

Gateway Lab School

Board Meeting - Workshop

DATE: August 12, 2017

LOCATION: 2501 Centerville Road, Wilmington DE

Workshop Minutes

CALL TO ORDER and Attendance:

0830 am

Board Members Present

Nate Schwartz, Jon Fletcher, Henry Clampitt, Pam Draper, Drew Keohane, Kenyatta Austin, Tina Horgan (arrived at 1130 am)

Board Members Absent

Alison Bredimus, Geoff Grivner

Other Attendees

Tim Griffiths, Gina Harrison, Joyce Henderson, Sherlock Hack

Governance Training and New Director Orientation

0830 – 1030 am

- Henry Clampitt led the presentation and training discussion
- Presentation slides are attached hereto
- Training was completed by Schwartz, Fletcher, Clampitt, Draper, Keohane, Austin
- Training to be completed separately for Horgan, Bredimus and Grivner

Review and Discussion of GLS Charter – Part 1 of 2

1030 – 1300 pm

- Pam Draper led the presentation and discussion of GLS history
- Nate Schwartz led the presentation and discussion of the GLS charter
- Working lunch included

BREAK

- Special Board Meeting (t1307 - t1401) – *see separate Minutes and Audio*

Review and Discussion of GLS Charter – Part 2 of 2

1400 – 1530 pm

- Nate Schwartz led the presentation and discussion of the GLS charter

ADJOURN

1530 pm

Minutes recorded by Henry Clampitt

Governance and Orientation Training


August 12, 2017

*for the
Gateway Lab School
Board of Directors*

Agenda

- Introduction
 - What is a Board's role ?
 - Delaware laws and regulations
 - Strategic Plan
 - The Policy Governance® mindset
- Board Orientation
 - Corporate Information
 - “The Charter”
 - Who's Who and Key Documents
- Board Compliance
 - Background Checks
 - Financial Training
 - Citizen Budget Oversight

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GLS Board Members'

INTRODUCTION

LAWS – STRATEGIC PLANS -- GOVERNANCE

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What Is the Board's Role?

- Fidelity to the organization's Mission
- Relationship with the School Leader
- Strategic Direction
- Financial Trustee / Fiduciary Duty
- Oversight of Programs and Compliance
- Public Stewardship and Accountability

“We don't manage the school ... we oversee it”

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Delaware Laws and Regulations

- **Delaware Statutory Code:** (<http://delcode.delaware.gov>)
 - Title 14, Chapter 4 (Enrollment Choice)
 - [Title 14, Chapter 5 \(Charter Schools\)](#)
 - Title 14, Chapter 15 (Fiscal Provisions) Citizen oversight §1508
 - Title 29, Chapter 100 (Freedom Of Information Act) “Four”
 - Delaware Laws: (<http://delcode.delaware.gov/sessionlaws/>)
 - These are acts of the General Assembly
 - Most end up enshrined in Statutory Code; some stand alone (e.g., creation of task forces)
- **Delaware Administrative Code:** (<http://regulations.delaware.gov>)
 - Title 14, Chapter 275 (Charter Schools)
 - Title 14, Chapter 734 (Board and CBOC Financial Training)
 - Title 14, Chapter 736 (Citizen Budget Oversight)
 - Delaware Register of Regulations: (http://regulations.delaware.gov/services/current_issue.shtml)
 - These are acts of the Executive branch
 - They end up enshrined in Administrative Code
 - Regulations are subject to periodic review with public comment (approx. every five years)

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GLS Strategic Plan

- Do we have one? **Yes**
- Is it posted on the website? **Yes**
- Primary Strategic Goals
 - Academic Rigor
 - Meet/exceed standards in Alternative Academic Framework of State BOE in FY2018
 - Grow Operational Capability
 - Grow revenues to attract, retain, and support students and staff in line with GLS mission

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So What Is Our Mission?

- As stated in our 2013 Charter Modification Application:
 - To provide an extraordinary educational opportunity for children who are struggling to achieve academic success in a traditional school environment, utilizing research-based intervention strategies and a highly tailored, arts-based learning environment that seeks to identify and capitalize on a student's strengths and interests.
 - To become a resource to the community as a center for the professional development and education of teachers, parents and students by providing access to the latest research-based curriculum, technology and training.

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Policy Governance®

<http://www.carvergovernance.com/>

“Accountability to Ownership”

- Define your ownership; you are accountable to all owners
- Stakeholders are not necessarily owners

“One Voice”

- Authority is held as a group.
- No individual directives.


“Act though Policy”

- Ends: Outcomes, beneficiaries and intended worth
- Limits: Boundary conditions within which Management is free to operate
- Means: Board governance – how we deal with ourselves
- Means: Board delegation – how we deal with our Executive

“Oversight”



- Monitor organizational performance against Ends and Limits policies.
- Use the principle of “any reasonable interpretation” by management
- CEO evaluation is limited to accomplishment of Ends within Limits and principle

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GLS Board Members’
ORIENTATION

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Board Orientation

Ref: Brian L. Carpenter, “Charter School Board University”
(The National Charter Schools Institute); Second edition (March 1, 2009)
ISBN-10: 0978857313 / ISBN-13: 978-0978857318

What are some basic documents and information which a charter school board should be familiar with?

1. List of Directors
2. **Incorporation & Bylaws**
3. **“The Charter”**
4. **Attorney & Auditor**
5. **Executive Contract**
6. **Directors’ Job Description**
7. School Performance Data
8. Board Minutes
9. Directors’ Liability Insurance
10. **Financial & Audit Reports**
11. **Debt & Lease Instruments**
12. **Board Policies**

Additional important topics:

- **DE Statutory Codes**
- **DE Administrative Regulations**
- **Strategic Plans**
- **Governance Practices**

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Certificate of Incorporation (“COI”)

- GLS is a Delaware membership corporation
 - Legal name is “Gateway Charter School Inc.”
 - “Gateway Lab School” is a DE-registered d/b/a name
- GLS COI was executed in 2007 (no amendments)
- In the GLS COI, “Members” are the Board
- Each DE charter school treats the concept of Members differently; there is no “right” way
 - External Members (e.g. corporations)
 - Same as the Directors (e.g., GLS COI)
 - Subset of Directors (e.g., independent Directors)
 - Stakeholder Members (e.g., enrolled families)

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GLS Bylaws

- Original Bylaws formed in 2008
- Amended & Restated in FY2014
- GLS bylaws require further amendment in FY2018 to reflect:
 - Executive Director & Delegation of Authority
 - Standing Committees
 - Potential differentiation of Members vs Board

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“The Charter”

- The overall charter with DOE is understood from **multiple documents**:
 - **The Original Charter** (FY2009, for FY2011 Startup)
 - **Charter Modification** (FY2013)
 - **Charter Renewal and Modification** (FY2014)
 - **Other Authorizer Directives and Agreements**:
 - Assurances (see Charter)
 - DOE Framework
 - Charter Contract (new requirement of DOE, upon renewal)

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Attorneys and Auditor

Legal	General Matters Saul Ewing LLP 222 Delaware Ave, #1200, Wilmington, DE 19899 Contact: Jim Taylor +1 302.421.6863 jtaylor@saull.com	Employment Matters Buchanan Ingersoll & Rooney PC 919 N Market St #1500, Wilmington, DE 19801 Contact: Geoff Grivner +1 302 552 4207 geoffrey.grivner@bipc.com
Financial	Financial Reporting to DOE Neely & Spence Financial Consulting Services LLC 1356 Woodlytown Road Magnolia, DE 19962 Contact: Dorcell Spence +1 302 270 9255 dorcells@gmail.com	Auditor Barbacane Thornton and Co LLP 200 Springer Bldg, 3411 Silverside Road Wilmington, DE 19810 Contact: Pam Baker +1 302 468 4002 pbaker@btcpa.com

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Executive Contract

- Current Executive Director contract commenced mid-FY2016
- Job responsibilities of the Executive Director:
 - As stated in the Job Description offered upon hire, as it may be amended by subsequent board resolutions
 - As stated in approved board policies
 - Should state at some level in Bylaws (e.g. delegation of authority)
- Executive Director works for the whole Board
 - NOT at the direction of individual Directors or Board Officers
 - NOT based on board discussion alone ... must be confirmed by approved board policy or board resolution

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Board Directors' Job Description

- Official responsibilities per the Bylaws
 - Board Powers: Article I
 - Officers' Roles: Article VI
- Highlights (from the Bylaws) include ...
 - Adopting the bylaws of the Corporation;
 - Determining the general policies and strategic planning of the Corporation;
 - Establishing the annual budget and approving major expenditures;
 - Approving projects and approving the overall budget of said projects;
 - Approving the administrative budget of the Corporation;
 - Approving the annual reports of the Corporation;
 - Approving the annual financial statements of the Corporation; and
 - Approving officers and filling vacancies in said offices as may occur from time to time during the year

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School Performance Data

- Reports are submitted to DOE
 - Performance Framework data
 - Charter-compliance info requests
 - *Ad hoc* info requests
- Annual Reports to DOE
 - Due each trailing October; **new format for FY2017**
- Board policies for GLS should:
 - define **student outcomes** consistent with charter requirements and strategic goals
 - define **format and frequency of routine reporting** to the board

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Board Meeting Minutes

- Minutes are recorded by Secretary, approved by Board
- DE law also requires audio recording of meetings
 - Keep recordings on website for minimum one-year
 - Exemption from audio requirement for workshops
- General style for minutes is "to be brief"
 - Decisions, reports and actions taken by resolution
 - Brief mention of meeting activities and discussion
 - Minutes are not a verbatim transcript or journal
- Archive of minutes is on GLS website
 - Goes back to FY2013 (earlier minutes need to be located)

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Directors' Insurance

- GLS Bylaws state:
 - GLS shall indemnify its board members
 - GLS may carry liability insurance
- GLS Directors should ensure the following regarding insurance:
 - Property & General Liability coverage
 - Errors and Omissions coverage
 - Policy is kept in force by renewal/replacements
 - Review the Summary of Insurance document

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Financial Reports

Financial reports which should be posted on the website include:

- Monthly income statements (cash accounting)
- Annual budget (Prelim; Planning; Final)
- Annual audit (income and balance sheet)
- The "state checkbook" link
- Finance/CBOC committee minutes

The board should request additional detail as it may deem necessary to oversee the corporation

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Financial Management and Audits

- GLS operates in these basic tiers:
 - GLS administration makes financial system entries
 - Spence & Neely prepares monthly GLS reports for the board and annual budget reports for board & DOE
 - M. Lambert CPA prepares year-end financial statements
 - Barbacane Thornton audits the financial statements
- When the audit report is complete and accepted by the board, then ...
 - Follow-up on all findings & recommendations
 - Post final audit reports on website [14 DelCode, Ch 5, Section 513(a)]
- Recommendations ...
 - Form an Audit Committee of independent Directors

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Facility Lease

- Contractual lease with St. Catherine of Siena; GLS pays:
 - Space Rent
 - Pro rata share of landlord expenses (e.g., utilities; taxes)
 - Maintenance of demised premises
- Term and Termination
 - Term runs through FY2019 (i.e., 30-Jun-2019)
 - Renewal option "at fair market value" thru FY2023
 - Renewal option requires 180-day advance notice.
- Other Topics
 - How does GLS compare with peer schools' facility expense?
 - Moving requires a charter modification

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Board Policies

- Policies should be posted on the website
 - GLS should gather all prior policy resolutions and update website as appropriate
- Some policies are required by law
 - e.g., Bullying Prevention
- All policies are subject to board approval and oversight
 - Some are originated by the *board*
 - Some are originated by the *administration*

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GLS Board Members'

COMPLIANCE MATTERS

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Background Checks

- Del Code 14, Ch. 5, Sec 511(p)(q)(r)
 - Criminal background check
 - Child Protection Registry
 - Applies to all
 - Charter school board members
 - Charter school employees and instructional contractors
 - Volunteers who will have youth contact
- Notable aspects:
 - Disqualifying crimes include convictions for controlled substances, felonies, or crimes against children as listed in Delaware Statutory Code
 - Charter-school authorizers and/or boards may impose additional "disqualifying crimes" (to date, DOE and GLS have not done this)

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Background Checks

DE Code Title 14 § 511(r)

- **Criminal Background Check**
 - Apply in-person at State Bureau of Investigation (SBI)
 - Troop 2, Rt 40, Bear (by appointment only)
 - **1-800-464-4357** or **302-739-2528**
 - Cost must be paid by applicant, not by the school
- **Child Protection Registry**
 - Submit **DSCYF form** to GLS (R London)
- SBI and DSCYF will report results to GLS
- GLS must report results to the authorizer (DOE)

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Required Training

- **Financial (DE Code Title 14 Chapter 18)**
 - DOE training is offered periodically
 - DOE issues participants a certificate of completion
 - DOE does not allow GLS to fulfill this requirement with our own expert-led or self-taught sessions
 - Training is the same session and content for charter board members and CBOC members
- **Governance (DE Code Title 14 Section 512)**
 - The school shall ensure effectiveness, including governance training
 - New board members, and all members every 3 years

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Citizen Budget Oversight Committee ("CBOC")

- **Required by Law – Articulated by regulations**
 - Law: DE Code Title 14 § 1508 Citizen oversight
 - Regulation: DE Admin Title 14 Chapter 736
- **Membership**
 - Specific membership composition
 - Member selection committee
- GLS operates a single committee which is jointly a CBOC and a board Finance Committee
 - Consider separation of these committees

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Citizen Budget Oversight Committee ("CBOC")

- **CBOC Membership Composition**
 - At least five (5) members
 - Membership representation from:
 - Educators and parents of students in the school
 - DE Department of Education
 - Where possible, the CBOC shall have
 - at least two members with formal educational or vocational backgrounds amenable to oversight of school district financial statements.

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Reflections on GLS Board Members' Orientation Session

DISCUSSION

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*for the
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