872 students, and an Average Daily Attendance (ADA) rate of 1781 students. The unduplicated count percentage at Hardy Brown College Prep is 90%; in Sacramento it is an average across the schools of 83%. Revenues are projected to exceed expenses by \$58,839. Projected growth from 2016-17 to 2017-18 is 127 students. Local Control Funding Formulas are increasing in 2017-18 from \$9800 per student to \$10,156 per student at Hardy Brown College Prep, and from \$9300 per student to \$9700 per student in Sacramento. A 1.56% cost of living increase is expected from the State. All of the charter schools are expected to have a positive fund balance at the end of 2017-18; higher education/CMO will not due to some one-time expenses including fees associated with regional accreditation, Relay training for members of the academic team, and a website compliance audit. Fortune School of Education is in the process of updating its non-profit status with the Internal Revenue Service, which will open up additional funding opportunities. President/CEO Margaret Fortune explained that the budget is driven by the 2017-18 Organizational Priorities – goals the organization can win on during the academic year. Organizational Priorities were developed through a series of workshops with Cabinet-level staff, and were then presented in LCAP stakeholder meetings to obtain feedback.

The 2017-18 Organizational Priorities are:

- 1) Each scholar will master the Habits of Discussion to complete the shift to student-centered classrooms.

- 2) Each campus will fully implement the Fortune School culture for adults and children to a level of excellence within the first trimester of the school year.
- 3) Raise rigor of instruction to a college-ready bar by:
 - Focusing on the key levers of observation and feedback and data-driven instruction from Relay Graduate School of Education National Principals and Supervisors Academy Fellowship (NPAF) Training;
 - Departmentalizing ELA and math in grades 2 and up;
 - Piloting more rigorous curriculum that is aligned to Common Core in ELA and math;
 - Aligning Special Education IEPs to Common Core standards that reflect high expectations.
- 4) Each campus will ensure exceptional school attendance of 96% and student persistence of 85%.
- 5) Each struggling reader in grades K-3 will read at grade level by the end of second trimester. Each struggling reader in grades 4 and up will improve their reading by a minimum of 2 grade levels by the end of second trimester.
- 6) Earn regional accreditation for Fortune School of Education.

Budget proposals are created by managers to support/implement these priorities, and the next step is to identify how many of the budget proposals can be funded based on the budget that is available. In addition to rolling over annual expenses, all staff not served by the Teacher Salary Schedule will receive a 3% cost of living increase. Fortune will continue to pay medical, dental and vision care costs for eligible employees and their families in spite of a projected 9% increase in premiums. This budget includes expenses associated with the opening of Rex & Margaret Fortune Early College High School in fall, 2017. Music, art and sports will continue to be funded in 2017-18. A Special Education Department will be created in 2017-18 and staffing of certain positions will allow for the reduction of outside contractors providing services, and will reduce costs. The budget also includes program enhancements for higher education in order to remain in compliance with State requirements.

Member Brown Hinds made a motion to approve the 2017-18 Operational Budgets for Fortune School of Education, including Hardy Brown College Prep and Fortune School Charters.

Member Loehr seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Ollie Watson – AYE

Motion carried.

Extend Current Teacher Salary Schedules for 2017-18: San Bernardino and Sacramento

President/CEO Margaret Fortune presented the item. Fortune School of Education adopted a two-year salary schedule, developed in partnership with Sibson Consulting, which will expire in June, 2017. Fortune School of Education has again contracted with Sibson Consulting to develop the next iteration of the Teacher Salary Schedule, however, it will not be ready for implementation in the 2017-18 school year.

Member Watson made a motion to Extend Current Teacher Salary Schedules for 2017-18: San Bernardino and Sacramento.

Member Brown seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Ollie Watson – AYE

Motion carried.

Approve Turner Agassi Charter School Facilities Fund Lease for William Lee College Prep and Ephraim Williams College Prep

Chief Financial Officer Bonnie Bensen presented the item. The term sheet for this lease was presented to the Board at its last meeting. As promised, the actual lease is being presented to

the Board for approval. There are no changes to the lease from the term sheet presented prior.

Member Gorman made a motion to Approve Turner Agassi Charter School Facilities Fund Lease for William Lee College Prep and Ephraim Williams College Prep.

Member Brown seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Ollie Watson - AYE

Motion carried.

Approve Entering into a Lease with Light of the Valley Church, per Terms of Letter of Intent

Chief Financial Officer Bonnie Bensen presented the item. As Fortune School of Education works to select the permanent site to build Rex & Margaret Fortune Early College High School, a temporary facility has been identified which will allow the high school to open in August, 2017 as planned. Light of the Valley Church has operated a high school on the proposed site that includes six portable classrooms and an administration building. Their school will be closing in June, 2017. The Letter of Intent was provided to the Board describing the terms of the lease, as the lease is under review by legal. Fortune School of Education is seeking approval of the terms detailed in the Letter of Intent, and approval to enter into a lease with Light of the Valley Church based upon the terms in the Letter of Intent once the lease has completed legal review. Member Brown made a motion to Approve Entering into a Lease with Light of the Valley Church, per the terms of Letter of Intent

Member Watson seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Ollie Watson – AYE

Motion carried.

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

Chief Financial Officer Bonnie Bensen presented the item. As a 501(c)3 corporation, the Internal Revenue Service requires that compensation of executives be reviewed in open session by the Board and that comparable compensation information be provided to the Board. Fortune's tax attorney has advised that three steps be taken in order to remain in compliance. Step one is to review comparable compensation data. A table comparing compensation for the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer was provided to the Board. This salary level proposed in this comparison contemplates that these positions would receive the same 3% salary increase as all employees in the organization. The survey data provided compares 92 other charter schools' compensation in the western region. The third step is to approve the actual compensation for Fortune School of Education's Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer.

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

Chief Financial Officer Bonnie Bensen explained that the next step is to approve the resolutions regarding executive compensation. There is a resolution for each of the required positions; the resolutions confirm that the three-step process for each position would be followed.

Member Loehr made a motion to Approve Resolutions Regarding Executive Compensation for President/CEO, Chief Financial Officer, Chief Operating Officer.

Member Gorman seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE
Motion carried.

Ollie Watson – AYE

Approve Compensation for President/CEO, Chief Financial Officer and Chief Operating Officer

This item calls for the approval of the President/CEO, Chief Financial Officer, and Chief Operating Officer's compensation for 2017-18, as stated on the Comparable Compensation Data table provided to the Board.

Member Loehr made a motion to Approve Compensation for President/CEO, Chief Financial Officer, Chief Operating Officer.

Member Watson seconded.

Roll call vote:

Eleanor Brown – AYE

Paulette Brown Hinds – AYE

Bertha Gorman – AYE

Scott Loehr – AYE

Ollie Watson – AYE

Motion carried.

Information Item: Suicide Prevention Policy (DRAFT)

Michelle Grace, Chief Operating Officer, presented the item. Law requires that all schools/districts serving students in grades 7-12 adopt a Suicide Prevention Policy which would include details on staff development and intervention strategies that will be utilized. The policy is to be adopted by July 1, 2017, however, staff felt it was important to share a draft policy with the Board to gather feedback to ensure the policy will be comprehensive and appropriate. Staff development is a key component in recognizing the signs and understanding appropriate interventions/ways to respond and care for students in crisis. Vanessa Caigoy, Coordinator of Compliance, shared the draft policy Fortune is looking to build its policy from, obtained from the California School Board Association. Board members provided feedback on the points that should be addressed in the policy. All agree that training for staff to understand ways to be proactive, to recognize warning signs, and to fully understand interventions that are appropriate is critically important. Staff will take the Board's feedback and continue their work to develop a comprehensive and appropriate policy. Staff will report back on the status of the policy at the July meeting.

There being no additional business, the meeting was adjourned at 7:20pm.

Submitted by,



Michelle Grace
Board Secretary