



**Da Vinci Schools Board of Trustees
Meeting Minutes
January 31, 2013**

Board Members Present:

Don Brann, Vice President
Cheryl Cook, Secretary
Gary Wayland, Treasurer
*Art Lofton, Member
*Israel Mora, Member

*via phone conference

Staff Present:

Matthew Wunder, Executive Director, Da Vinci Schools
Dave Wilson, WSD Budget/Accounting Director
Colleen O'Boyle, Principal, Da Vinci Design High School
Steve Wallis, Principal, Da Vinci Science High School
Nathan Barrymore, Principal, Da Vinci Tech High School
Yolanda Saldana-Bautista, Director of Business Operations
Carla Levenson, Enrollment / Marketing / Development
Sharon Coulter, Director of Development
Lianne Lau, Executive Assistant

Visitors Present:

Tina Morefield; Director,
Corporate Citizenship, DirecTV

Brooke Hanson; Lead Specialist,
Corporate Citizenship, DirecTV

Brynne Dunn, Specialist,
Corporate Citizenship, DirecTV

Tait Anderson, Executive Vice President, ExED

Tammy Stanton, Senior Vice President, School Finance and Lead
Trainer, ExED

Jessica Norman, Vice President, School Finance, ExED

Ryan Griffin, Vice President, School Finance, ExED

Call to Order

Meeting was called to order at 2:09 p.m. on January 31st, 2013 at Wiseburn School District Board Room, 13500 Aviation Boulevard, Hawthorne, CA.

Approval of Minutes

December 10th, 2012 minutes were approved.

First: Gary Wayland; Second: Cheryl Cook; Motion carries.

From the Board

Cheryl wished everyone a happy 2013. Don reflected on an email Chet shared with him and Matt from August 31, 2008 a year prior to Da Vinci opening doors to our students. Don congratulated our team in continuing to execute our vision of providing world class education and is proud of what we have accomplished.

Action Items

See attached list of Board Approvals.

Discussion Items

1. DirecTV Presentation



- In recognition of a grant recently awarded by DirecTV, representatives presented Da Vinci with a check for \$7,500.
 - DirecTV shared that they are impressed with the quality of students at Da Vinci and the work they have seen at exhibition nights. DirecTV is looking forward to continuing to support students at Da Vinci.

2. Approvals (Don Brann)

- a. Gary motioned to consider items 1 and 14 individually as Da Vinci has never received stocks prior to this time. Additionally, adding the 6th and 7th members to our board is also a very momentous occasion and deserves separate recognition.
 - i. Don Brann shared the concerns over time with such busy board member's schedules that it can be difficult to get a quorum. A year ago, we had approved the 6th and 7th members, but we have been cautious to fill the positions and did not want to do anything until the 2012-2013 academic year. Since WSD and our independent charter board is so remarkable, the idea came up why not add elected trustees from WSD board to our board. After asking an attorney, we received confirmation that we could. We were told that there may be a couple of times where dual board member will need to stand down, but it will very rarely happen.
 - ii. Gary Wayland shared that Susan and Israel have been with Da Vinci since the beginning and are thrilled to have Susan (and jokingly) less thrilled to have Israel on the board.
 - iii. Cheryl Cook welcomed both to be part of this great team.
 - iv. Matt Wunder shared that adding both Susan and Israel would be seamless; they have been behind the scenes and bringing us together. Matt shared that he wouldn't be sure where we would be as an organization without them.

3. Financial Update (Dave Wilson)

- a. Since our last board meeting, the 2011-2012 audit has been released and the auditors agreed and gave us the qualifier.
- b. Reserves are close to 24%. A little high because of the uncertainty with the state budget; it was in case we receive a mid-year cut.
- c. Dave Wilson had shared that we're waiting to hear the funding determination because if we are running an Independent Study program and enrollment is over 20%, but under reported ADA we can get docked \$80,000 now 1 million.
- d. Yolanda shared about the process for pre-approvals and the challenges we've faced with our schools being project based and teachers coming to us after the fact with pre-approvals. Yolanda is currently working on it with the advice from ExED for auditing purposes. Yolanda shared about a concern with the teacher's budgets and how sometimes they can't buy in bulk in order to get a lower price, so we have been writing reimbursement checks. Yolanda shared that we're now looking at a way for teachers to set up a master plan with principals and then have principals sign off on the purchases. Yolanda also shared how the school credit card usage were an issue, but receipts are down and we're also working on a process now for having a written log of pre-approved expenses for auditing purposes.
- e. Dave Wilson shared that 2013-2014 is just a starting point of process and stated that the law will most likely change. Dave stated that there is 1.8 billion in Prop A funds and we're taking strides in the right direction, but we're not there yet. There is a proposed local control funding formula where they take each district and have a base grant and see where it needs to be in 7 years. With this formula schools with free-reduced students, language learners, etc. won't be funded less than the current year – it can be drastically different than neighboring schools.
- f. Gary Wayland asked what it meant for every one point below ADA? Don Brann shared that we're on target more or less - 20 off 1000, is not that far off and we did pretty good with the estimates.
- g. Action to approve audit.



- 4. ExED Presentation (Tait Anderson, Tammy Stanton, Jessica Norman, and Ryan Griffin)**
- a. Matt shared about Tom Cox's departure and the need for us to leverage Gary's expertise as we're expanding programs.
 - b. Tait thanked the board for allowing ExED to share the assessment and stated that everyone they had conversations with and interviewed were very helpful and wanted to help improve Da Vinci Schools (DV).
 - c. Tait gave background about ExED being a leading provider of services to charter schools in southern California and takes pride in working with populations of low-income students.
 - d. Tammy shared about how she was excited when contacted by Dr. Wunder since the DV has much recognition in LA County. Tammy shared that she can sense that the school is working, but questioned whether the operations are working. Some questions Tammy posed were: Is DV currently set up to handle the growth? Has DV adequately handled the past couple of years? Is there back office support?
 - e. Tammy shared that the audit report that Dave Wilson presented shows the bleeding between the two organizations and gaps in internal controls which auditors have brought to Da Vinci's attention. ExED identified improvements and looked at the relationship between WSD and Da Vinci. Tammy stated that they have looked at many districts in CA and across the country and this has been the most unique school district-charter school relationship; Tammy shared that it is supportive and lovely and they will be looking at ways of fostering this relationship. ExED also looked at work load, identified any gaps, looked to see if segregation of duties were happening (and they were not), and also accounting/business services.
 - f. Within the 15 page report – page 3 highlights key findings.
 - g. Tammy shared under financial management structure and software:
 - i. Currently 3 different systems talking to each other. Wiseburn is using PeopleSoft, 501(c) 3 is using QuickBooks, and Da Vinci is using Excel, subsequently the software can't and are not communicating with each other. The 3 systems set up works, but it is not efficient. For example, if there were a more robust program, it can support the growth of the organization as well as capture locations and prepare reports to design, science, etc.
 - ii. There is a high demand on Yolanda since she is manually inputting information into spread sheets and there is big room for human error. Tammy questions whether this is truly working.
 - iii. Don Brann asked Tammy if ExED finds other schools where their software does not match up; Tammy answered, yes and has seen it CFO's in-house where companies invest 150K in software and are not ready for the software and then encounters a glitch during transition.
 - h. Don Brann shared that WSD is one of the last remaining small districts in LACO and feels the authorizing relationship between the district and charter is very good. Don shared that LAUSD and their charter schools often have adversarial relationships.
 - i. Tammy shared about the strength and subsequently the weakness of DV's relationships. Since DV has such strong relationships, there are weak controls and DV has done what many won't normally do, i.e. approve without pre-approval. Tammy shared that there are weak controls throughout all areas of business services – at the site level and at the volunteer level with the 501(c) 3 which resulted in audit findings. Tammy also shared that the board members role is not day to day service management, however this is what has morphed over the years with Gary's team helping with financials.
 - j. Tammy also shared about the limited involvement with each school site and business operations. Tammy felt the leaders/principals need to know how ADA properly forms the budget, what categories they're eligible for, line items and actuals throughout the year, etc. since DV is leaving close to 200,000 on the table that can be directed to classrooms, annually.
 - k. Tammy shared that there are many easy fixes – DV can train staff and set the culture (quick and easy), but the question remains, how can DV be timely, efficient, and ultimately keep donors happy? The options can be:
 - i. Rely solely on WSD for all business service functions and stay on district office's system



- ii. In house – large responsibility. DV will rely on the CFO and they will hold onto all the information, but if something happens, then all of the information is gone.
- iii. Break away business services from school district and contract with 3rd party provider like ExED, but not a sales pitch – have a team of experts working for you. Another can step up if the CFO says they need to leave.
- l. Matt shared that these are big decisions and is delighted that ExED pointed out the strengths in our relationships here at DV and WSD.
- m. Don shared that he thinks we need time to think about everything and reflect on the next best steps. Don appreciates what the firm has done and brought to our attention.
- n. Gary shared how DV has prepared and advised bringing students to college with laser like precision. Gary shared we've done a great job with students, now we need to do the same for this audit. He shared, this is where our focus needs to be and we need to act quickly.
- o. Tait and Tammy's presentation of findings do not necessarily reflect these assertions as accurate.

5. New School Update (Nathan)

- a. Nathan shared that there have been some interactions between location and college partnerships.
 - i. West LA College – contingent in West LA boundaries and can come back to Wiseburn at a later date. College partnerships will have to be re-evaluated later.
 - ii. Foothill – ready for us to give them the MOU.
 - iii. Antioch – not perfect for first two years for English and Math requirements.
- b. We received a legal opinion for 5th year (and take to age 22 if long term) and basic summary is yes, we can.
- c. Next steps: implementing recruiting plan; Nathan shared that he is confident that we can do this well because we have done this before and Nicole will lay it out.
- d. Big issue is the charter petition and what complications can arise from the location of the school.
- e. Nathan shared that DV schools are site based and DVIA is an independent study model, but under Design, and the new high school should/will be site based to fit with our current school models. Students will need to be on campus with a credentialed teacher for 80% of the time – however there are possibly new laws about early college changing it from 240 minutes to 180 minutes of teacher time.
- f. Nathan shared that California Ed code states that a charter school needs to be within the governing school district's boundaries with exceptions. Exceptions include Independent study programs or satellite campuses. The challenge for the new high school is to locate a single site or facility around Wiseburn; however there have not been any available so we have looked elsewhere.
- g. Nathan shared that there are two possibilities and it is presumptuous for the board to decide today, but there are a list of districts where we can apply.
 - i. West LA College is in LAUSD, not Culver City. If the school will be located permanently at West LA then we have to go to them first. This can be an intense political process and bureaucratic – will generally take 90 days and they can still deny, but then we can go to LACOE.
 - ii. Can try the same in Culver City Unified School District, but they are less likely to authorize charters than other areas. Given this, DV could go directly to county, however Nathan shared that it is an unknown and thus risky because many schools don't do it. DV's rationale would be that our program is very unique and targeting a unique student population. Matt added that we are serving students regionally across the county from 80 different zip codes and “no one else is doing this”.
 - iii. Don shared two deal breakers for the new high school:



1. Will California pay for a 5th year? If not, DV will get stuck with the bill. Attorneys say, take a 5th, 6th, 7th year as long as students don't go over 22. Looks like this is not a deal breaker and is promising.
 2. Where are we having this school? We can't hire teachers unless there is a place to work. We have stepped out and hired Nathan, however we can't go much further down road unless we know we can operate. We're confident in other things, but this is a big thing to solve, maybe leasing portables in West LA.
- h. Nathan shared about the relationship with Mark Pracher, Director of Development at West LA College.
- i. Talked about a parking lot and putting portables and then rent a wing of classrooms that are isolated. However, to keep peace with the community, a set of classrooms would be best. It will work to our and West LA College's advantage to fill in the class rooms. Currently waiting to get a meeting with the President and VP to go with the general plan of what we like to do, however will need approval from the board. Mark Pracher has ideas for joint programs where DV's rent money can also benefit students as well, i.e. STEM.
 1. Don shared that Mark wants more than a tenant-landlord relationship. Not just money, but rather access to some of our partners. Matt added also DV's know how to access and cultivate donors.
 - i. Don shared that it doesn't seem like DV has a reasonable second option and we're on the right track to strike the right nerve. Don shared we need to get this and if DV doesn't, then everything will be on hold and defer opening to summer 2014. Don commended Nathan for his great work and keeping DV focused as there is much to do in a short amount of time.
 - j. Nathan shared that he feels like this is going to work and just needs to make sure we say the right thing.
 - i. Matt would like the board's direction on a letter that Nathan has drafted that West LA College wants.
 - ii. Don stated that the best course of action is to make a motion here.
 - iii. Matt asked if it is the board's direction for the negotiation to not exceed \$150,000 for portables and renting classrooms.
 - k. Cheryl asked to clarify if we do it at West LA College, would that mean we need to be a charter through LAUSD?
 - l. Nathan shared that this is a huge discussion and if we go through LAUSD, we may have to push a year back. However, if we go through WSD, then we can open this year. Matt added that we have upcoming meetings that will provide more clarity and information.
 - i. Cheryl shared that she would prefer going through WSD since we have a long working relationship with them.
 - m. Given the time constraints, Nathan shared that he is available to sit down with anyone on the board to discuss their concerns. Nathan also shared about the third deal breaker of who is going to authorize the school to open. Nathan asked the board for their approval to negotiate with West LA College contingent upon us as a charter – all board members present (Don, Cheryl, and Art) agreed.
 - n. Cheryl asked if students stay another year, does that mean they do not get a high school diploma?
 - i. Don shared that we would hold a little thread, but once we once give a diploma then they're done.
 - ii. Matt shared that students can graduate in the 12th or 13th grade, for whatever reason, they won't spend 4.5 years with DV and not get a high school diploma.



- iii. Nathan shared that if a student were to get into MIT, UCLA or any other 4 year university, there is no reason to hold them back; students are free to graduate and go in 4 years.
- iv. Cheryl shared that this information should be shared from the beginning because she doesn't want to open this school and no one attends.
- v. Don shared that this will be explained in the lottery for the new school.
- o. Nathan shared that students have the opportunity to get a HS diploma from DV and then also an AA from a community college at the same time.

Adjournment

Meeting adjourned at 4:54 p.m.