

BOARD OF DIRECTORS MEETING MINUTES November 17, 2016

Call to Order / Roll Call

President/CEO Margaret Fortune called the meeting to order at 5:09 pm. 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 items to be discussed in Closed Session: Confidential Student Discipline Matter – Case #2016005.

Public Comment on Item to be Discussed in Closed Session

None heard.

The Board adjourned to Closed Session at 5:10 pm.

Mrs. Gorman arrived at 5:30 pm.

Open Session Call to Order at 5:37 pm

Announcement of Action Taken in Closed Session

The Board reviewed Case #2016005 in Closed Session.

Member Rubino made a motion to uphold the Administrative Panel's recommendation.

Member Watson seconded.

Roll call vote:

Brown Hinds: AYE

Gorman: ABSTAIN

Loehr: AYE

Rubino: AYE

Watson: AYE

Motion carried.

Mr. King, Fortune School Music Department Chair, led the Flag Salute

Adoption of Agenda

Michelle Grace, Chief Operating Officer, asked that the agenda be amended to change the First Interim Budget date range from 2016-15 to 2016-17.

Member Loehr made a motion to adopt the agenda as amended.

Member Gorman seconded.

Roll call vote:

Brown Hinds: AYE

Gorman: AYE

Loehr: AYE

Rubino: AYE

Watson: AYE

Motion carried.

Public Comment

None heard.

Approve August 25, 2016 Meeting Minutes

Member Rubino made a motion to approve the August 25, 2016 Meeting Minutes.

Member Brown Hinds seconded.

Roll call vote:

Brown Hinds: AYE

Gorman: AYE

Loehr: AYE

Rubino: AYE

Watson: AYE

Motion carried.

Approve 2015-16 Audit Report

Bonnie Bensen, Chief Financial Officer, introduced Arthur Ngo from Crowe Horwath, who was the manager on Fortune School of Education's annual audit. Members received the required communications letter and the audit report for review. Required communications letter is required by auditing standards. The letter is addressed to the Board of Directors as it is the auditor's responsibility to report out to the Board of Directors. Mr. Ngo summarized the key points of the letter for the Board. The letter addressed to the Board is the standard communication that accompanies all audit reports. The letter describes the manner in which the audit is performed, describes any new accounting policies or procedures, as well as accounting policies and estimates. LCFF, fixed assets and accounting procedures are some of the areas that are reviewed. The audit did not reveal any audit adjustments, which speaks to the reliability of the financial information provided to the board throughout the year. Following the discussion of the letter, the Financial Statements were reviewed. According to the Audit Report, the financial statements have no material misstatements, meaning Fortune School of Education received a "clean audit". Schedules that included average daily attendance, instructional time, and expenditures of federal revenue were highlighted. The Audit Report further indicates that Fortune School of Education has complied with all state laws and regulations that are applicable.

Member Gorman made a motion to approve the 2015-16 Audit Report.

Member Watson seconded.

Roll call vote:

Brown Hinds: AYE

Gorman: AYE

Loehr: AYE

Rubino: AYE

Watson: AYE

Motion carried.

Annual Meeting with the 403b Plan Investment Fiduciary and Plan Trustees

Bonnie Bensen, Chief Financial Officer, introduced Nick Weber from Rios and Associates, investment advisors for Fortune School of Education's 403b Plan to present the information item. Participation rates, demographic data, and how Fortune ranks among its peers were highlighted. Fortune has 76% of its employees participating in the plan. Fortune sends quarterly emails to attempt to enroll new participants; possibly offering webinars or brochures will spark an interest in more participation. The deferral rate is at 3.4%; the goal would be to see participating employees defer a larger percentage to their investment plan. Mr. Weber highlighted funds that should be swapped out in order to maximize the return on investments, as well as recommended replacement funds to ensure a broad diversification of investments. The Board of Directors authorized Corporate Officers Margaret Fortune, Bonnie Bensen and Michelle Grace to work with Mr. Weber to select replacement funds as appropriate.

Mrs. Watson left the meeting at 6:20 pm. Quorum was retained.

Approve Single Plan for Student Achievement (SPSA) for Hardy Brown College Prep and Fortune School

Matt Taylor, Director of Data and Analytics presented the item. The presentation began with Fortune School’s SPSA, which includes all five schools in Sacramento County because all operate under one CDS code with the State. The SPSA was written and approved by each of the respective School Site Councils. All School Site Councils will meet again in December, 2016 to review progress around the goals listed, as well as strategies implemented. The major themes in the SPSAs are the Music and Art Programs, which is where the largest amount of Title I finding is being spent; parent education (Parent Academies, Parent Convention) is also a major theme being funded by Title I; and parts of the Response to Intervention (RTI) Program are also being funded through Title I. Thaxton King, Music Department Chair, shared the music program curriculum and concepts and how those are applied at each grade level, as well as highlights from the professional development that music teachers have undergone with Dr. Merryl Goldberg from CSU San Marcos. The significance of the SPSA is that is a culmination of work pulled together by the respective School Site Councils. The parents and Site Councils have met, talked through each of Fortune’s Organizational Priorities, the financial implications of each of those priorities, and then voted to indicate support of the plan and its priorities. Parent input in the process is key to finalizing the operating budget. Member Loehr made a motion to approve the Single Plan for Student Achievement for Hardy Brown College Prep and Fortune School.

Member Brown Hinds seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE

Motion carried.

Ratify Age Verification Policy for K-12 Enrollment

President/CEO Margaret Fortune presented the item. Based on a legal review of our application packet and enrollment criteria for K-12 schools, it was advised by Fortune’s legal counsel to expand the “proof of age” documentation that can be accepted to allow for multiple methods of age verification.

Member Gorman made a motion to ratify the Age Verification Policy for K-12 Enrollment.

Member Rubino seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE

Motion carried.

Approve 2016-17 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

Chief Financial Officer Bonnie Bensen presented the item. Board Members received both detailed budgets and a summary page in their board packets. When the budget was initially adopted, the anticipated enrollment for the charter schools was 1,874 students. Projected new enrollment goals were hit, however, due to student attrition current ADA is 1,692. Student enrollment has increased over the prior year, however, not to the anticipated goal. As a result, individual budget meetings were held with each school leader to discuss ways to cut costs and to retain students in light of the new enrollment figures. With those changes, the budget was revised and revenue is projected to exceed expenses by \$22,000.

Member Loehr made a motion to approve the 2016-17 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

Member Brown Hinds seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE

Motion carried.

Sacramento County Board of Education Annual Charter Oversight Report

Matt Taylor, Director of Data & Analytics and Wes Pepper, Director of Curriculum and Instruction presented the item. On November 15, 2016, Fortune School of Education presented this annual report to the Sacramento County Office of Education. This report highlights academic performance and student performance statistics. The Data & Analytics Department approached this report from the perspective of the “Fortune Effect” – what does it look like to be a student that stays with the model? Data from current fourth graders who have been students at Fortune School since Kindergarten was compared to students who were new to the school in second grade and are now fourth graders. The data shows that scholars who have been with Fortune School since Kindergarten are out-performing not only their peers but students in surrounding school districts. The data shows that students who join Fortune in Kindergarten and remain in the model perform extremely well. Student persistence is a theme at Fortune’s Parent Academy in an effort to share with parents the importance of students staying in one school. Mr. Pepper explained that Fortune is concerned that the curriculum and assessments being used are not at the rigor of SBAC required for mastery of state standards. Fortune is investigating alternative ways of assessing and designing curriculum. Fortune has learned from others, including Charter Network Accelerator that one strategy is to centrally design lesson plans and assessments. Fortune is implementing that strategy.

There being no additional business, the meeting was adjourned at 7:31 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