

Board of Directors Annual Strategic Planning Meeting

Buckhead Investment Partners
3575 Piedmont Road NE, Building 15
Atlanta, GA 30305

Friday, January 29, 2016

8 a.m. to 2 p.m.

Minutes

Directors in Attendance: Kim Anderson, Joe Arnold, Tom Avery, B.J. Bernstein, Ned Case, Sidney Childress, Rick Deane, Sid Harris, Craig Jones, Dennis Love, Tom Pritchard, and Jack Ward

Directors Absent: Jim Bostic, Mark Buffington, Torarie Durden, Tharon Johnson, Mark Wesley, and Alan Wise

Honorary Directors Present: Kathe Brown

Committee Members Present: N/A

Staff Members Present: Wheda Carletos, Tasha Davis, Erika Ellison, Christy Harris, Dwight Ho-Sang, Dave Howland, Kim Karacalidis, Shyam Kumar, Judy Lin, Kerry McArdle, Katie Mock, Katie Rigby, Kinnari Patel-Smyth, Sabrina Player, Tandi Prillerman, Jondré Pryor, and Troy Wright

Visitors present: Trisha Coad, KIPP Foundation; Elisa Falco, Georgia Charter Schools Association; Duriya Farooqui, Bain & Company; Kelt Kindick, Bain & Company; and Thomas Witherspoon, KIPP Foundation

The meeting was called to order at 8:08 a.m.

I. Welcome and Agenda Review (Craig Jones and Kinnari Patel-Smyth)

- a. Craig called the meeting to order and welcomed board members.
- b. Kinnari introduced Kim Karacalidis, who will become principal of KIPP STRIVE Academy in June 2016, when Christy Harris transitions out of the role after three years.

II. Consent Agenda (Craig Jones)

- a. Tom Avery moved and it was seconded to approve all items (listed below) on the consent agenda. The motion carried unanimously.
 - i. Approval of November 12, 2016 minutes
 - ii. Approval of Georgia Department of Education Annual Report for KIPP South Fulton Academy
 - iii. Approval of KIPP South Fulton Academy's State of the School Report
 - iv. Approval of 2016-17 Board Meeting Calendar

III. Executive Director Update (Kinnari Patel-Smyth)

- a. Kinnari announced that KIPP Atlanta Collegiate's graduation date and time have changed to Tuesday, May 24, 2016, from 7:30 to 8:30 p.m. at the Georgia World Congress Center.
- b. Kinnari shared that KIPP School Summit 2016 will take place in Atlanta from July 25-27, and all board members are welcomed and encouraged to attend.
- c. Kinnari congratulated KIPP South Fulton Academy school leader Jondré Pryor who will receive the Georgia Charter Schools Associations' "Shoot for the Moon" award, given to a leader with a significant impact on education in the state of Georgia. Additionally, Kinnari shared that KIPP STRIVE Academy is one of just five finalists for the "Georgia Charter School of the Year" award.

- d. Kinnari and Craig shared the rationale regarding KIPP Metro Atlanta Schools' decision not to offer a submission for Atlanta Public Schools' School Turnaround Partnerships Request for Qualifications (RFQ), and reaffirmed our commitment to continuing to find additional ways to partner with, and support, the district.
- e. Craig announced the upcoming transitions of two long-time KIPP Metro Atlanta Schools staff members: Chief Operating Officer Judy Lin and KIPP Through College Director Sabrina Player. He thanked them for their six and thirteen years of service, respectively, and presented them with certificates of appreciation.

IV. Georgia Milestones (Katie Rigby)

- a. Katie reminded board members of our regional 2018 goals: we will serve 3,500 KIPPsters, 60%+ of students will score a 21+ on the ACT, and 50% of both fourth and eighth graders will rank within the top quartile on the Measures of Academic Progress (MAP) assessment.
- b. Katie explained the importance of the regional MAP goal, given that we have seen a strong correlation between student performance on MAP Reading and Math and Georgia Milestones Reading and Math assessments.
- c. Katie reminded board members that since Georgia Milestones is aligned to the Common Core Standards, it sets a more rigorous bar than the Criterion-Referenced Competency Tests (CRCT). As a result of the higher standards, we saw a statewide drop in test scores.
- d. Katie shared that our region is in the process of implementing a comprehensive plan to address the new level of learning. Key components of the plan include adopting new curriculum and assessments, extensive professional development, and piloting new staffing and scheduling models.

V. Committee Updates

- a. Advocacy Committee (Sidney Childress and Kinnari Patel-Smyth):
 - i. Sidney shared that a large part of 2015 was spent making new friends and strengthening our relationships with Atlanta-based leaders.
 - ii. Craig reminded board members of their role in advocating on behalf of KIPP, and recognized BJ Bernstein for scheduling a recent school tour with Georgia State Representative Stacey Evans.
 - iii. Sidney explained that the Committee's 2016 focus areas are to monitor the landscape for this year's legislative session and be ready to mobilize our community to support, as needed.
- b. Development Committee (Kerry McArdle):
 - i. Kerry shared that the region is 93 percent of the way towards reaching its FY16 operating goal of \$4.2M and 70% of the way towards reaching its FY15-18 capital campaign goal of \$8.5M.
 - ii. Kerry asked board members to share any contacts they may have at foundations that are known to fund capital campaigns. In particular, Kinnari reminded board members of our need to raise \$2M for KIPP South Fulton Academy's gym.
 - iii. Kerry provided an update about the Committee's planning for Are You Smarter Than A KIPPster? Advanced ticket sales have reached \$270K, with the main level almost sold out. Celebrity contestants include Billy Peebles, headmaster of The Lovett School; Dikembe Mutombo, NBA hall of famer and humanitarian; Michelle Nun, president and CEO of Care USA; Dr. Mary Schmidt Campbell, president of Spelman College; and Kevin Gillespie, chef and owner of Red Beard Restaurants. The committee is in the process of recruiting the final celebrity contestant. Kerry shared that board members will soon receive a save the date email to share with their networks.
- c. Finance Committee (Erika Ellison, Joe Arnold, and Troy Wright):
 - i. Erika shared a change in the Financial Model Task Force's timeline. As a result of the change, the Committee will review a draft of the five-year financial model in May.
 - ii. Joe provided a brief overview of items discussed at the January Finance Committee Meeting. In particular, he reminded board members of the Committee's decision to perform a risk analysis at each meeting.
 - iii. Troy reviewed the FY16 forecast and cash-flow projection.
- d. Committee on Directors (Rick Deane):
 - i. Rick shared that the Committee has been working to identify potential candidates at both Deloitte and King & Spalding, as well as those within the higher education community, and an Atlanta community leader.

- ii. Rick shared an update regarding the conflict of interest (COI) policy. The Committee has been working with the Georgia Charter Schools Association to revise some of the language. When the policy is finalized, the Committee will present it to the larger board for approval. In the interim, we will continue to operate under our current COI policy.

VI. Ice Breaker

- a. Attendees participated in an activity that allowed them to learn more about each other.

VII. Finance and Operations Deep Dive: Risk Management (Judy Lin)

- a. Judy explained that as she transitions, risk management will be owned by Chief Financial Officer Erika Ellison and overseen by the Finance Committee.
- b. Judy shared that an annual assessment is performed to identify new risks, evaluate existing risks, and make adjustments to risk mitigation strategies, as needed.
- c. Judy discussed last year's creation of a Safety Task Force whose goal was to standardize elements of school safety plans. They prioritized the various risks, listing intruder and active shooter scenarios as the highest priorities for standardization. As an outcome of the task force's work, each standard now includes regional protocols, documentation, a training plan, and training materials. Formal training and procedures will be rolled out to all staff members beginning in the 2016-17 school year.

VIII. Finance and Operations Deep Dive – Per Pupil Allocation (Erika Ellison)

- a. Erika explained that FY16 per pupil funding is based on a 40-day enrollment count. She shared that we have found errors in Atlanta Public Schools' calculation of per pupil funding, and we are challenging its enrollment forecast. At this time, per pupil revenue is favorable by \$303K. The next adjustment will occur at the end of the year based on spring enrollment.
- b. Erika explained that, based primarily on Atlanta Public Schools' quote of an increase in per pupil revenue of three to five percent, the FY17 preliminary revenue projection is \$41.8M. We are expecting FY17 per pupil revenue to increase by \$4.2M over the FY16 forecast.
- c. Erika walked the board through a high-level overview of Governor Deal's plan to transform Georgia's K-12 funding formula. In contrast to the current formula, the proposed formula would fund actual enrollment counts, be student-based, and include weights for specific demographics. Board members and school leaders asked questions to better understand the potential implications of these proposed changes.

IX. Strategic Plan – Overview (Kinnari Patel-Smyth, Katie Rigby, and Shyam Kumar)

- a. Kinnari began the discussion by reminding board members of our three strategic imperatives: expanding our impact, college readiness, and talent strategy.
- b. Kinnari explained that with the support of The Bridgespan Group, we are in the process of reviewing and refining our strategic imperatives to ensure that we are positioned for success.
- c. Kinnari shared the results of a SWOT analysis completed at the outset of the process. The initial analysis led the leadership team to believe that we must focus more deeply on instructional excellence and talent, while preparing for future growth. Ultimately, we anticipate increasing our focus on college readiness, talent, and growth.
- d. Board members asked questions about the strategy, including the role of STEM instruction.
- e. Katie provided an overview of our key strategies for instructional vision, such as adopting new curriculum and refocusing efforts on English Language Arts and math instruction.
- f. Shyam provided an overview of our key strategies for character development, such as aligning on a vision of excellence and core character strengths.
- g. Shyam provided an overview of our key strategies for talent, such as continuing to invest in Teacher Pathways and piloting "Career Pathways" with principals.
- h. Kinnari explained that principals and leadership will finalize the initiatives in the coming months, and she will present the final strategic initiatives to the board for approval at the April meeting.

X. Strategic Plan – Growth (Kinnari Patel-Smyth and Bain & Company Consultants)

- a. Kinnari introduced Kelt Kindick and Duriya Farooqui, our consultants at Bain & Company, who are helping with the strategic growth planning process.
- b. Kelt explained that at this point in the planning process, we are determining the five-year goals for key outcomes measures, aligning on growth options, and discussing feedback received during interviews with board members and school leadership.
- c. Duriya summarized our point of departure and benchmarking results. She also explained against whom we should be benchmarked, how we perform at each school level, our college matriculation and graduation rates, and general finances.
- d. Duriya explained that KIPP’s experience suggests that KIPP high school matriculation is the most important driver of college graduation outcomes. At this point, our ability to improve college graduation by optimizing matriculation/retention is limited by capacity constraints. In order to achieve full-potential college graduation impact, we must grow high school seats to offer all students a KIPP K-12 experience.
- e. Kinnari led a discussion about whether we are well positioned to meet our outcomes goals, how we should balance achieving outcomes goals with growth, and determining the right planning horizon for future growth. Board members provided a variety of feedback, including the need to prioritize outcomes and ensure that growth is not a distraction to that priority. They also discussed the need to be intentional about ensuring that as many eighth graders as possible matriculate to the high school.
- f. Kinnari shared key elements of our optimal 2020 end-state and led a discussion about whether we are evaluating growth in the right districts, how we should prioritize growth options, and the right timing for pursuing the options. Board members provided a range of feedback, particularly around the importance of not growing anywhere in which we would not be able to eventually open a new high school.
- g. Kinnari explained that in our next phase we will evaluate the impact that each option has on outcomes and our likelihood of success. Next steps include profiling specific options for growth within selected districts, assessing financial and capability implications of each option, developing a “term sheet” outlining key requirements for options, and presenting recommendations to the board for approval at the April meeting.

XI. Adjournment

- a. The meeting adjourned at 2:05 p.m.

Minutes taken by Katie Mock, Board Secretary