



Thursday, December 5, 2019
Rocketship Public Schools National Board of Directors Meeting (2019-20 Q2)

Meeting Time: 12:00pm to 4:00pm

Meeting Location: 2001 Gateway Place, San Jose, CA 95110

Teleconferencing Locations:

3173 Senter Rd, San Jose, CA 95111

1700 Cavallo Rd, Antioch, CA 94509

2351 Olivera Rd, Concord, CA 94520

1440 Connecticut Dr, Redwood City, CA 94061

320 Plus Park Blvd, Nashville, TN 37317

3290 N. 44th St. Milwaukee, WI 53216

2625 West Alameda Ave #116 Burbank, 91505

9112 Vendome Drive, Bethesda, MD 20817

241 North Broadway, Suite 300, Milwaukee, WI 53202

723 Main Street, Houston, TX 77002

6768 Christiansted Ln, Nashville, TN 37211

1. Opening Items (12:00-12:05pm)

A. Call to Order

B. Public Comment on Off-Agenda Items

2. Consent Items (12:05-12:10pm)

A. Approve minutes from the August 21, 2019 meeting of the Board of Directors

B. Approve minutes from the August 22, 2019 meeting of the Board of Directors

C. Approve meeting minutes from the October 28, 2019 meeting of the Board of Directors

D. Appoint Louis Jordan (as chair), Jean-Claude Brizard, Alex Terman, and Jolene Slotter to the Executive Committee for a one-year term through December 2020

E. Appoint Jean-Claude Brizard (as chair), Deborah McGriff, and Julia Stiglitz to the Achievement Committee for a one-year term through December 2020

F. Appoint Alex Terman (as chair), Louis Jordan, Greg Stanger, Charmaine Detweiler, and Mike Fox to the Business Committee for a one-year term through December 2020

G. Appoint Louis Jordan (as chair) to the Audit Committee for a one-year term through December 2020

H. Appoint Daniel Velasco to the Rocketship Public Schools Board of Directors for a two-term through December 2021, and to the Achievement Committee for a one-year term through December 2020

I. Renew appointment of Alex Terman to the Rocketship Public Schools Board of Directors for a two-year term through December 2021

J. Renew appointment of Greg Stanger to the Rocketship Public Schools Board of Directors for a two-year term through December 2021

K. Appoint Melissa Martin as Special Advisor to the Rocketship Achievement Committee for a two-year term through December 2021

L. Appoint Alex Terman as Board Treasurer, effective August 22, 2019 through the remainder of his term on the Rocketship Public Schools Board of Directors

M. Appoint Greg Stanger as Board Secretary effective August 22, 2019 through the remainder of his term on the Rocketship Public Schools Board of Directors

N. Approve new trustees of the Board of Trustees of Rocketship Education Tennessee, LLC: Anderson Green and Daniel Lopez (voted in by a majority of the Board of Trustees of Rocketship Education Tennessee, LLC on September 26, 2019), and Margaret Riley King and April Taylor (voted in by a majority of the Board of Trustees of Rocketship Education Tennessee, LLC on November 21, 2019)

O. Approve Rocketship Delta Prep Unaudited Actuals Budget Report

P. Approved revised LCAP for Rocketship Redwood City Prep

Q. Approve 2020-21 Bay Area instructional leader and teacher compensation levels, as recommended by the Achievement and Business Committees

R. Approve revised Suspension and Expulsion Policy for California schools

S. Approve revised Admissions and Enrollment Policy for California schools

T. Approve revised Discrimination, Harassment, Intimidation, and Bullying Policy for California schools

U. Approve revised Education for Foster Youth Policy for California schools

V. Approve revised Reclassification Policy for California schools

3. Agenda Items (12:10-1:10pm)

A. Create Ad Hoc Annual Planning Committee, to report back to the Board of Directors in May 2020 to share the committee's perspective on the 2020-21 annual plan.

B. Create Ad Hoc Facilities Committee, to report back to the Board of Directors within one year with suggestions on facilities.

C. Board updates: CEO, Regional, Board Chair, Committee Chair, Development, and Compliance

D. Texas update

E. Approve Rocketship 2018-19 Audit

4. Closed Session (1:10pm-2:00pm)

A. Conference with Legal Counsel -- Anticipated Litigation -- Significant Exposure to Litigation Pursuant to Section 54956.9(b): 1 case

B. Public Employee Performance Evaluation (Pursuant to Ca. Gov. Code Section 54957) TITLE: Chief Executive Officer

5. Agenda Items, Continued (2:00pm-4:00pm)

A. Public report on actions taken in closed session

B. Annual Board of Directors Training: Open Meeting and Conflict of Interest Laws, including Brown Act, and best

practices for board engagement

6. Adjourn (4:00pm)

THE ORDER OF BUSINESS AND TIMINGS MAY BE CHANGED WITHOUT NOTICE: Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice, provided that the Board takes action to effectuate such change. Timings listed on the agenda are estimates only and may change depending on the duration of public comment and discussion around prior items.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY: Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting may request assistance by contacting Apoorva Katikaneni at akatakaneni@rsed.org.

To: Board Members
From: Preston Smith, Co-Founder & CEO
Date: December 5, 2019
Re: CEO's Update

This memo is an update on the successes and challenges we've had at Rocketship since our last board meeting in August.

QUALITY—Great schools...

All schools in the top 10% among low-income districts

All Rocketship schools strive for large academic gains each year because we know it's the only way historically underserved communities catch up with their national peers and thus are able to fully unleash their potential. As we reflect on the 2018-19 school year, we have a ton to celebrate as an organization across our regions. In California, we continue to make ground on ALL schools regardless of demographics and are truly eliminating the achievement gap. We have a reward school (Rocketship Nashville Northeast) in Tennessee (one of 20 in Nashville) and a Tier 1 school in DC (Rocketship Legacy Prep).

On the 2018-19 California state assessment, Rocketship's Bay Area network of 13 schools once again **ranked in the top 10%** in both math and English Language Arts among all elementary school districts and charters serving a similar student population across the state.

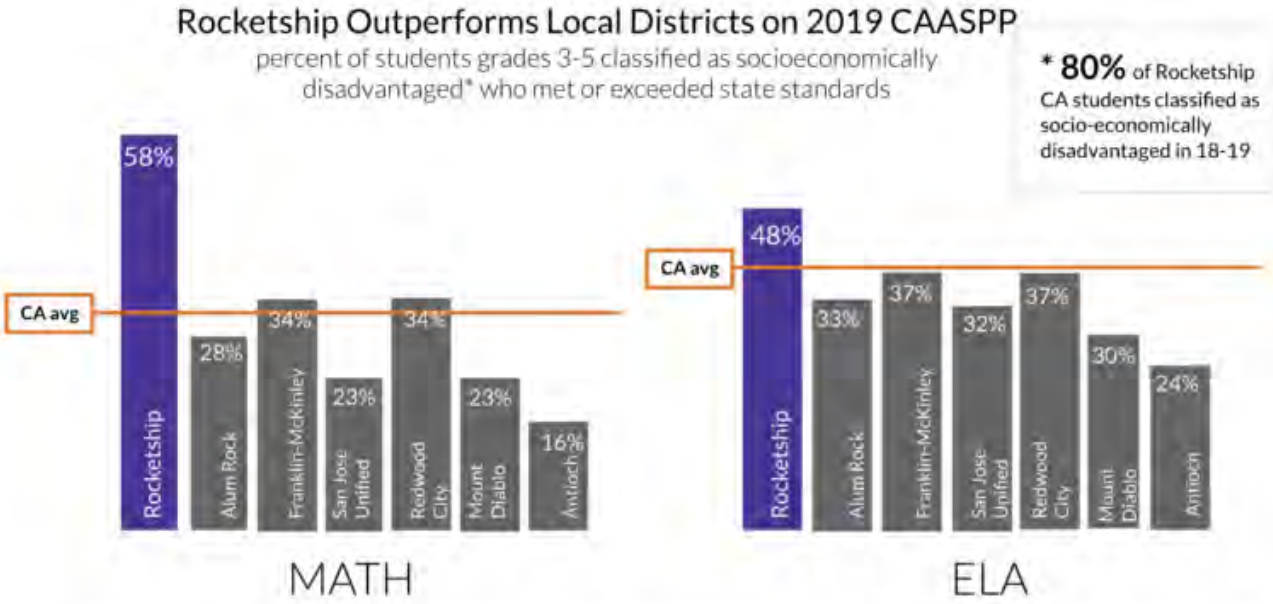


Since California adopted the rigorous Common Core standards in the 2014-2015 school year, more and more Rocketeers have met and exceeded these standards. In five years, Rocketeers have improved 16 percentage points in ELA and 12 percentage points in math on CAASPP. Over five years, our socioeconomically disadvantaged Rocketeers have improved 15 percentage points in ELA and 12 percentage points in math. **In the 18-19 school year and in each of the five years of the Common Core-aligned exam, Rocketship students outperformed all districts where we operate and the state average in math.**

This year also marks a major milestone for Rocketship in California – **over 50% of our students met or exceeded the state standard for proficiency in both math and English Language Arts (ELA).** Neither the state nor any of the six local districts where we serve students have yet to achieve this milestone since Common Core standards were first introduced five years ago. 61% of our California Rocketeers met or exceeded state standards in math and 51% did so in ELA.

We are so proud of the incredible growth and achievement of all our students, but we did not achieve these results on our own. Our partnership with parents helps to drive our success. The 18-19 school year saw our highest ever rates of home visits by our teachers and top parent engagement in our classrooms. By harnessing the power of parents to partner with teachers, school leaders, and their Rocketeers, we are narrowing the achievement gap and getting our Rocketeers on the path to college.

Diving in deeper, on the 2019 CA state assessment, 48% of socioeconomically disadvantaged (SED) Rocketeers met or exceeded state standards in ELA and 58% did so in math. When comparing students classified as socioeconomically disadvantaged against similar students in districts where we operate, **our Rocketeers outpace all local districts and the state by 10 points or more in ELA and 24 points or more in math.** In fact, disadvantaged students at every single Rocketship school in California outperform similar students in their local district in math. This is powerful proof that demographics do not define student achievement.

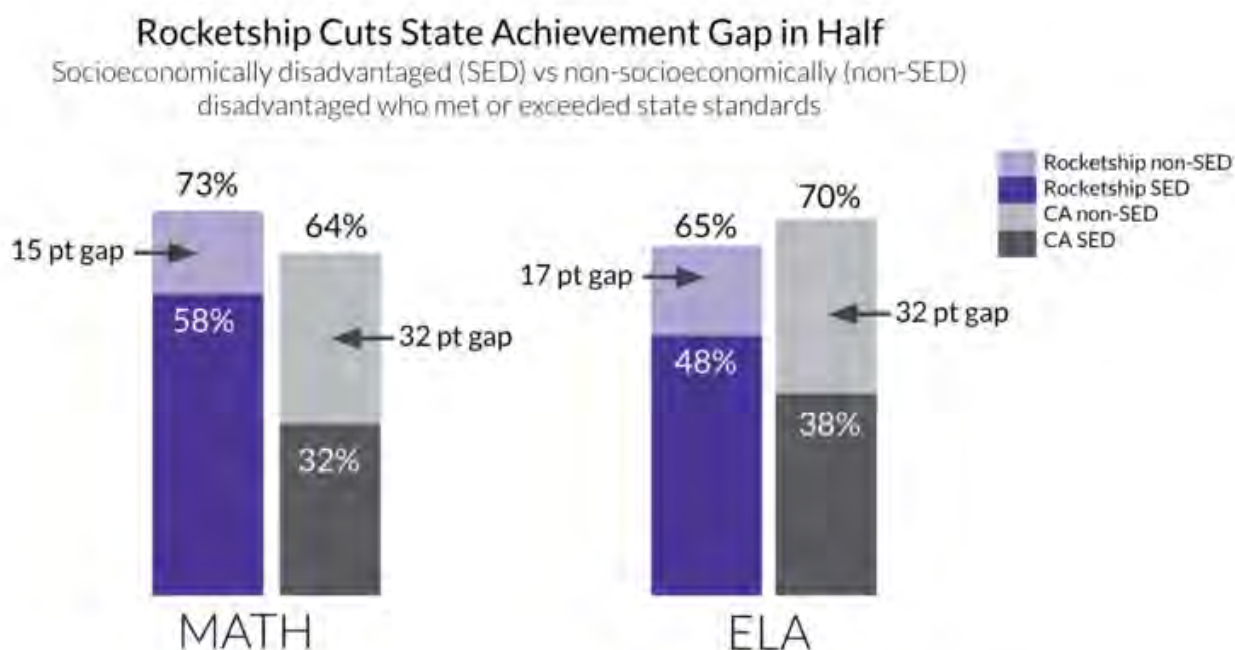


Source: California Department of Education. Grades 3-5 percentages calculated by Rocketship Public Schools from grade-level data in research files downloaded from the CAASPP website.

Moreover, to eliminate the achievement gap, we must pay close attention to how our disadvantaged students perform against both similar students and non-disadvantaged students across the state, in the districts we serve, and within our own schools. In math, there is a 32 point gap separating disadvantaged students from their non-disadvantaged peers across California. The gap between disadvantaged students at Rocketship and their more privileged peers across the state shrinks to just 6 points.

In ELA, the statewide gap is 32 points. The gap narrows to 22 points when comparing disadvantaged students at Rocketship to non-disadvantaged students across California. Disadvantaged Rocketeers

outperform their non-SED peers in Alum Rock, Franklin-McKinley and Antioch Unified School Districts in math. Our internal achievement gaps in both math and ELA (15 points and 17 points, respectively) are half of the size of the state's gaps. We also have the smallest achievement gap in math and second smallest in ELA out of every district where we operate.



Source: California Department of Education, Grades 3-5 percentages calculated by Rocketship Public Schools from grade-level data in research files downloaded from the CAASPP website.

Of course, we still have significant progress to make as we are aiming for our schools to be in the top quartile compared to all schools and students.

In our third year in the DC Region, both of our schools continued to excel and perform. Rocketship DC bested the 4+ achievement average for *all DC schools* - District and charter - in English Language Arts for at-risk students by 11 percentage points! Furthermore, Rocketship Legacy Prep and Rise are #1 and #2 in ELA and math among all elementary charter schools serving predominantly at-risk students.

Rocketship Legacy Prep maintained its Tier 1 status. Moreover, in their first ever PARCC assessment year, RLP [was recognized by DC PCSB](#) for 'closing the gap for at-risk students' in ELA. Legacy Prep's at-risk students exceed proficiency rates for *all* students citywide AND meet or exceed proficiency rates of not at-risk peers at Legacy Prep. RLP also serves a high homeless population with excellence, with 26% of students classified as homeless last year, and 57% of these students achieved a 4+ in reading and math on PARCC. This is compared to 21% in ELA and 23% in math for all DC charter schools. As RLP continues to grow, they are showing what is possible for *all* students in DC!

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Rocketship Rise was *also* recognized as one of the highest-performing schools in all of DC for combined math and reading of schools serving majority at-risk students! Rocketship Rise Academy served 76% at-risk students last year - one of the highest at-risk populations in the District, and is in the top 25% of all schools for ELA achievement among this population. Rise had significant growth in ELA last year - with all Rocketeers growing an average of 8% on 3+ achievement, and at-risk Rocketeers growing 11% on both 3 and 4+ results. We have begun to show what is possible when we are intensely focused on student outcomes, and Rise will continue their hard work to show what our Rocketeers are capable of in both reading and STEM instruction this school year.

In Nashville, Rocketship Nashville Northeast earned the highest honor in their state - being recognized as a "Reward School" by the State of Tennessee. Nashville Northeast earned this honor by increasing the success rate of its mostly low-income students at a faster rate than any other elementary school in Nashville during the 2018-19 school year. Nashville Northeast increased the percentage of students who scored "on track" or "mastered" on annual state tests—also known as the student success rate—at a pace more than three times greater than the rate of improvement seen across Metro Nashville Public Schools. Rocketship Nashville Northeast led the way in proving what is possible for all kids by achieving incredible academic growth.



Although many students come to Nashville Northeast behind where they should be, our focus on student growth means that Rocketeers on average gain more than one year's worth of learning during the school year. Last year, our Rocketeers at Nashville Northeast gained 1.7 years in reading and 1.8 years in math. As a result, Nashville Northeast has consistently received the highest possible growth score—a Level 5—on the Tennessee Value-Added Assessment System (TVAAS) every year that state growth data has been available.

Although Rocketship United Academy (RUA) did not receive a Reward School designation this year, RUA surpassed the state average for ALL students in Math as well as the district average by 14% in math. Additionally, Rocketship United Academy is the 2nd highest ranked school in all of Metro Nashville Public Schools for economically disadvantaged students. When it comes to overall success, RUA's overall success rate is 7% higher than MNPS and just shy of being on par with the state.

We still have to push harder to get even more of our Nashville Rocketeers on the right track but we are encouraged by the growth of our Rocketeers, thrilled to have another Reward School, and are determined that we continue to make progress this school year as well.

In Wisconsin, Rocketship Southside Community Prep ranks in the top 10 of *all* Wisconsin district and charter elementary schools serving similar students in both math and ELA. Rocketship Milwaukee exceeded the district by 8 percentage points in ELA and 9 percentage points in math. Furthermore, our students classified as socio-economically disadvantaged (SED) outperformed all Milwaukee District students by 11 percentage points in each subject. Moreover, Rocketeers classified as SED, English Learner, and/or Latino outperformed their peers in the Milwaukee Public School District in both math and reading. English Learner Rocketeers also outperformed their peers across the state in both math and reading.

While we are proud that our Rocketeers are exceeding the achievement levels at many schools they may otherwise attend, there is still work to be done. Following state and district trends, Rocketship Milwaukee saw declining results in one subject (in our case math) and no growth in the other (ELA at Rocketship). Furthermore, though low-income Rocketeers are very slowly coming up to the level of their peers in the rest of the state, we are not seeing our average student population come anywhere near achievement by their peers across Wisconsin.

But we are encouraged by the tremendous growth seen at both Milwaukee schools last spring, as shown on our NWEA MAP results. Rocketeers at both schools had Fall-to-Spring ELA growth years almost 0.3 pts higher than Fall-to-Winter growth years, and two-thirds of the region's overall NWEA test score growth occurred in the second half of the year.

To that end, on the Wisconsin State Report Card, Rocketship Southside Community Prep (RSCP) moved from "meeting expectations" to "*exceeding expectations*". It shows that the strategic changes we made in ELA last winter-spring made a positive difference with student growth. RSCP's score increased by more than 6 points. It has higher scores in all four priority areas and in all but one sub-area (Math achievement gap). The greatest improvements were in ELA growth and ELA achievement gap.

SCALABILITY—Personalized learning for all...

Be the premier educational organization for personalized learning through a high-quality elementary model that is sustainable, replicable, and purposefully integrates technology

I am very excited by the progress that we have made in our Learning Labs this school year, and most especially in the Bay Area as we have replicated our learnings last year from our pilot sites to all 13 of our Bay Area campuses. In elevating our Learning Lab experience for our Rocketeers, we have been working to more purposefully integrate experiential learning programs including: hands-on science, robotics, chess, coding, and more. Our Rocketeers are now experiencing these opportunities in addition to their regular enrichments like P.E., art, music, Bailando Folklorico, and more. We are also now in the process of introducing Project Based Learning extensions from the classroom lessons into the Learning Lab space. This will help our Learning Labs truly evolve into an extension of the classroom lessons and elevate our Rocketeers experience through real-life projects and applications.

The "enrichment gap" is another example of inequity in public education. To realize our vision, we are ensuring our Rocketeers have access to experiential learning programs that enrich student learning,

promote character development, and improve critical thinking. These skills will not only help them stand-out and excel in the real world, but will create a strong foundation for their academic success as well.



In the second half of this school year, we will begin migrating a majority of homework for upper grades online. This has the potential of being transformational for our Rocketeers in ensuring that they have far more individualized homework (content and skills exactly at their level based on the adaptive content of our programs) as well as providing our teachers and families with real-time data and feedback. Not all homework will be online, there is still an important place for reading and writing without technology, but where appropriate we will shift homework online in order to better personalize practice and content. Concurrently, we are piloting programs to provide access for families without technology at home.

IMPACT—Strong communities and families...

Serve 14,000+ Rocketeers and families by 2023

Many of you have heard the news about the new legislation in California (AB1505) that was signed into law in October, which was initially aimed at curbing charter schools. A powerful effort by the California Teachers Union (spending more than \$1 million/month on lobbying) resulted in five proposed bills that would have drastically cut charter schools' ability to serve all students. But thanks to parent power and a statewide pushback, a compromise package was agreed to and signed into law by Governor Newsom.

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The final law does a few things. Instead of allowing financial hardship to justify the denial of a charter (new or renewal), it now has established objective criteria for this economic test and limited it only to new petitions and existing charters that expand grades. The final bill also limited state board appeals to procedural violations but fully preserved county authorization and appeals. In addition, the final compromise does not include a cap or moratorium on brick and mortar schools.. The new legislation goes into effect on July 1, 2020, and it clearly represents a shift in charter authorizing power, from the state to local districts. For us this means our local joint efforts will matter more than ever. Our schools must continue to outperform local districts, and as an organization we'll need to increase our brand and visibility to the external world, leaving no doubt of the positive contributions Rocketship makes in our communities. The charter landscape in California has drastically shifted, but if we continue to work together, our schools and our Rocketeers will continue to thrive and unleash potential!

In late October, the Washington DC Public Charter School Board unanimously approved an amendment to the charter agreement that allows DC3 to locate at the Ft. Totten site in Ward 5. About 60 parents, students and staff attended the DC3 Hearing after outreach led by the Parent Organizing Committee. Both RISE and RLP parent leaders attended the hearing as we work to build a larger and cohesive region. In addition, we are planning to share the site with the [Social Justice School](#), a new public charter middle school opening in Ward 5 as well. The next major milestone is the Public Space Committee hearing on 12/12 and then continuing to build our outreach and community building so that we can ensure that the school is fully enrolled in August of 2020.



Early draft design rendering of new Rocketship DC campus in Fort Totten community.

In Nashville, our third charter was recently approved on appeal by the Tennessee State Board of Education. Following a staff recommendation for approval (we had received the same recommendation by district staff, but the district board had overruled it for political reasons), Tennessee State Board of Education [voted unanimously to approve](#) our NSH3 charter application. In

her recommendation, state board executive director Sara Morrison said that Rocketship "has a clear track record of success in Nashville and has demonstrated a clear need in the southeast region of Nashville for additional high quality school options." We are aiming to open our third Rocketship Nashville school in the 2021-22 school year. We are grateful that the state board recognized the need for high quality school options in Southeast Nashville and look forward to further catalyzing our work in Nashville.

In addition, last week our inaugural school, Rocketship Mateo Sheedy, was reauthorized for five more years with a 6-1 vote by the Santa Clara County Office of Education Board of Trustees. According to the [Top Bay Area Public Schools for Underserved Students Report](#), [Rocketship Mateo Sheedy](#) is the only public school in the entire Bay Area to make three lists – qualifying as a Top Public School in math for low-income Latino students and in both English and math for low-income African American students. Mateo Sheedy is also one of only two schools named Top in the Bay Area this year for low-income African American students in either subject. It was powerful to see our Rocketship parents and community come forward to advocate for their school, watch our school leaders present authentic stories of persistence and impact, hear directly from Father Mateo's family, and realize five more years for Rocketship Mateo Sheedy. We are grateful for the partnership with the Santa Clara County Office of Education and their continued commitment to elevating achievement for all students.

We are also continuing to build momentum towards our next regional opening in August 2021 in Fort Worth, Texas. I am excited to welcome the Chair of our Texas Board to the Rocketship Board this December as well as how we are building momentum in the region. We now have an established board, over 2/3 of the philanthropy committed for start-up, hired an education organizer to help us build relationships in the community, and are in the final stages of our Regional Director search. I remain deeply excited by the opportunity for us to apply our learnings from over the years and catalyze our impact serving new Rocketeers and families. We still have a great deal to get done, but it is exciting to see what is possible, especially in a community like Fort Worth where educational equity, especially for low-income students and families of color, remains at the forefront of politicians and community leaders.

Texas Update on Key Milestones (1 of 2)

<u>Category</u>	<u>Date</u>	<u>Milestone</u>	<u>Status</u>	<u>Update</u>
Charter	1/21/19	Meet with SBOE members	On track	<ul style="list-style-type: none"> To date, the team has met with 3 SBOE members. Planning to meet with remaining members in Dec/Jan with the RD. In the process of drafting and receiving feedback on our charter application from the Texas Charter School Association and external counsel.
	1/21/19	Charter Application Submission Deadline	On track	
	2/21/19	Determination of Advancement to External Review	-	
	6/10/19	Determination of Advancement to Capacity Interview	-	
	8/17/19	TEA Recommendation	-	
	9/8/20	SBOE Vote	-	
Leadership	9/18/19	3-person TX board established	Complete	<ul style="list-style-type: none"> Established a strong, diverse local board with 4 members to date. In final rounds with 2 strong candidates for the RD position.
	11/15/19	RD hired	Delayed	
	2/28/19	Full 9-person TX board	On track	
Community Engagement & Family Recruitment	10/14/19	Education Organizer #1 hired	Complete	<ul style="list-style-type: none"> Hired our first EO, Angela, who will be leading our parent organizing efforts in SE Fort Worth. Identified community partners and sites for our Jan. formal community meetings. TX board members, foundations, and community members visited our schools in Nashville. Overall a very positive trip.
	1/17/19	Formal Community Meetings	On track	
	2/28/19	Education Organizer #2 Hired	-	
	3/31/20	Launch Parent Organizing Committee (POC) for school #1	-	
	6/17/20	Launch Parent Organizing Committee (POC) for school #2	-	
	7/31/20	Family Recruitment Manager and team hired	-	
2/18/21	Lottery	-		

Texas Update on Key Milestones (2 of 2)

<u>Category</u>	<u>Date</u>	<u>Milestone</u>	<u>Status</u>	<u>Update</u>
Fundraising	10/31/20	Secure written commitments for remaining fundraising gap	At risk	<ul style="list-style-type: none"> • Three funders who joined the NSH trip were very positive, but fundraising locally has been more challenging than anticipated and some of the larger funders aren't giving multi-year commitments. • Planning to go before the CSGF board in either Feb. or May for support of our first 4 schools. • Contracting with a strong local consulting firm on a three-month engagement to support our efforts.
Facilities	11/15/19	Site Control & TIC Term Sheet	At risk	<ul style="list-style-type: none"> • Our first site in SE Fort Worth is under escrow, but the seller on the second site in NW is moving slowly so the team is beginning to look at contingency options.
	11/29/19	Sign Lease & Select Design Team	At risk	
	12/6/19	Determine RE legal structure	On track	
	4/30/20	Design Period - Site & Buildings	-	
	5/29/20	Go / No-Go on Site Acquisition	-	
	9/30/20	Entitlements & Permitting	-	
Talent	7/31/21	Construction Complete	-	<ul style="list-style-type: none"> • We have already begun recruiting from TX and cultivating internal staff with Texas interest with the goal of incubating future Texas leaders in our existing schools in 2019-20 and 2020-21. Currently we have one senior staff member and two experienced current principals with a strong interest in Texas who we believe could form the foundation of our Fort Worth and Tarrant County leadership team along with school leaders with connections to the local community.
	7/1/20	DoS named	-	
	7/31/20	Instructional Recruiter hired	-	
	7/31/20	RDO hired	-	
	7/31/20	Achievement Manager hired	-	
	7/31/20	ISE Manager hired	-	
	10/31/20	Office Managers hired	-	
	1/1/21	Principals released	-	
	1/31/21	BOMs hired	-	
4/30/21	80% of non-TFA instructional staff hired	-		





ROCKETSHIP PUBLIC SCHOOLS:

**Open Meetings, Conflicts, Public Records, and Best
Practices for Charter Board Members and Officials**

December 2019

John Lemmo

Procopio Cory Hargreaves & Savitch, LLP

Topics we'll cover today

Board Compliance

- What's new? SB126
- Open Meetings (Brown Act)
- Conflict of Interest
- Public Records

Board Duties and Best Practices

- Roles and Responsibilities of Board and Management
- Duty of Care (informed decision-making)
- Duty of Financial Oversight
- Duty of Loyalty (conflicts)
- Rocketship board best practices for collaboration

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SB 126

- The charter “transparency” bill goes into effect January 1
- Applies to all charter schools and “entities managing charter schools”
 - Brown Act (plus extras)
 - Public Records Act
 - Conflict of interest rules under Political Reform Act and Gov. Code 1090



“Entity Managing a Charter School” and SB126

- SB 126 definition not clearly drafted, so expect disagreement about application
 - Most districts and county offices likely to apply the relevant operative definition to nonprofits
- “Goods or task-related services” exception
 - “not an ‘entity managing a charter school’ solely because it contracts with a charter school to provide to that charter school goods or task-related services that are performed at the direction of the governing body of the charter school and for which the governing body retains ultimate decision-making authority.”



“Entity Managing a Charter School” and SB126

- Operative definition in Ed. Code 47604

“Operate as, or be operated by” ... means services provided to a charter school that include any of the following:

- I. Nominating, appointing, or removing board members or officers of the charter school.
- II. Employing, supervising, or dismissing employees of the charter school, including certificated and non-certificated school personnel.
- III. Managing the charter school’s day-to-day operations as its administrative manager.
- IV. Approving, denying, or managing the budget or any expenditures of the charter school that are not authorized by the governing body of the charter school.
- V. Providing services to a charter school before the governing body of the charter school has approved the contract for those services at a publicly noticed meeting.”

Rocketship already complies with nearly all aspects of SB 126



The main changes for us will be:

1. All board meetings must take place within Santa Clara County (which most already do anyway)
2. All board meetings must be video or audio recorded, with the recording posted on our website afterward
3. All board meetings must be live-stream “teleconferenced” to each and every Rocketship school in California

**NOTE: These apply to full board meetings, but not to committee meetings*

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Brown Act: Holding meetings

- SB 126 mandates Brown Act
- Boards take action at “meetings” ... so what is a “meeting”?
 - “Any congregation of a majority of the members of a legislative body ... to hear, discuss, or deliberate, or take action on any item.”
 - You may not, “outside a meeting ... use a series of communications ... directly or through intermediaries, to discuss, deliberate, or take action ...” (Gov. Code sec. 54952.2)
- Avoid inadvertent serial meetings through email or text communications.
- What if we have non-charter business? Do we need to comply with Brown Act for that, too?
 - No, if “unrelated to the operation of the charter school.” (SB126)

Holding meetings

- Brown Act “types” of meetings
 - “Regular” meetings require 72 hours posting of notice
 - “Special” meetings require 24 hours notice
 - Teleconferencing
 - Notice in agenda
 - Identify teleconference location
 - Roll call vote
 - What about an “emergency” situation?

Holding meetings

- Brown Act limits meeting to posted agenda:
 - Brief general description of business to be transacted (20 words or less)
 - Post in publicly accessible place at/near location
 - Don't create "information only" vs. "action" items if you want flexibility
 - Restrictions on adding items to agenda*
- Must post agenda on website
 - "One click" rule—don't ignore this easy rule!
- Record how members vote

* Note: If you miss 72-hour posting deadline to include an item on regular agenda, you can still post a special meeting agenda with 24 hours notice for same time and place.



Board “Committee” meetings

- Brown Act applies to committees created by board, even if just advisory:
 - Applies to “standing” board committees (e.g., finance committee, audit committee, executive committee)
 - “Ad hoc” committees and CEO advisory teams exempt
 - SB 126 teleconferencing rules do not apply to committees



New Rules under SB 126 regarding meeting locations and multi-site teleconferencing

- SB126 imposes additional rules as part of Ed. Code for charters— not actually part of the Brown Act
- Board meeting location requirements vary depending on number of school sites and counties you operate in (Rocketship falls into third column)

ENTITY WITH SINGLE CHARTER	ENTITY WITH MULTIPLE CHARTERS	
	SAME COUNTY	MULTIPLE COUNTIES
Board meets within boundaries of county where authorized and located	Board meets within boundaries of county where authorized and located	Board meets in county where greatest number of pupils reside (might change over time)
Two-way teleconference from each site* if you have more than one	Two-way teleconference from each site*	Two-way teleconference from each site*
		Audio/video record and post to website

* Includes schoolsites and resource centers.

SB126 teleconferencing rules do not apply to committees

Holding meetings—Closed Sessions

- Brown Act limits “closed” sessions:
 - Statutory basis must be identified, such as
 - Litigation (identify matter)
 - Personnel evaluation, termination (identify position)
 - Collective bargaining strategy (identify negotiators)
 - Real estate negotiations (identify property)
 - Not for budget discussions, general planning

Holding meetings

- Rights of public:
 - Speak *before* action taken on any item (including closed session)
 - Publicly accessible location (with disabled access)
 - Public comment can (and should) be time-limited
 - At regular meeting to address board on something not on agenda
 - No non-agenda comment required at special meetings, but you can allow if you want to

Tennessee Open Meetings Act

- The TN Charter School Act of 1992 requires charters schools to comply with the Tennessee Open Meetings Act, 1974
- What is a “meeting”?
 - A gathering of a quorum of the board to deliberate toward or make a decision
 - Special exclusions apply for circumstances like program inspection (e.g. school tours) and “chance meetings” – as long as these aren’t used to circumvent the law
- “Adequate public notice” required
 - Notice must be posted in a location where a member of the community could become aware of such notice
 - Contents of the notice must reasonably describe the purpose of the meeting or the action proposed to be taken
 - Notice must be posted at a time sufficiently in advance of the actual meeting in order to give citizens both an opportunity to become aware of and to attend the meeting (though no single strict deadline)

Tennessee Open Meetings

- Meetings must be open to public attendance, though no requirement to allow public participation
- Closed session exceptions apply, such as in the case of advisory sessions with attorneys
- All votes must be public, with individual votes recorded for any roll call votes
- Teleconference or videoconference meetings are allowed, but must be noticed as such
- Minutes must be taken and made open to public inspection
- In a case where any violation occurs, any action taken is void and of no effect (nullification of action rather than penal remedy)

Topics we'll cover today

Board Compliance

- What's new? SB126
- Open Meetings (Brown Act)
- Conflict of Interest
- Public Records

Board Duties and Best Practices

- Roles and Responsibilities of Board and Management
- Duty of Care (informed decision-making)
- Duty of Financial Oversight
- Duty of Loyalty (conflicts)
- Rocketship board best practices for collaboration

Charter Officials subject to Political Reform Act:

- SB 126 requires charters to adopt conflict of interest “code”
 - Many charters have latched on to authorizer’s COI code—but no longer can do so under SB 126
 - *Opportunity to establish appropriate parameters for your school*
 - Pros and cons
 - What are the steps?
 - Charters process through County Clerk or FPPC
- Requires annual financial disclosures by designated officials (the “Form 700”)
 - Spouse’s interests count
- Requires disclosure, disqualification from any decision that may affect material financial interests





Gov. Code section 1090

- SB 126 applies GC 1090 to charter school officials
 - Many charter petitions and MOUs already require compliance
 - Explicit carve-out for conflicts created by employment relationship (OK for employees to be board members)
- Strict rule to “void” conflicted contracts
- Section 1090 provides that a public agency officer or employee may not make, participate in making, or attempt to influence a contract in which he or she is financially interested
 - Disclosure and recusal not enough -- if a board member owns the business, it typically can't contract with Rocketship under most circumstances,
 - But look closely at the exceptions
- GC 1099 “incompatible offices” rule

Tennessee Conflict of Interest Laws

Under the TN Charter School Act of 1992, charter schools are required to abide by the TN Conflict of Interest statute (Tenn. Code Ann. 12-4-101)

- Personal interest of officers prohibited
 - It is unlawful for any board member to vote for, or supervise any contract in which the board member is "directly interested."
 - "Directly interested" means any contract with the board member personally or with any business in which the board member is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This does not prohibit a board member from voting on a budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.
- It is unlawful for any board member to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but also includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

Tennessee code on consequences of violations

- *Should any person, acting as such officer, committee member, director, or other person referred to in [§ 12-4-101](#), be or become directly or unlawfully indirectly interested in any such contract, such person shall forfeit all pay and compensation therefor. Such officer shall be dismissed from such office the officer then occupies, and be ineligible for the same or a similar position for ten (10) years.*
- This provision has been mainly applied to city councilmen/mayors that receive compensation and engage in conflict of interest violations and have to return their compensation back and not run for office for 10 years.

MNPS will be asking Nashville charter boards to sign a voluntary conflict of interest / financial disclosure form

- Tennessee does not currently have an equivalent to the California Form 700
- However, Metro Nashville Public Schools has told us that they are planning to soon ask charter boards for a voluntary disclosure similar to Form 700
 - Recent standards issued by Annenberg Institute (out of Brown University) call for increased transparency of charter school governing boards
 - MNPS requires its own school board members to fill out Conflict of Interest / Financial Disclosure forms
- We will have more information from MNPS in the next few months, and will share with you the details as things evolve
 - MNPS recently met with several charter schools (including RSED) regarding whether charter boards would be willing to fill out similar forms
 - While we are working out the details and the exact nature of the disclosures, it is likely in our interest to voluntarily comply and have some input into the format of the disclosure form itself

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Are the Charter School's records open to the public?

- Yes and no.
- SB 126 applies Public Records Act to charters
- But lots of exempt records:
 - Identifiable student records (FERPA)
 - Personnel and medical records
 - Pending litigation
 - Preliminary drafts
- But email and material kept in ordinary course may be public
 - What about my private email account?



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Board and Management (CEO)

- Board is responsible for long-term viability and success of the schools
- Board approves the “big stuff”:
 - Major educational and operational policies
 - Annual budget
 - Reviews and monitors financial policies and procedures, budget, and finances to inform and evaluate resource allocation
 - Hires and evaluates CEO
 - Ensures long-term viability
 - Does not have direct responsibility for day-to-day operational matters
- CEO:
 - In charge of day-to-day operations
 - Selection of all other staff

Fiduciary duties of directors (board members)

Directors owe fiduciary duties to the corporation—

- Duty of care
- Duty to provide financial oversight
- Duty of loyalty

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Duty of Care

- The Board makes policy, and is protected from liability when doing that.
- The CEO is accountable for implementing all Board policies.
- The Charter and/or policies further delineate roles and responsibilities, including delegated authority.
- Board members should not get involved with day-to-day business operations of the school

Duty of Care

- Be informed, stay informed and be proactive
- Ask questions to seek clarity before voting
- Listen to all perspectives and test your understanding of information and implications
- “Own your decision”

Board member exposure to personal liability?

- There is broad nonprofit law immunity for volunteer board members*
- D&O insurance to defend claims against board members acting within scope of duties
 - Rocketship does have this in place for all of our board members

*But not immune under federal law

Board members can be personally liable when:

- Acting outside course and scope of duties (such as supervising/disciplining rank-and-file employees, rather than policy-making)
- Breaching fiduciary duties
- Conflicts of interest that create personal benefit
- Intentional or willful misconduct

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Charter School Finances

- A non-profit charter's board is responsible for ensuring financial health, just as a business's board would be
- Annual budget is blueprint for school year, setting spending priorities and goals
 - Board approves and monitors annual budget and finances
 - Financial reports are presented to the Board, such as balance sheet, income statement, cash flow

Board Must Ensure Adherence to Fiscal Policies and Sound Financial Management

- Lots of talk about charter (mis)management of finances
 - Emphasizes how important this topic is
- Your authorizers may seek background information about board members to help ensure you have sufficient “capacity” to manage finances of the schools
- Scrutiny of and adherence to sound financial policies is the norm

Duty of Financial Oversight

- Potential for charter revocation due to failure to meet GAAP, or “fiscal mismanagement.”
 - Ed. Code, § 47607(c)(1)(C)
- Chartering authority to assess and monitor fiscal condition of charter school.
 - Ed. Code, §§ 47604.32(d) & 47604.33(b)
- Periodic financial reports are required.
 - Ed. Code, § 47604.33(a)
- Annual, independent financial audits are required.
 - Ed. Code, § 47605(m)

Charter School Finances -- Audits

- Required annually.
- It validates the schools' reported finances.
- Audits are also used to validate the charter schools internal controls.
- Board must approve Audit Agreement in Spring of the each year.
- Board must approve the audit prior to submittal to oversight agencies.

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Duty of Loyalty

- General Rule: Individuals in a position of public trust must avoid conflicts of interest which prevent them from fulfilling their duties in an impartial manner.
- Legal presumption is that a person with a conflict of interest can never be impartial

Duty of Loyalty—avoid conflicts of interest

- Directors' duty of loyalty
 - Conflicts of interest must avoided
 - disclosure of personal financial interests
 - disclosure of duties to other corporations
 - “interested” directors can't be board majority

Nonprofit directors' "self-dealing" transactions:

- For most charitable nonprofits:
 - Majority of Board must affirm "fairness" of self-dealing transaction
 - Is it "material" to business of corporation?
 - Financially interested board member must disclose and disqualify

...but wait, there's more! Remember our discussion earlier about Conflict of Interest Codes, Form 700s, and Government Code Section 1090!

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In our last board meeting, you gave us feedback around best practices for our board

What's working well

- Board has the opportunity to get to know Rocketship Senior Leaders and their work
- Board receives helpful and transparent overviews of the organization's wins and also challenges -- both in the form of data and through qualitative discussion
- Frequency and length of meetings feels right
- Board is a collegial group that treats each other with respect
- Board members meet with parent leaders during an evening board meeting each spring

What we can improve

- Include more active dialogue during meetings
- Discuss CEO and CFO performance reviews even more regularly throughout the year
- Enhance onboarding for new members
- Make it easier to access materials online
- Clarify standards the board wants to hold itself to and actively monitor
- Potentially increase committee size
- One request for more detailed data, though others happy with current level of detail

Update on addressing board's suggestions

- Include more active dialogue during meetings
 - We are keeping this in mind when planning meetings, such as today's meeting
- Discuss CEO and CFO performance reviews more regularly throughout the year
 - Adding time in full board meetings and Business Committee meetings to do this each quarter
- Enhance onboarding for new members
 - New process includes onboarding email with attached reference materials and onboarding phone call if desired
- Make it easier to access materials online
 - We considered your survey feedback and evaluated several systems, ultimately deciding to keep our current system but be more thoughtful about how we use it
- Clarify standards the board wants to hold itself to and actively monitor
 - Our Board Chair is now tracking board attendance and will reach out to members as needed
- Potentially increase committee size
 - We will be thoughtful about this as we add members going forward
- One request for more detailed data, though others happy with current level of detail
 - Standing offer from Chief Talent & Strategy Officer to sit down and review in-depth data with any board member

The End

- Any questions about these topics, or any other charter school topic?

Thank you!



Questions later? Please contact me.

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