

BOARD OF DIRECTORS MEETING MINUTES

June 14, 2018

Call to Order / Roll Call

President/CEO Margaret Fortune called the meeting to order at 1:04 pm. Board Secretary

Michelle Grace called the roll:

Eleanor Brown: PRESENT

Paulette Brown Hinds: PRESENT

Bertha Gorman: ABSENT

Scott Loehr: PRESENT

Ollie Watson: PRESENT

Quorum reached.

Announcement of Items to be Discussed in Closed Session

Chief Operating Officer Michelle Grace explained the Closed Session process and announced the items to be discussed in Closed Session:

Confidential Student Discipline Matter – Case No.: 2018002

Confidential Student Discipline Matter – Case No.: 2018003

Meeting was adjourned to Closed Session at 1:09 pm

Open Session – Call to Order

President/CEO Margaret Fortune called Open Session to order at 2:26pm.

Public Report: Announcement of Action Taken in Closed Session

Board Member Scott Loehr reported on the action taken in Closed Session. Case No. 2018002: The Board of Directors approved the Administrative Panel's recommendation, with modifications. The vote was unanimous. Case No. 2018003: The Board of Directors approved the Administrative Panel's recommendation with a unanimous vote.

Flag Salute

President/CEO Margaret Fortune led the flag salute.

Adoption of Agenda

President/CEO Margaret Fortune made a request to pull the 2018-19 Board Meeting Dates item from the Consent Agenda so that it could be heard as a stand-alone item.

Member Brown made the request to pull the Board Meeting schedule from the Consent Agenda to be discussed as a stand-alone item, and to approve the meeting agenda with that modification.

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Public Comment

None heard.

Consent Agenda

Member Loehr made a motion to approve the amended Consent Agenda items:

- Approve Minutes from April 26, 2018 Board Meeting
- Approve Resolution 2018-6-14-1: Special Education Reallocation of Funds
- Approve Resolution 2018-6-14-2: Education Protection Act Account Expenditures
- Ratify Form 990 for 2016-17
- Approve Academic Calendar for 2018-19

Member Brown seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Board Meeting Dates for 2018-19

President/CEO Margaret Fortune presented the item. The 2018-19 Meeting Schedule is different than in prior years, as it adds an additional meeting in San Bernardino. A request was made during Hardy Brown College Prep's charter renewal that the Fortune School of Education Board of Directors hold more than one meeting per year in San Bernardino. Because there are a greater number of schools in Sacramento County, there are more meetings scheduled to be held in Sacramento. In addition, Sacramento meetings will not rotate between sites; all Sacramento meetings will be held at Fortune School.

Member Watson made a motion to approve the 2018-19 Board Meeting Schedule

Member Brown seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Single Plan for Student Achievement (SPSA) for 2018-19 for Hardy Brown College Prep

Matt Taylor, Director of Data & Analytics, presented the item. Hardy Brown College Prep has its own CDS code, therefore it is required that a Single Plan for Student Achievement be created specifically for HBCP even though the budget that is reflected in the document is an organization-wide budget that covers Hardy Brown College Prep and Fortune School. The SPSA addresses how Title I funds will be spent in the upcoming school year. Goals identified for 2018-19 are continuing the Arts program (visual art, music), parent education, and improving student achievement through data-driven instruction.

Member Loehr made a motion to approve the Single Plan for Student Achievement for 2018-19 for Hardy Brown College Prep.

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Single Plan for Student Achievement (SPSA) for 2018-19 for Fortune School

Matt Taylor, Director of Data & Analytics, presented the item. All of the schools in Sacramento County share one CDS code as Fortune School, therefore it is required that a Single Plan for Student Achievement be created for Fortune School even though the budget that is reflected in the document is an organization-wide budget that covers Fortune School and Hardy Brown

College Prep. The SPSA addresses how Title I funds will be spent in the upcoming school year. Goals identified for 2018-19 are continuing the Arts program (music), parent education, and improving student achievement through data-driven instruction.

Member Brown made a motion to approve the Single Plan for Student Achievement for 2018-19 for Fortune School.

Member Watson seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Local Control and Accountability Plan (LCAP) for 2018-2020 and LCAP Annual Update for 2017-18 for Hardy Brown College Prep

Matt Taylor, Director of Data & Analytics, presented the item. The LCAP template was adopted by the State of California in 2016. It is used statewide. Beginning in 2017-18, the LCAP became a three-year static plan. The document approved by the Board in 2017-18 was year one of the three-year plan. The LCAP being heard at today's meeting is the year two update. A few changes have been made to the template including: moving the annual update to the front of the document; including an addendum in order for the State to be compliant with Federal Every Student Succeeds Act (ESSA) requirements; the elimination of the checked boxes and other graphic data because graphic references were found not to be ADA compliant. Individuals who are sight impaired and who rely on a screen reader to be able to receive online content were unable to receive all of the information presented in the old template, as the screen reader could not decipher the graphics within the LCAP. Highlights from the LCAP: 100% of students had standards-aligned instruction with standards-aligned curriculum; Average Daily Attendance (ADA) was 94.8% which is growth of .4; parent engagement opportunities increased with two Parent Academies at each site, a Parent Convention where all sites converged on one location; a Women's Wellness Tour featuring yoga and nutrition information; all facilities across the organization earned a good rating on the Facilities Inspection Tool (FIT). Goals have not changed since 2017-18.

Member Brown Hinds made a motion to approve the Local Control and Accountability Plan (LCAP) for 2018-2020 and LCAP Annual Update for 2017-18 for Hardy Brown College Prep

Member Loehr seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Local Control and Accountability Plan (LCAP) for 2018-2020 and LCAP Annual Update for 2017-18 for Fortune School

Matt Taylor, Director of Data & Analytics, presented the item. The Fortune School LCAP mirrors the Hardy Brown College Prep LCAP. The goals between Hardy Brown College Prep and Fortune School are the same. The difference in the two LCAPs is the budget.

Member Watson made a motion to approve the Local Control and Accountability Plan (LCAP) for 2018-2020 and LCAP Annual Update for 2017-18 for Fortune School.

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Local Control and Accountability Plan (LCAP) Federal Addendum: Every Student Succeeds Act (ESSA) for Hardy Brown College Prep

Matt Taylor, Director of Data & Analytics, presented the item. This addendum requires the identification of the strategies that were used in expending all funds (Title I, Title II, state funds). This addendum covers Hardy Brown College Prep. Member Loehr made a motion to approve the Local Control and Accountability Plan (LCAP) Federal Addendum: Every Student Succeeds Act (ESSA) for Hardy Brown College Prep

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Local Control and Accountability Plan (LCAP) Federal Addendum: Every Student Succeeds Act (ESSA) for Fortune School

Matt Taylor, Director of Data & Analytics, presented the item. This addendum requires the identification of the strategies that were used in expending all funds (Title I, Title II, state funds). This addendum covers the six Sacramento schools under the Fortune School CDS code. Member Watson made a motion to approve the Local Control and Accountability Plan (LCAP) Federal Addendum: Every Student Succeeds Act (ESSA) for Fortune School.

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve New Teacher Salary Schedules for 2018-2019 for San Bernardino and Sacramento

Bonnie Bensen, Chief Financial Officer, presented the item. The strategy around the new salary schedules was to be an employer who pays teachers higher than surrounding districts. Extensive staff time was spent reviewing comparable data from surrounding districts and establishing a formula to ensure that Fortune School of Education would be in a position to retain talent and attract talent. In Sacramento, the goal was that teachers will make 3-5% more than their peers in surrounding districts; in San Bernardino, the goal was for teachers to make 5% more than their peers in San Bernardino City USD. In addition to new salary schedules, Fortune School of Education will begin paying for the cost of Induction for all teachers who are currently on a preliminary credential. Fortune School of Education will continue to pay for medical, dental and vision benefits for all eligible employees plus their dependents at no cost to the employee. Finally, Fortune will continue the practice of matching up to 4% of the annual contributions that eligible employees make toward their 403b Retirement Plan.

Member Brown made a motion to approve the new Teacher Salary Schedules for 2018-2019 for San Bernardino and Sacramento

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Resolution 2018-6-14-3 for Umpqua Bank for Hazel Mahone College Prep Tenant Improvements – Phase II

Bonnie Bensen, Chief Financial Officer, presented the item. The lease at Hazel Mahone allowed for the gradual take over of the space as enrollment increased. Phase I renovations were completed prior to the opening of the school. Phase II tenant improvements are underway. The landlord is providing a tenant improvement allowance which will cover approximately half of the cost; Fortune School of Education will approach Umpqua Bank for a term loan of up to \$750,000 which represents Fortune’s match, to allow Phase II to be completed. At full enrollment, Hazel Mahone College Prep will be a K-8 campus.

Member Watson made a motion to approve Resolution 2018-6-14-3 for Umpqua Bank for Hazel Mahone College Prep Tenant Improvements – Phase II

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

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. Three steps must 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 the Chief Executive Officer and Chief Financial Officer positions would receive the same 3% salary increase as all employees in the organization. The salary level proposed for the Chief Operating Officer would bring that salary up to a commensurate level, and acknowledge the additional role of Interim Director of Human Resources assigned to that position. The survey data provided compares 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

Bonnie Bensen, Chief Financial Officer, presented the item. Step two in the executive compensation process 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 has been followed.

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

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

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

Bonnie Bensen, Chief Financial Officer, presented the item. This item calls for the approval of the President/CEO, Chief Financial Officer, and Chief Operating Officer's compensation for 2018-19, as stated on the Comparable Compensation Data table provided to the Board.

Member Loehr made a motion to approve the compensation for President/CEO, Chief Financial Officer, Chief Operating Officer.

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve 2018-19 Operational Budgets for Fortune School of Education, including Hardy Brown College Prep and Fortune School Charters

Bonnie Bensen, Chief Financial Officer, presented the item. In this budget, Ephraim Williams College Prep Middle School and William Lee College Prep have been separated into their own line items. Key levers of the budget: projected enrollment, average daily attendance, unduplicated counts and percentages. Funds are tracked in three categories: Hardy Brown College Prep, Fortune School (which encompasses the six Sacramento schools), and Fortune School of Education which includes higher education and the charter management organization. It is projected that revenues will exceed expenses in 2018-19 by \$198,000, meaning a positive fund balance is projected. The 5% reserve requirements have been met and exceeded. The Local Control Funding Formula (LCFF) per student at Hardy Brown College Prep is higher than the LCFF per student in Sacramento because Hardy Brown College Prep has a higher percentage of students who fall into the unduplicated count. Multi-year projections for 2019-20 and 2020-21 were also presented. Multi-year projections help to demonstrate whether the program that is operating today can also be operated in future years. Growth projections from 2017-18 to 2018-19 were also presented. An increase of 100 students system-wide is projected; enrollment is measured based on Fall Census data. One time expenditures included in this budget include a human resources consultant, WASC accreditation consultant for higher education as well as accreditation fees; website compliance audit. Organizational priorities from 2017-18 will be rolled forward to 2018-19 to allow staff an additional year to win on them.

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.

The budget includes the new salary schedules for teachers and a 3% increase across the board for all employees who are not on the teacher salary schedule. Fortune will continue to pay for medical, dental and vision for eligible employees and their dependents with no cost to the employee. As an organization, it is estimated that health care costs will increase by 11% in Northern California and 14% in Southern California; those expected increases are reflected in the budget. Curriculum training for grades 2-8 math and 5-8 literature will continue in 2018-19 as well as principals' training through Relay Graduate School of Education. Master Teachers will also be included in the summer Relay training. Athletics will be expanded to include men's and women's soccer and coed track at Fortune High School. This budget also includes an investment in college readiness with the expansion of the AVID Program to all middle schools across the organization, as well as facilities investments including new flooring and paint in some of the classrooms and restrooms at Fortune School; new flooring in the MP Room at Ephraim Williams College Prep Middle School; interior and exterior painting at William Lee College Prep; parking light lighting work at Fortune School and William Lee College Prep; landscaping work at Fortune School and William Lee College Prep; surveillance camera systems at William Lee College Prep, Alan Rowe College Prep, and Ephraim Williams College Prep Middle School; access control systems will be installed at Alan Rowe College Prep, Fortune School, William Lee College Prep and Ephraim Williams College Prep Middle School; the outdoor eating area at William Lee College Prep will be completed, and storage sheds will be installed at William Lee College Prep and Ephraim Williams College Prep Middle School.

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

Member Brown seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Approve Fortune School Technology Acceptable Use Policy

Matt Taylor, Director of Data & Analytics, presented the item. The policy covers acceptable use for both students and staff. The policy includes guidelines for technology use, internet and network safety, password privacy, allowable content, and social media. All students and staff will be expected to read and sign the policy to ensure they are aware of expectations.

Member Loehr made a motion to approve the Fortune School Technology Acceptable Use Policy.

Member Brown Hinds seconded.

Roll call vote:

Brown: AYE

Brown Hinds: AYE

Loehr: AYE

Watson: AYE

Motion carried.

Higher Education Update

Dr. Kristy Pruitt, Director of Teacher Education, provided the Board with an update on higher education. Program accreditation is under way with the Commission on Teacher Credentialing. Program standards are currently under review with the Board of Institutional Reviewers. Summer 2018 Pre-Service has been underway for two weeks with cohorts in both Sacramento and Concord. Cohort 5 of the Administrative Services Credential Program completed their year-long program with the presentation of their Educational Leadership Projects, which were aligned with Fortune School of Education's Organizational Priorities.

Curriculum & Instruction Update

Matt Taylor, Director of Data & Analytics, presented an update on Fortune's 2017-18 Smarter Balanced Assessment Consortium (SBAC) results. Because state data is not yet available, it is projected that Fortune will grow 4% in English Language Arts, and 10% in mathematics. The double-digit growth projection in mathematics comes during the first year of a new curriculum implementation. There were SBAC celebration parties in Sacramento and San Bernardino on June 13 where staff enjoyed lunch, music and recognition for a job well done. Although the growth projections continue to move us forward in closing the achievement gap, there is still work to be done. Individual school site and grade level information was shared with the Board.

President/CEO's Report

President/CEO Margaret Fortune shared a highlight from the advocacy work that has been done to benefit California students. AB2635, sponsored by Assemblymember Shirley Weber, is based on Dr. Fortune's ideas around adding African American students to the Local Control Funding Formula. The California Legislature approved the state budget, which included \$300 million for what is called a "Low Performing Student Block Grant", to fund schools that serve students who are in level 1 or level 2 in English Language Arts or mathematics on the SBAC. Those schools will receive an additional \$2,000 per student – there are 146,000 students who will benefit from this additional funding across California; 12,000 of these students are African American. Schools will be required to write a plan that will be included in their LCAP explaining how these funds will be used to benefit the students who they are earmarked for.

There being no additional business, the meeting was adjourned at 4:24pm.

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