



APPROVED MINUTES  
MEETING OF THE BOARD OF DIRECTORS  
Greater LA Education Foundation  
9300 Imperial Highway, EC 107, Downey, California 90242

Monday, January 13, 2020

A meeting of the Board of Directors of the Greater Los Angeles Education Foundation was held on Monday, January 13, 2019 in EC 107 at the Los Angeles County Office of Education, 9300 Imperial Highway, Downey, California 90242-2890.

Present: Debra Duardo, Monte Perez, Gloria Rogers and Patricia Smith  
Absent: Michael Escalante  
Others Present: John Garcia, Patrick Saldaña, Daisy Esqueda, Michelle Sanchez, Michele Biagioni, Matthew Jaffke, Steven Purcell, Kristina Romero, Thalia Nawi, Capri Maddox, Candace Bond McKeever, Ellen Rosenberg

CALL TO ORDER

Dr. Duardo called the meeting to order at 10:01 a.m. She acknowledged staff present and asked Dr. Garcia to introduce additional attendees present. Dr. Duardo shared that Dr. Garcia would be sharing updates with the Board regarding the ongoing restructuring of the Foundation.

COMMUNICATIONS (PUBLIC COMMENTS)

None.

APPROVAL OF MINUTES

The Board reviewed the meeting minutes for the meeting of October 28, 2019.

It was MOVED to approve by Ms. Rogers; SECONDED by Dr. Perez. All approved; none opposed.

NAME CHANGE AND REVISED BYLAWS

Dr. Duardo reminded the Board that, at the October 28 Board meeting, the Directors approved changes in the Foundation's operations and governance. As a separate matter, Directors also voted to change the organization's name. Dr. Duardo asked the Board to vote on the integration of the name change into the organization's Bylaws.

It was MOVED to approve the integration of the name change into the organization's Bylaws by Ms. Rogers; SECONDED by Dr. Perez. All in favor; none opposed.

Dr. Duardo also reminded the Board that they asked if the Foundation needs to continue to comply with the Brown Act as included in Article IX, Section 6 of the Bylaws. Dr. Duardo invited Patrick Saldana to discuss the Brown Act.

Mr. Saldana explained that after researching whether the organization needs to continue complying with the Brown Act he found that the Brown Act applies to legislative bodies, and so the Foundation must comply. According California Government Code 54952, the Foundation is considered a legislative body



because it, “receives funds from a local agency and the membership of whose governing body includes a member of the legislative body of the local agency appointed to that governing body as a full voting member by the legislative body of the local agency.”

Mr. Saldana explained that Dr. Perez’s appointed Board position and the in-kind contributions from LACOE are reasons why the Foundation must comply with the Brown Act. Mr. Saldana reminded the group that an organization that must comply with the Brown Act is required to make items publicly available. For example, if a Director dials into the Board meeting from home, he or she must make their home available to the public and the address must be publicly posted.

Ms. Rogers reminded the Board that the discussion around the Foundation needing to comply with the Brown Act came about because the Board wanted the option to call into the meetings to reach quorum.

Dr. Garcia asked what it would take for the organization to not have to comply with the Brown Act.

Mr. Saldana explained that currently, Article VIII, Section 5 of the Bylaws requires that the Foundation has one board member appointed by the Board of Education and one board seat reserved for the Superintendent or their designee. The Bylaws must be revised to remove these parameters. Dr. Duardo explained that these parameters were previously set in place to control the direction of the Foundation.

Dr. Garcia shared that the goal of the Foundation is to rely less on in-kind support from LACOE. The piece regarding having a board member appointed by the Board of Education will need to be brought up for discussion at a future board meeting.

#### BOARD NOMINATIONS AND ELECTIONS

Dr. Duardo continued the meeting with board nominations and elections. First up was the Officer position. Dr. Duardo explained that Ms. Rogers was elected Board Secretary to fill the position when Yolanda Benitez resigned from the Board. Ms. Rogers’ two-year term as Board Secretary expires in January. All officers are eligible to seek reelection and all Directors except the Chair are eligible to seek this position.

Dr. Duardo opened the floor for nominations for Board Secretary. Dr. Perez NOMINATED Ms. Rogers. SECONDED by Dr. Duardo. All in favor; none opposed. Dr. Duardo announced that Ms. Rogers has been elected Board Secretary for 2020-22.

Dr. Duardo explained that there would be no other Officer elections at the meeting. The Board Treasurer term was an appointment approved by the Board at its June 2019 meeting; the Board President was re-elected in August 2019 to a two-year term in the position now known as “Board Chair”.

The next topic was the nomination and election of additional Directors of the Board, which is a three-year commitment. Dr. Duardo invited Dr. Garcia to lead the nominations and election.

Dr. Garcia reintroduced Candace Bond-McKeever and Capri Maddox and reviewed their qualifications and interest in being Greater LA Directors.

Dr. Duardo opened the floor for nominations for Director of Greater LA. Dr. Perez NOMINATED Ms. Bond-McKeever to be elected to the Board. Dr. Duardo SECONDED and brought the nomination to a vote. All in favor; none opposed.



Dr. Duardo then asked for a formal nomination for Ms. Maddox to be elected to the Board. Ms. Rogers NOMINATED Capri Maddox; Dr. Perez SECONDED. All in favor; none opposed.

Dr. Duardo welcomed both Ms. Bond Mc-Keever and Ms. Maddox as Directors of Greater LA for 2020-2023.

#### STRATEGIC DIRECTION, OPERATIONS, ORGANIZATIONAL STRUCTURE

Dr. Garcia was then invited to introduce new staff and provide updates on the restructuring of the Foundation. Dr. Garcia introduced Steve Purcell and Kristina Romero as the newest additions to the Greater LA team. Mr. Purcell has joined the Foundation as Director of Strategic Partnerships and Ms. Romero joined the Foundation as Special Assistant to the President.

Dr. Garcia then followed with a review of the Foundation Strategy Draft Report prepared by Education First. Dr. Garcia also shared with the Board new grants and programs that the Foundation is developing and pursuing as well as collaboration/partnerships involving Greater LA and LACOE.

Ms. Bond-McKeever shared that having both literacy and STEM as part of the strategy would be great and is needed. She also highlighted the teacher shortage and shared that the number of people going into teaching is declining. She is interested in piloting a workforce/housing program in Inglewood that addresses the teacher shortage and lack of diversity in teaching.

Dr. Duardo shared that it took a lot of work to get to the Foundation to this point and acknowledged all the partnerships that have been involved. She also added that lifting LACOE should be a part of the Foundation's launch.

Dr. Garcia continued with a review of the ongoing rebranding efforts and a launch event, which would mark the official launch of the Foundation for funders, partners, board members, and others. He shared mock ups of the Foundation's logo and opened the floor for feedback. All Directors gave favorable feedback of the logo and color palette. Dr. Garcia also shared that the Greater LA team will solicit feedback from the Directors on the launch event in the upcoming weeks.

#### FINANCE

Dr. Duardo invited Ms. Smith to review the FOL Audited Financial Statements and IRS 990. Ms. Smith shared that in October Michael O'Day of Quigley & Miron (Q&M) presented the draft Audited Financial Statements (AFS) for 2018-2019. He noted that the narrative section would need additional information to explain why FOL allocated less than the standard 65% to program expenses in 2018-2019.

Ms. Smith added that, due to lack of quorum, the Foundation's Finance Committee did not meet prior to the general meeting of the board.

Since the last FOL meeting, information has been added in Note 1-Organization:

During the year ended June 30, 2019, FOL received significant grant support for strategic planning, fundraising, and visioning to reshape the organization's infrastructure to leverage additional resources for high-need programs of LACOE and its partners. Thanks to the grant



support, FOL will have dedicated staff and place less reliance on donated in-kind personnel costs. In doing so, FOL has incurred more than unusual general and administrative and fundraising expenses causing the functional program expenses to fall below fifty percent. FOL Board of Directors and Management estimate that program expenses will increase to normal levels in the following fiscal year.

Ms. Smith stated that the Board will have to determine if the Board and management believe that program expenses will increase sufficiently in 2019-2020 to reach at least 65% of FOL expenses. The Board should be aware that similar statement will need to be included in the Foundation's next filing of the Registry Renewal Fee (form RRF-1) with the California Attorney General's Office of Charitable Trusts.

Ms. Smith returned back to the Revised Audited Financial Statements and shared that there will be an additional item, Note 7 about Subsequent Events:

#### Note 7—Subsequent Events

The FOL Board of Directors voted in October 2019 to change the name of the organization to Greater Los Angeles Education Foundation. Management evaluated all other activities of FOL through January 13, 2020, which is the date the financial statements were available to be issued, and concluded that no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.

Q&M provided a draft IRS 990 for Board review. The IRS asks that the Board of Directors annually review an organization's 990 before it is submitted.

Also included in the meeting's agenda (Attachment D) was the "Acceptance of Funds" for the period of October 1 through December 31, 2019. For the second quarter of 2019-2020, the Acceptance of Funds is reported in two ways: Funds directly to Foundation and funds to the Foundation's Fiscal Sponsorship Fund at the California Community Foundation.

In the second quarter, income directly to the Foundation was from individual contributions (including LACOE employee payroll donations as well as personal support from members of the County Board of Education). Funds also include CCU's sponsorship of the County's Academic Decathlon of \$25,000.

In the second quarter of the fiscal year, the CCF Fiscal Sponsorship Fund has received additional commitments of: \$35,000 from the Stuart Foundation and \$75,000 from the California Endowment.

It was MOVED to approve by Ms. Bond-McKeever; SECONDED by Ms. Maddox. All in favor; none opposed.

Ms. Smith went on to present the Statement of Activities and Statement of Financial Position. Currently LACOE's Grants Development team is reviewing the program funds at the Foundation to see what might be discontinued or consolidated as some have not been active recently. The Statement of Financial Position includes transactions reported and recorded through December 31. The staff of GLA and LACOE are working to transition reporting and recording of activity to present consolidated reports in the future.

It was MOVED to approve the Statement of Activities by Ms. Bond-McKeever; SECONDED by Ms. Maddox. All in favor; none opposed.



It was then MOVED to approve the Statement of Financial Position by Ms. Bond-McKeever; SECONDED by Ms. Maddox. All in favor; none opposed.

Ms. Smith went on to review the revised budget (Attachment G) for the Foundation for FY 2019-2020, which includes the funds and pledges from Hopewell to the CCF Sponsorship Fund. The Budget versus Actual report (Attachment H) reflects transactions recorded at end of the Second Quarter (and end of 2019 calendar year). Ms. Smith shared that more expenditures are expected to be reflected in the Third Quarter with the addition of Foundation staff; payments due on various LACOE events and programs; and Greater LA start-up/expansion costs.

Ms. Smith then transitioned to review the revised Foundation Bylaws addition of a Grants Committee.

Section 5. Grants Committee. The Board by resolution may create a Grants Committee. The Grants Committee will consist of such members as the Board may approve. The Grants Committee will review all requests for Foundation funds over \$2,500 and present them to the Board for approval. The Grants Committee will meet a minimum of once a year, and as often as necessary to ensure timely review and approval of the grant requests.

Ms. Smith shared that currently the Foundation applies for and receives Grant funding of \$2,500 and more. Until a Grants Committee is established by the Board, Ms. Smith requests that the Finance Committee recommend how the Foundation Directors will review requests for funds exceeding \$2,500.

Discussion began regarding the Foundation continuing to be used as a pass-through for grants by LACOE units. The idea of creating a contract with teams/units within LACOE who use the Foundation's tax ID status for grants was brought up. Directors strongly urged the need for a process to bifurcate work and recommended that the process should be solidified by the Foundation's launch so that there isn't any confusion. It was also brought up that the Foundation needs to be mindful about how the process will be monitored.

Dr. Garcia shared that the responsibility of managing LACOE departments' will remain with the Grants Development team, but the Foundation will have oversight.

Ms. Smith moved the discussion along to Procurement and Contracts. She explained that in the Foundation's initial years, procurement and contracts were managed two ways. LACOE's in-kind contribution has included payment to external firms for the Foundation's insurance, audit, and non-profit accounting consulting, which is in addition to LACOE's in-kind support of staff time, space, and facilities.

Standard practice for LACOE programs receiving support from grants or donations to the Foundation is that LACOE contracts for the hiring of consultants, rental of venues, and other expenses. LACOE invoices the Foundation for cost reimbursement as initial payment has been made through the LACOE budget. This is the current practice for payment of the Hopewell Fund support – a three-year grant - given to the



Foundation to help LACOE pay for the Community Schools Director's salary. The Foundation and LACOE will need to review how grant funds for a specific LACOE program can be operationalized.

In recent months, the Foundation has begun hiring staff (who are not LACOE employees) and entering into service contracts with vendors.

The issue is on the Finance Committee agenda to establish what type of review a contract needs before the Foundation enters into an agreement to review contract terms such as indemnification, insurance, confidentiality, security/background check, cyber security compliance.

Ms. Smith moved along to the next item: Admin Rate Increase up to 15%. On May 11, 2016, the Foundation board approved the Finance Committee recommendation of a 5% Admin fee on qualified income to the Foundation. The fee does not apply to donations for scholarships, voluntary payroll contributions by LACOE employees, or event sponsorships. The fee is adjusted when a grantor sets a higher admin fee rate.

The Foundation's first grant from the Packard Foundation in 2016 gave the organization the bulk of its Admin fee income (with an allowable 8.5% rate).

Until the Hopewell Fund grant income, the Foundation had used majority of its Admin fee to cover costs of filings, memberships, and other costs for the organization's management.

It was MOVED to approve an increase in the Foundation's admin rate up to 15% by Ms. Bond-McKeever; SECONDED by Ms. Rogers. All in favor; none opposed.

Ms. Smith shared that there is also the need to revise the Foundation's Internal Controls. In addition to revising sections to reflect duties reassigned to the Foundation President, changes must be made about on credit cards, online banking, online donations. The roles undertaken by LACOE staff will also transition to Foundation staff. The continued role of LACOE's Grants Development team is being reviewed to adapt to the changes at the Foundation.

She shared that revised Internal Controls are expected to be prepared for the next meeting.

Lastly, Ms. Smith shared that with increased income for the Foundation, the Board must determine if the threshold meets Audit Committee requirements:

## ARTICLE XII

### Committees

Section 8. Audit Committee. In any fiscal year in which the Corporation receives or accrues gross revenues of two million dollars or more (excluding grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds



received), the Board shall (i) prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant (“CPA”) in conformity with generally accepted auditing standards; (ii) make the audit available to the Attorney General and to the public on the same basis that the Internal Revenue Service Form 990 is required to be made available; and (iii) appoint an Audit Committee. The Audit Committee shall meet annually to oversee the audit functions of the Foundation.

The Audit Committee shall not include paid or unpaid staff or employees of the Corporation, including, if staff members or employees, the Chair of the Board or chief executive officer or the Treasurer or chief financial officer (if any). If there is a finance committee, members of the finance committee shall constitute less than 50% of the membership of the Audit Committee and the chairperson of the Audit Committee shall not be a member of the finance committee. Subject to the supervision of the Board, the Audit Committee shall:

- (a) make recommendations to the Board on the hiring and firing of the CPA;
- (b) confer with the CPA to satisfy Audit Committee members that the financial affairs of the Corporation are in order;
- (c) approve non-audit services by the CPA and ensure such services conform to standards in the Yellow Book issued by the United States Comptroller General; and
- (d) if requested by the Board, negotiate the CPA’s compensation on behalf of the Board.

#### OTHER BUSINESS

Ms. Smith reminded the Board that a finance committee must be appointed between now and April.

Dr. Garcia and Dr. Duardo will follow-up with Mr. Escalante regarding his future commitment to the Greater LA Board.

Ms. Rogers asked if the Board should set attendance guidelines. It was shared that attendance guidelines are in the Bylaws.

#### BOARD MEETING CALENDAR

Dr. Duardo updated the Board regarding the revised meeting calendar. She shared that the next scheduled meeting is Monday, April 13th at 10:00 a.m., which is preceded by a Finance Committee meeting at 9:30 a.m.

#### ADJOURNMENT

It was MOVED to adjourn at 11:30 a.m. by Ms. Maddox; SECONDED by Ms. Bond-McKeever. All in favor; none opposed.