

BOARD OF DIRECTORS MEETING MINUTES

November 16, 2017

Call to Order / Roll Call

President/CEO Margaret Fortune called the meeting to order at 5:33 pm. Board Secretary Michelle Grace called the roll:

Eleanor Brown – present

Paulette Brown Hinds – absent

Bertha Gorman – present

Scott Loehr – present

Ollie Watson – absent

Quorum reached.

Adoption of Revised Agenda

President/CEO Margaret Fortune presented the item. The agenda was revised to add the Approve Resolution: Declaration of Substitute Teacher Shortage and to change the Audit Report from an action item to an information item.

Member Loehr made a motion to adopt the revised agenda.

Member Gorman seconded.

Roll call vote:

Brown: AYE

Gorman: AYE

Loehr: AYE

Motion carried.

Public Comment

None heard.

Approve Minutes from October 19, 2017 Meeting

Member Brown made a motion to approve the October 19, 2017 meeting minutes.

Member Gorman seconded.

Roll call vote:

Brown: AYE

Gorman: AYE

Loehr: AYE

Motion carried.

Approve Resolution: Declaration of Substitute Teacher Shortage

President/CEO Margaret Fortune presented the item. President/CEO Margaret Fortune presented the item. Fortune School of Education has made an extensive effort to attract more credentialed substitutes, due to the shortage California is experiencing. Efforts included hosting two job fairs, raising the daily and long term sub rates to be the highest in Sacramento County, an employee referral incentive program, and marketing on local television and radio stations. There remains a qualified substitute teacher shortage and the passage of this resolution would allow Fortune School of Education to apply for a Variable Term Waiver Request from the California Commission on Teacher Credentialing for Faith Allison, Kindergarten Teacher – Alan Rowe College Prep. The Variable Term Waiver Request allows individuals who have bachelors or masters degrees who have not yet passed the California Basic Educational Skills Test (CBEST). The term of the waiver is one year.

Member Gorman made a motion to approve the Resolution to Declare a Substitute Shortage.
Member Brown seconded.

Roll call vote:

Brown: AYE

Gorman: AYE

Loehr: AYE

Motion carried.

Approve Suicide Prevention Policy

Matt Taylor, Director of Data & Analytics presented the item. This policy is required by State Law. A draft of this policy was presented to the Board in June and the Board provided feedback on the draft. Since June staff has researched best practices and attended conferences related to the development of the policy. The policy presented follows the California School Board Association's template closely. The content is more general in nature to allow staff to implement the policy based on curriculum and practices that are most appropriate for the organization.

Member Loehr made a motion to approve the Suicide Prevention Policy.

Member Gorman seconded.

Roll call vote:

Brown: AYE

Gorman: AYE

Loehr: AYE

Motion carried.

Approve State Indicators School Dashboards

Matt Taylor, Director of Data & Analytics presented the item. The State of California has a new accountability tool that all schools are expected complete. The information contained in the dashboard is self-reported. Fortune's Data & Analytics team reviewed the template, compiled the data, and completed the dashboards (one for Hardy Brown College Prep and one for Fortune School) for the Board's review. Areas measured are Priority 1: Appropriately Assigned Teachers, Access to Curriculum-Aligned Instructional Materials, Safe, Clean and Functional School Facilities; Priority 2: Implementation of State Academic Standards; Priority 3: Parent Engagement; and Priority 6: School Climate. Once the Board has approved the dashboards, they will be uploaded to the state's website as required.

Member Gorman made a motion to approve the State Indicators School Dashboard.

Member Loehr seconded.

Roll call vote:

Brown: AYE

Gorman: AYE

Loehr: AYE

Motion carried.

Presentation of 2016-17 Audit Report

Bonnie Bensen, Chief Financial Officer, introduced Arthur Ngo, Senior Manager from Crowe Horwath who presented the 2016-17 Audit Report. During May the auditors document and test internal controls, look at compliance, and develop the tests they will use for the fall visit. They return in the fall after the books are closed to look at the numbers. The Audit Report contains Fortune School of Education's financial statements. Fortune School of Education is unique in that it is a not-for-profit organization that also operates charter schools that are governmental entities. The audit was conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. No

adjustments were made to the financial statements. As part of the financial audit, tests of compliance with state laws and regulations were performed. In addition to the Audit Report, a separate letter to the Board was presented which documents required communications regarding the auditor's responsibilities, the planned scope of the audit and the nature of interactions with staff. Fortune School had a clean audit with no audit findings.

Approve 2017-18 First Interim Budget for Fortune School of Education, Hardy Brown College Prep, Fortune School, William Lee College Prep, Alan Rowe College Prep, Ephraim Williams College Prep, Hazel Mahone College Prep, Rex & Margaret Fortune Early College High School

Bonnie Bensen, Chief Financial Officer, presented the item. This is the first revision of the budget that was adopted by the Board in June, 2017 for the 2017-18 academic year. Multi-year projections for the charter schools were provided to the Board, along with a budget summary for the organization. All of the units on the spread sheet are making a positive contribution to the fund balance with the exception of Rex & Margaret Fortune Early College High School. Revenues exceed expenses. The first interim budget is based on fall census enrollment. Revenues are expected to exceed expenses in each year of the multi-year projections as well. The deficit reflected at Fortune High School will be nearly eliminated with the grant that was received from Charter School Growth Fund. Changes since the budget was adopted in June include revising the enrollment and ADA projections to actuals; each position that is allocated in the budget is reviewed to ensure that all positions currently active in the organization are reflected in the budget, and that the salary is accurate for each position. Because enrollment is lower than projected, additional budget initiatives were not considered for first interim other than lesson planning and professional development hours for Yoga instructors across the organization. Also added to the first interim budget is a portion of a Federal Expansion Grant which was awarded to Fortune School of Education and reported to the Board at the last meeting. Items which will not move ahead in 2017-18 were removed from the budget. Member Loehr made a motion to approve the 2017-18 First Interim Budget for Fortune School of Education, Hardy Brown College Prep, Fortune School, William Lee College Prep, Alan Rowe College Prep, Ephraim Williams College Prep, Hazel Mahone College Prep, Rex & Margaret Fortune Early College High School
Member Brown seconded.

Roll call vote:

Brown: AYE

Gorman: AYE

Loehr: AYE

Motion carried.

Curriculum and Instruction Update

Wes Pepper, Director of Curriculum & Instruction presented an update on Arc 2 Professional Development: Rigorous Instruction. Arc 2 is directly connected to Organizational Priority 3: Raise Rigor of Instruction to a College-Ready Bar. Each Wednesday all schools in the Fortune network dismiss students at 2:00 pm in order for staff to participate in professional development. During professional development, teachers are focused on diving deep into Math and English Language Arts curriculum. In Arc 2, teacher actions are the focus. Teacher actions are "give concise directions", "be seen looking", "whole class reset", and "aggressive monitoring". Principal training has been an additional focus for 2017-18. During weekly Principal Meetings and individual meetings, Principals "practice" the action steps that teachers are expected to be utilizing in their classrooms. This weekly practice enables Principals to

effectively coach their respective teachers in the model. At the next meeting, Crescendo will be presented to the Board as the Arc 3 focus. Director of Data & Analytics, Matt Taylor, presented the Board with an early look at student data, as measured by NWEA. Spring data is collected near the end of the prior school year, and is compared to the data collected the next fall. Based on this data collection, students have made significant gains during the first trimester of the 2017-18 academic year. Fortune High School's first class of freshmen have made significant gains over their respective 8th grade results. Trimester 2 data will be presented to the Board at the April Board Meeting.

President/CEO's Report

President/CEO Margaret Fortune reported that on November 6, 2017, the Fortune School Board of Directors met and voted unanimously to dissolve the Fortune School Board of Directors, if the Sacramento County Board of Education approved the revision of the Fortune School of Education bylaws removing the sole statutory member from the governance structure. On November 14, 2017, the Sacramento County Board of Education heard the Fortune School annual report and considered an action item to revise the Fortune School of Education bylaws. The Sacramento County Board of Education voted unanimously to approve the new bylaws, therefore, the new governance structure has taken effect. On November 15, 2017, the Charter School Growth Fund awarded a \$225,000 grant to support the start-up of Fortune High School. The notice of award happened after first interim budget was published so it is not reflected in tonight's budget document. It will be reflected in the second interim budget.

Next Meeting: February 22, 2018 at 5:00 pm

LOCATION: Ephraim Williams College Prep – 4545 9th Avenue, Sacramento, CA 95820

There being no additional business, the meeting was adjourned at 7:12 pm

Submitted by,

A handwritten signature in black ink that reads "Michelle Grace". The signature is written in a cursive, flowing style.

Michelle Grace
Board Secretary