



MINUTES

Board of Trustees Retreat
Monday, October 17, 2016

ROLL CALL

Board of Trustees Present:

William Healey
Sandi Jackson
Carolyn McInerney
Gerardo Mouet
Susan Samueli
Chris Scheithauer
Deborah Vandell
Nicole Washington

Committee Members Present:

Jeffrey Bloom (Finance)
Liz Dorn-Parker (Governance)

Academy/Orangewood Staff Present:

John Luker
Amy Flaxman
Carlos Leija
Anthony Saba
Chris Simonsen

Facilitator

Maggie Steakley

INTRODUCTION

Sandi Jackson took attendance and introduced the Retreat facilitator, Maggie Steakley.

Maggie thanked the attendees for their participation in the pre-retreat survey and reviewed the survey results.

Maggie reviewed the agenda and informed Board and Committee members that the primary objective of the retreat is to develop an initial draft of Samueli Academy decision making criteria and engage in a Board self-assessment process. Additionally, participants will learn more about Samueli Academy's accomplishments and results, the Academy Scorecard, the Brown Act and discuss strategic focus areas to develop guidance on specific next steps.

SAMUELI ACADEMY RESULTS 2015-16

Anthony Saba presented the Samueli Academy academic goals for the 2015-16 school year and stated that all the goals were achieved.

Anthony referred to the Smarter Balance Assessment Consortium (SBAC) test results in the meeting material and stated that the test results are also reflected on the draft 2016-17 internal Scorecard. Anthony stated that the SBAC is only taken by 11th grade high school students and Samueli Academy students did very well in comparison to the State of California and Orange County.

Anthony referred to the 2016 internship highlights in the meeting material and stated that Samueli Academy current seniors completed a 45 hour internship over the summer of 2016.

Anthony presented the Samueli Academy academic goals for the 2016-17 school year and stated that he is very confident the goals can all be achieved. Anthony called attention to the graduation rate of 90% and stated the first graduating class of Samueli Academy is the biggest goal to date.

SMAUELI ACADEMY SCORECARD & UCI SURVEY RESULTS

Deborah Vandell presented the Samueli Academy Scorecard. Deborah stated that this is the first year the Samueli Academy has had three years of data and that the comparisons have been included on the 2015-16 Scorecard. Deborah reviewed the Scorecard and opened the floor for discussion and suggestions on next steps of the Scorecard. Participants suggested adding the national comparison to the Scorecard where possible and to remove 'nearly met' from the SBAC test results. The following next steps for the scorecard were identified:

- Make a decision on whether the scorecard is an internal or external tool (or both);
- Develop a statement describing the purpose and use of the scorecard for each relevant audience (Board, school leadership, etc.);
- After completing the above steps, create a long term plan for the scorecard that addresses longitudinal comparisons and develops plans for sharing the scorecard.

William Healey provided a report on the financial components of the Scorecard and stated the following three financial indicators were identified to measure Samueli Academy financial stability: net income, fundraising and assets and liabilities.

PROGRESS ON STRATIGIC INICIATIVES FROM 2015 RETREAT

FINANCE COMMITTEE:

William Healey provided a report on the strategic initiatives assigned to the Finance Committee as a result of the 2015 Board Retreat. William stated that the Committee reviewed Samueli Academy staffing, which includes hiring, retention, turnover and compensation. William stated that the retention of staff weighs heavily on culture, opportunity and success.

William stated the Finance Committee reviewed the financial stability of Samueli Academy, which included discussion on growth vs. quality and faculty needs. As a result there was a consensus to limit growth and not increase class sizes.

ACADEMIC COMMITTEE:

Nicole Washington called attention to the teacher retention and compensation piece of the Academic Committees initiative. Nicole stated a survey was conducted with Samueli Academy teachers, which was very helpful. Nicole added that teacher retention has not been an issue thus far and that in the four years of operation, only two teachers have been lost due resignation and having to be let go. Additionally, a compensation comparison chart was drafted by the Academic Committee and the consensus was to be in mid-range with surrounding competitive schools, which experienced quite a large compensation increase in the 2015-16 school year.

Nicole stated that William Healey covered the sustainability, however, an optimal school size and budget analysis has been provided in the meeting material for reference.

Nicole stated that the Academic Committee reviewed the potential impact of an independent study program and felt there would be minimal impact to academics, due to the independent study program operating outside of regular school hours.

The Academic Committee reviewed the initiative of reaching students earlier in their academic trajectory and decided not to pursue the initiative until after the first graduating class of 2017.

GOVERNANCE COMMITTEE:

Chris Scheithauer stated that the main tasks of the Governance Committee has been leadership and succession planning. Chris explained that as the school progresses from a startup, both Board and Committee members will need to be replaced and Committees need to be grown. The Governance Committee addressed those areas and will continue to refine a Board and Committee skills matrix, which identifies what skills members have and where expertise is lacking to direct our recruiting.

Chris informed participants that the Committee drafted a Head of School Succession plan and refined the procedure for nominating new Board members, which was exercised when Carolyn McInerney came onto the Board. Additionally, the Governance Committee revised the necessary Board of Trustees policies and procedures and updated the website material.

Maggie asked if there were any additional next steps that should be recorded. No additional items were brought forth.

Chris Simonsen mentioned Board succession and the fact that multiple Board terms will be expiring soon and will not be eligible for renewal. Additionally, the charter is to be renewed in June of 2018 and changes to Board terms should be considered now to incorporate in the charter renewal. Participants concurred that a timeline and process needs to be drafted for the charter renewal.

BOARD SELF-ASSESSMENT

Maggie Steakley asked participants to break into small groups to discuss the Board self-assessment and survey results. The participants broke into three small groups to discuss the following questions:

- What was a major takeaway or learnings from the survey results?
- Was there anything you found surprising from the survey results?
- In what ways should these results influence Board next steps?
- What would be a next step that you would recommend?

Carolyn McInerney shared that her group thought the major takeaway from the survey was the validation of work the Board and staff have been doing. Additional next steps identified were focusing on teacher retention and compensation. Additionally, the residential program and the cultural impact that the program will have on the school.

Chris Simonsen stated that his group's overarching theme was the positive results of the survey and how the Board enjoyed being part of a leadership team, got satisfaction from their leadership role and felt there are good working relationships among Board members. The group felt that some of the lower survey scores were due to Performance appraisals, evaluations of individual Board members and dealing with non-attending Board members. There was not a consensus on how to approach those issues, but the group agreed it needed to be evaluated.

Liz Dorn Parker stated that her group identified the positives and how much appreciation the Board has for the staff and each other. The group found it surprising how the survey questions were interpreted and Liz called attention to the fact that in the survey the greatest strength was financial stability. The group discussed the future model and that the current funding model is at the highest it has ever been and probably the highest it ever will be. Carlos Leija stated that the goal of fundraising needs to be better identified and what the long term outcome and goal is to be achieved.

BOARD EDUCATION: BROWN ACT

Janelle Ruley of Young, Minney and Corr, LLP. joined the Board Retreat via video conference to present the Brown Act training to the Samueli Academy Board of Trustees.

Janelle introduced herself and spoke briefly on her history working with Samueli Academy. Additionally, Janelle explained that she would be facilitating a Brown Act training. Janelle informed the meeting participants that the following topics would be reviewed in the training:

- The purpose of the Brown Act
- What defines a meeting and what are the notice and agenda requirements that apply to meetings
- What are the public's rights
- What are the permissible closed session topics
- What are the penalties and remedies for violating the Brown Act

Sandi Jackson asked if the open agenda item of 'New Business' went against the Brown Act and Janelle suggested changing the 'New Business' agenda item to 'Board Members Report'.

DEVELOP DECISION MAKING CRITERIA

Maggie informed the Board that they would be looking into the decision making criteria set in the pre-retreat survey. Maggie explained that the Board is not bound to using this decision making criteria and nor is it a flowchart to walk through when making decisions, but instead a way of identifying key tenants when making decisions.

Maggie encouraged participants to use a personal device and review the decision making criteria recorded within the Google Document. Additionally, Maggie asked participants to vote on the criteria they felt is most important. The criteria with the most support is as follows:

- Mission and Value Alignment
- Student Centered
- Research
- Consensus and Collaboration
- Financial and Feasible Impact

Nicole Washington asked if feasibility and financial impact could fall into research. Not all participants agreed that feasibility and financial impact could fall into research and Chris Simonsen stated that feasibility and financial impact should be a prominent factor. Participants agreed that a due diligence packet should be provided for approval items and included in the due diligence packet should be the following items:

- Financial
- Mission Centered
- Feasible
- Consensus and Collaboration

ADDRESS STRATEGIC FOCUS AREAS (PART 1: INFORMATION GATHERING)

Maggie Steakley informed participants that they would be looking into the following three strategic focus areas and asked participants to brainstorm individually and input their ideas in the Google Document.

- Long term financial strength and stability
 - What are you thinking about in regard to the questions we need to answer for the financial stability of Samueli Academy.
 - Where do you think Samueli Academy staff should be conceptually on salary? Below, at or above Santa Ana Unified.
- Independent Study Program / Junior High School Expansion
- Charter School Competition / Marketing / Recruitment

ADDRESS STRATEGIC FOCUS AREAS (PART 2: DEVELOPING GUIDANCE & NEXT STEPS)

FINANCIAL MODEL

Maggie Steakley informed participants that the goal is to develop agreement around the financial model.

John Luker presented a summary of the 2016-17 budget and the five year budget forecast, which are both Board approved. John explained that the State of California is increasing the State Teachers Retirement System (STRS) rate to close the gap of unfunded pension liabilities, which will increase to 26% of salary by the year 2020. Additionally, John stated that the only significant increase in the five year budget forecast is the STRS rate increase.

John explained that the fundraising goal of \$750,000 was expected to decrease, but needs to remain the same to have a net profit in the fifth year of 2020-21.

John explained that teacher salary is the largest assumption made. However, as a result of the joint Academic and Finance Committee meeting, salary increases were made and an additional 3% annual salary increase was budgeted. Additionally, John presented a spreadsheet that was used in the joint Academic and Finance Committee meeting to determine salary increases.

Chris Simonsen informed participants that the Governance Committee has engaged a consultant that assisted Orange County School of the Arts (OCSA) with a compensation analysis and strategy. Additionally, Chris explained that OCSA is not competitive with Santa Ana Unified School District (SAUSD) and as a result OCSA is giving their employees an additional half a percent increase on top of the annual merit increases to become competitive over a fifteen year period.

Next steps that the participants agreed upon regarding the financial model are as follows:

- Continue to identify and analyze salary comparison data to other charter/public/private schools
 - Engaging a consultant to do compensation analysis of 15 districts
 - Look at other charter turnover rates
- Determine long-term fundraising goal (ex: financially self-sustaining with no fundraising? Continue to raise \$750k yearly? \$500k yearly? \$250k yearly?)
- Depending on the decision of which direction to take, a detailed analysis of budget and potentially hiring a consultant with expertise to determine that we have all of the information to make a final decision
- Look for ways to raise more revenue to better compensate teachers
- Look carefully at future staffing needs to anticipate budget increases
- Discuss the part an endowment can/might play in annual support
 - Considering building an endowment for special needs and scholarships
- Identify key factors that have been delivering the high attendance rates and continue to make sure the momentum continues

ENROLLMENT GROWTH

Anthony Saba informed participants that there are three options for increasing enrollment:

- Increase current enrollment of day students in grades 9-12
- Create an independent study program with a separate charter
- Create a junior high school, grades 7-8

The participants discussed the impacts of the three options and as a result the following next steps were identified:

General:

- Use criteria to more deeply review the options of the independent study program and the junior high expansion
- Create a timeline for both options
- Explore what doing both options would look like in the future (5+ years)

Independent Study:

- Learn more about the number of students in independent study programs in OC/surrounding area
- Learn more about the recruitment potential
- Put together an feasibility plan for the independent study
 - Would require a new charter
 - Explore project based learning independent study programs- examine the success of these programs?
 - Consider the types of students that gravitate to independent study programs
 - Learn more about the proportion of students that drop out that would otherwise could be successful in an independent study program
 - Conduct an analysis of why independent study programs are in decline
 - Explore timing considerations (night program, etc.)
- Bring in an independent study expert to talk to the Board

Junior High Expansion:

- Learn more about the recruitment potential
- Junior High Expansion
 - Space considerations- look at modules, and impact on the campus space
 - Explore the charter impact
 - Determine if there is there an option to increase enrollment in the HS slightly and open the Junior High?
 - Determine the impact on unmet need of 7th/8th graders (impact on fundraising)
 - Examine the charter funds associated with a new school/expansion

CHARTER SCHOOL COMPETITION, MARKETING AND RECRUITING

Anthony Saba presented an update on the previous year's number of applicants and waiting list and stated that applicants have decreased in 2016-17. Additionally, participants discussed using test scores as marketing and recruiting material. As a result, the following next steps were identified:

- Increase the number of information sessions for potential new students
- Increase outreach to charter junior high schools
- Review messaging:
 - Look into how other charters market themselves
 - “Underserved” isn’t necessarily the message we want to promote
- Further review what may have caused some families to dis-enroll
- Conduct some outreach about what marketing has impact on families
 - What resonated with you about our message?
- As a Board- come to consensus on what we want to tout. Starter list includes:
 - UCI connection
 - Career Tech
 - Levels of achievement
 - Comparison data
 - GPA/SBAC
 - Attendance
 - Stability of school climate responses (also consider examining NAEP/other national surveys)
 - Consider national comparisons where possible
- Construct a memo on the pros and cons of making a comparison to the local district and local charters- Consider a hybrid options
- Consider identifying a marketing and communications consultant
- Release test scores (press release)
- Consider how we do outreach to media:
 - Develop some more concrete guiding principles
- Examine literature on education “framing” that has the greatest impact

The priority areas and potential next steps are as follows:

Leadership and Succession Planning

- Develop a list of key skill-sets for Board and Committee members as a tool to begin identifying potential new Board members;
- Circulate and / or refine a list of Board member term expirations;
- Consider ways to streamline Board participation;
- Develop a Head of School succession plan and a policy that outlines how to appoint administrators; and
- Generate a list of potential Board and Committee members.

Teacher Retention and Compensation

- Identify all factors impacting teacher retention (both monetary and non-monetary factors) and identify Samueli Academy strengths and weaknesses for each factor;
- Identify the qualities of teachers that the Samueli Academy seeks to train; and
- Update compensation comparison chart, including the development of a matrix of compensation.

SUMMARIZE NEXT STEPS

In addition to the next steps described in each of the three strategic focus areas above, the Board also identified the following next steps:

- **Consider engaging in a full strategic planning process**, given that the Board and the Samueli Academy are moving into the next phase of development:
 - This process would allow the Board and Academy to **identify long-term goals**
 - Think about ways the Board would like **input from faculty, staff, families, and students as part of a more robust and inclusive planning process**
 - Consider contracting with a consultant with expertise in participatory strategic planning
- **Consider if the Board would like to formalize the use of identified criteria**, and begin applying the criteria more systematically to decisions like the independent study program and junior high expansion.
- **Prepare for Charter Renewal**
 - Make a charter renewal timeline and address which committees will need to be involved, etc. (action item)
 - There will be language changes that are needed given we now have LCFF/LCAPs, etc.
 - There may be other changes we'd like to pursue, including:
 - Examining our language choices regarding the teaching philosophy, etc.
 - Review *Scholarship Prep* charter document (good model/starting point)
 - Examine how changes to the charter will impact Bylaws
 - Governance Committee should take on the charter renewal, but all committees will need to be involved
 - Consider bringing on a consultant

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- Consider impact/next steps for non-graduating students
 - If they graduate the following year could they walk the next June?
 - Will we consider allowing 5th year seniors to attend for an additional year?
 - Examine funding impact
- Board succession- We may want to re-evaluate the stipulations in the charter.
 - Determine if term limits still make sense
- Look at all of our PR materials and create a positive message that removes the focus on labels, etc.

ADJOURN

A motion was made, seconded, and carried to adjourn the Board of Trustees Retreat at 8:00 p.m. The information reviewed in the retreat will be brought to the Board of Trustees Meeting that will be held on Tuesday, November 29, 2016, at 6:30 p.m. at Samueli Academy located at 1901 N Fairview Street, Santa Ana, CA 92706.



CHRIS SCHEITHAUER, SECRETARY