

NOTICE OF MEETING

Notice is hereby given that the Board of Directors of YES Prep Public Schools will hold a regular meeting, open to the public, on **Wednesday, June 5, 2024, at 7:30 AM**. The Board will convene in Open Session at 5455 South Loop East Freeway, Houston, TX 77033. It is the intent of the Board to have a quorum physically present at the above address. If a quorum of the Board is not physically present at the above address, it is the intent to have the presiding officer physically present at the above address. Other members of the Board may be participating via videoconference in compliance with the Texas Open Meetings Act (Tex. Gov't Code § 551.127(e)). Videoconferencing link provided upon request by emailing dana.foughty@yesprep.org. Members of the public may submit a request to comment on any agenda items(s) to dana.foughty@yesprep.org before or during consideration of the item.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the order shown on this meeting notice. Consent agenda items, if applicable, will be acted on at one time. If during the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code Section 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in an open meeting.

1. **Call to Order, quorum determined, meeting declared open at 7:30am**
2. **Vote** to approve the FY24 Budget Amendment.

Motion: Jordan Marye

Second: Michol Ecklund

Unanimously approved at 9:22am

3. **Vote** to approve the FY25 Budget.

Motion: Jordan Marye

Second: Michol Ecklund

Unanimously approved at 9:23am

4. **Vote** to approve YES Prep's next strategic phase proposed growth plan and financial model.

Motion: Jordan Marye

Second: Michol Ecklund

Unanimously approved at 9:23am

5. **Vote** to approve additional graduation waivers for Class of 2024.

Motion: Jordan Marye

Second: Michol Ecklund

Unanimously approved at 9:23am

6. **Vote** to approve the board policy on transition assistance for students.

Motion: Jordan Marye

Second: Michol Ecklund

Unanimously approved at 9:23am

7. **Vote** to approve the Targeted Improvement Plan for Southside Secondary.

Motion: Jordan Marye

Second: Michol Ecklund

Unanimously approved at 9:23am

8. **Consent agenda:**

1. Vote to approve meeting minutes from the May 9, 2024, Board meeting.
2. Vote to approve the SY24-25 YES Prep Employee Handbook.
3. Vote to approve the SY24-25 YES Prep Student Handbook.
4. Vote to approve submission of a Missed School Day waiver request for multiple dates.
5. Vote to approve submission of a Low Attendance Day waiver request for multiple dates.
6. Vote to approve the Executive 403(b) Plan and corresponding resolution.
7. Vote to amend the Disciplinary Appeal Process to clarify number of appeals and roles serving as disciplinary panelists.
8. Vote to approve awarding a contract to Ambassador Services LLC and DTK Facility Services for RFP#YESP2024-22 Custodial Services, and delegate authority to the CEO and his designees to negotiate, finalize, and execute the agreement(s), amendment(s), and renewal(s) through July 30, 2028.
9. Vote to approve awarding a contract to a pool of vendors for RFP#YESP2024-19 Translation Services, and delegate authority to the CEO and his designees to negotiate, finalize, and execute the agreement(s), amendment(s), and renewal(s) through July 30, 2028.
10. Vote to approve awarding a contract to Bluum USA, Inc for the RFP#YESP2024-20 Multi-Campus Audiovisual Improvements.
11. Vote to approve purchasing custodial supplies and janitorial supplies from Matera Paper Company using BuyBoard COOP contract #649-21.
12. Vote to approve awarding a contract to a pool of vendors for procuring software and related-services and delegate authority to the CEO and his designees to negotiate, finalize, and execute the agreement(s) and amendment(s).
13. Vote to authorize the finalization of RFP#YESP2024-21 Consulting & Comprehensive Marketing Services.

14. Vote to authorize finalization of the RFP#YESP2024-23 Multi-Campus Architectural Canopy Installation project.
15. Vote to approve pending contracts.
16. Vote to ratify executed contract agreements.

Motion: Jordan Marye

Second: Michol Ecklund

Unanimously approved at 9:24am

EXECUTIVE SESSION: Pursuant to TEXAS GOVERNMENT CODE §§551.071, 551.072, 551.074, and 551.076, the Board will deliberate, in accordance with the above statutes, real estate matters, security matters, and personnel matters.

9. Executive Session

10. Adjournment at 10:27am



NOTICE OF WORKSHOP

Notice is hereby given that the Board of Directors of YES Prep Public Schools will hold a regular meeting, open to the public, on **Wednesday, June 5, 2024, at 7:30 AM**. The Board will convene in Open Session at 5455 South Loop East Freeway, Houston, TX 77033. It is the intent of the Board to have a quorum physically present at the above address. If a quorum of the Board is not physically present at the above address, it is the intent to have the presiding officer physically present at the above address. Other members of the Board may be participating via videoconference in compliance with the Texas Open Meetings Act (Tex. Gov't Code § 551.127(e)). Videoconferencing link provided upon request by emailing dana.foughty@yesprep.org. Members of the public may submit comments on any agenda items(s) to dana.foughty@yesprep.org before or during consideration of the item. Items do not have to be taken in the order shown on this workshop notice.

YES Prep Board of Directors Present: Mickey Barrett, Eric Calderon, Luly Castillo, Brian Colona, Michol Ecklund, Andrea Link, Ben Marshall, Jordan Marye, Amy Wright

YES Prep Staff Present: Mark DiBella, Dana Foughty, Isy Castillo, Phil Wright, Carmen Darville, Tony Munoz, Luis Mena, Danika Palacios, Ireri Rebollar, Amanda Rawlings, Beth Carlon-Young, Cesar Cedillos

1. Workshop declared open at 7:38am

2. CEO Report:

- Headlines on current landscape of education
 - Local: YES Prep is the only large CMO in Houston that is continuing to growth. There are a number of 1-2 site charter schools that are seeking to expand.
 - State: Starlee Coleman, CEO of the Texas Public Charter Schools association (TPCSA) is transitioning from TPCSA to the National Alliance for Public Charter Schools.
 - This is great for the national movement but a major blow for our statewide work.
 - YES Prep does not have a voice in the selection process at TPCSA.
 - National: The federal government changed the annual timing of the Charter School Programs (CSP) grant application, so we are mobilizing to submit our CSP application 6 months ahead of schedule.
 - CEO proposes to the Board to consider inviting Chris Barbic, YES Prep Founder, to join the YES Prep Board starting in September 2024.
 - Mr. Barbic is interested in being part of the Board and could be of benefit as we moving into our next strategic plan.
 - Board should consider now in preparation for our annual Board officer and member vote in September.
 - Mr. Barbic is a partner at an organization called City Fund and could bring a national perspective.
 - **Next Step:** Connect Mr. Barbic with Board Members when he is next in town.
- Preview of upcoming work to continue planning for our next strategic phase
 - Current: Strategic plan goals, financial model, Proposed school opening timeline
 - Upcoming: Fundraising feasibility study, official name, deck for funder and partners
- Final and projected results for each annual goal
 - Our annual goals are linked to YES Prep's Leading Houston Forward Strategic Plan
 - Goal 0: YES Prep will meet the FY 24 budget
 - Improvement Threshold: N/A
 - Results as of May 7, 2024: On Track to Meet
 - 2023-2024 Final Results: Met

- Goal 1: YES Prep will meet or exceed an average student enrollment of 99%.
 - Improvement Threshold: 96.9%-98.9%
 - Results as of May 7, 2024: 99.6%
 - 2023-2024 Final Results: 99.4%
 - Goal 2: All YES Prep campuses will earn an overall rating of A or B.
 - Goal #2 is what we will speak on extensively
 - Improvement Threshold: TBD
 - Results as of May 7, 2024: TBD
 - 2023-2024 Final Results: TBD – Sep. 2024
 - Goal 3: YES Prep will increase college matriculation for the class of 2023 to at least 80%.
 - Improvement Threshold: 74.1%-79.9%
 - Results as of May 7, 2024: 72% (Lacking Spring #s)
 - 2023-2024 Final Results: 76%
 - Goal 4: YES Prep will meet or exceed an average daily attendance of 93.5%.
 - Improvement Threshold: 91.7%-93.4%
 - Results as of May 7, 2024: 93.2%
 - 2023-2024 Final Results: 93.0%
 - Goal 5: YES Prep will achieve a student persistence rate at or above 97%.2
 - Improvement Threshold: 95.6%-96.9%
 - Results as of May 7, 2024: 94.9%
 - 2023-2024 Final Results: 94.8%
 - Goal 6: YES Prep will retain at least 80% of staff during the 2023-24 school year.
 - Improvement Threshold: 75/1%-79.9%
 - Results as of May 7, 2024: 81.5%
 - 2023-2024 Final Results: 81%
- SY24-25 annual goals, annual objectives, and drafted CEO goals
 - Goals:
 - Goal 0: YES Prep will meet the FY 25 budget
 - Goal 1: YES Prep will meet or exceed an average student enrollment of 99% by October 31 (snapshot date)
 - Goal 2: All YES Prep campuses will earn an overall rating of A or B.
 - Goal 3: YES Prep will increase the number of on grade level and college ready PreK-12 grade students by X%.
 - Goal 4: YES Prep will meet or exceed an average daily attendance of 93.5%.
 - Goal 5: YES Prep will achieve a student persistence rate at or above 97%
 - Goal 6: YES Prep will retain at least 80% of staff during the 2024-25 school year.
 - Objectives:
 - Elementary Growth: identify elementary schools 12& 13 while increasing elementary enrollment to 6,675 for a total of 21,175 students.
 - Elem SA: Become an A-District with all A & B Elementary schools.
 - Sec SA: Become an A-District with all A & B Secondary schools.
 - Effective Systems: Improve Home Office systems of effectiveness
 - Talent: Cultivate a talent strategy to fuel Elementary growth
 - 2024-2025 CEO Goals (Draft)
 - Goal #1: Lead all of Houston with percent of students in A or B schools.
 - Goal that will most likely change to - Ensure that every YES Prep Schools grows/change by a letter grade

- Goal #2: Build succession plans for all members of C-Suite and all C-Suite direct reports.
- Goal #3: Launch next strategic plan, socialize plan, and raise at least \$X.
- Goal #4: Strengthen internal fiscal discipline to continue to strengthen YES Prep's long term financial sustainability
- The first 3 are specific but the 4th goal is not yet. This is drafted and will be taken to C-Suite to finalize the CEO goals. All goals will be brought back to the September Board Meeting.

3. Finance Report

- FY24 Budget amendment
 - Revenue and Expenses Similar to Nov 2024 Forecast, DSCR at 1.34x
 - Enrollment – flat vs budget
 - State Revenue – higher due to ADA, IMA funds
 - Federal Revenue – lower due to \$7mm in ESSER transferring to FY 25
 - Fundraising – revenue lower than expected
 - We met budget in FY24.
 - Fundraising is lower than what we expected.
- YES Increasingly Attempting to Tie Teacher Performance to Pay
 - Important to know is that we have \$3million dollars in Teacher Bonuses this year
 - 2020 was the red circle policy > FY20 is when we started TIA
 - AP courses are not eligible for TIA yet but we are in the process of expanding to include AP courses
 - YES Prep made the commitment in 2020 after numerous discussions because TIA is a big data lift behind the scenes
 - **Teacher Pathway Bonuses** are annual bonuses awarded to teachers based on YES Prep internal evaluations
 - Bonuses range from \$1,000 to \$3,000 per year
 - **TIA Bonuses** are annual bonuses awarded to teachers based on TEA-approved criteria
 - Not all districts are eligible to award TIA Bonuses
- FY25 Budget overview
 - Key FY25 Information
 - 9% increase in students
 - Three new elementary schools opening their doors (Southwest Oaks ES, Hobby ES, North Rankin ES)
 - 18 New Grades (16 elementary, 2 secondary)
 - 1% higher ADA assumption (93%) reflecting upward trend
 - No state funding increase for standard student
 - ESSER to sunset Sept 30th (\$7mm remaining to spend) > we cannot go into October with any of this \$.
 - Starting teacher salary increased \$1,000 (to \$61k) and Student: Teacher ratio maintained at 18.5:1
 - Tightening traditional contingencies to meet the 1.25 x DSCR
 - FY 25 Financial Summary: 9% enrollment growth yet down 1% in revenue YOY due to ESSER
 - Key Changes:
 - Enrollment growth 9%
 - Increased ADA assumption (93%)
 - No partnership campuses
 - Opening 3 new elementary campuses
 - Spending \$7mm of remaining ESSER

- 1.25x Debt Service Coverage Ratio
 - Salaries and Benefit Detail: Continued investment in critical courses, teacher performance, summer school, and growth.
 - We ask ourselves, "how do we make sure that the decisions we make do not negatively impact us becoming an A district?"
 - Breakdown
 - Professional Services Breakdown:
 - Supplies & Material Breakdown: Budgeted a higher amount in IT
 - Other Operating Expenses Breakdown:
 - FY25 Capital Plan: Building 2 New Elem Schools & Buying 1 New Land Tract
- **Leading Houston Forward (LHF) II: Financial Model – Early Look**
 - Important Dates for Next Strategic Plan:
 - March 2024: Present initial iteration if financial mode to Finance Committee for feedback
 - April 2024 – At Board meeting, present strategic plan goals and high-level financial model
 - May 2024 -Present detailed financial model to Finance Committee for approval
 - June 2024 – Seek official Board approval for proposed growth plan and financial model of next strategic plan
 - LHF II: Growth – Aging Infrastructure Requires Significant Capital – Recommended Plan Should Focus on Affordability and Impact on Bond Rating
 - Continue to grow and provide some room for our aging capital
 - Recommended LHF II School Opening and Construction Plan includes 5 Elementary and 1 Secondary Buildout + 3 Rebuilds = \$262mm
 - FY26 will include 1 project: West Elementary
 - 1 school that we must build in this timeframe is North Rankin Secondary in FY 28
 - Question: Market demand? Good in the abstract. What have we done and how have we done it in understanding the market demand? The first tactic is to improve our marketing.
 - Enrolment: LHF II will take us from 20K to 25k Students in FY30 - By 2030, 40% of Students will be Elementary
 - Financing Plan: 80% Debt and 20% Equity – YES ends LHF II with \$30mm/year Debt Svc Payment and \$400mm in Outstanding Debt
 - Affordability: Interest and Depreciation Increase as Results of Capital Plan – As proportion of total expenses through, we believe 1.7% increase is manageable
 - Bond Rating: Even with higher debt service, YES should remain investment grade and continue to quality for PSF Program
 - Leverage: YES compares favorably versus peers – due to historical higher-than average equity requirements, YES Prep is sitting well on leverage metrics
 - Liquidity: Days Cash On Hand (DCOH) likely weakest comparative metric versus medians – however, DCOH forecast is similar to actual DCOH during initial Baa2 Moody's rating
 - Annual Income statement and debt services coverage ratio – Higher DCSR attainable with limited intra-year changes; Expenses still growing per ADA
 - Risk Mitigant Strategies
 - 1. Slow down a project or projects
 - 2. Reduce expenses
 - 3. Drop equity % decisions from 20% to lower

4. Program Report

- Hiring updates for SY24-25

- Hiring: Total Percent Staffed
 - Remaining Hires: 40 Instructional staff and 50 Non-Instructional staff. Outpacing SY22-23 hiring by +5% YOY.
- Hiring: Launching Elementary Schools
 - 94% of Founding Elementary Campus staff have been hired. There are 4 instructional vacancies and 4 non-instructional vacancies.
 - North Rankin Elementary 100% staffed
 - Southwest Oaks Elementary 94% Staffed
- Hiring: Priority and Focus Schools
 - Southside Feeder Pattern outpacing respective Elementary and Secondary total percent staffed.
- YES Prep STAAR Headlines
 - YES Prep Domain I results decreases 1% from 2023 to 2024
 - Math and Science results significantly decreased Elementary results. 8th grade social studies and Science results decreased Secondary results by 1%
- STAAR Domain 1 2024
 - Summary: Staar Domain I scores decreased 1% from 2023. The decrease in Elementary math results and Secondary Science 8 and Social Studies 8 results were key factors
 - YES Prep Elementary Domain I results decreased 6% from 48% to 42%
 - YES Prep Secondary Domain I results decreased 0.3% from 45.7% to 45.4%
- STAAR 2024 By Performance Level
 - Summary: Approaches and Meets+ results decreased while Maters+ results increased
 - The most significant decrease was in elementary Meets+ results.
 - Secondary results were relatively flat across each performance level.
- Elementary STAAR Data 2024
 - Elementary Performance: Ranked by Variance
 - Summary: The 5th grade Science STAAR and the decrease in math results, specifically at NFE and SSE, decreased overall results in elementary.
 - Elementary Performance: Ranked by Domain I
 - Summary: The founding elementary schools remain the highest performing campuses while NFE and SSE remain priority campuses.
 - Elementary Domain I: YES Prep vs. State
 - Summary: YES Prep Elementary Domain I results outperformed the state on 5 of 11 STAAR tests overall. YES Prep students in the bilingual program significantly outperformed the state Domain I results on all tests.
- Secondary STAAR Data 2024
 - Secondary Performance: Ranked by Variance
 - Summary: 9 of 15 YES Prep Secondary campuses increased or remained flat in STAAR D1. Priority campuses NSS and SSS had an increase in D1.
 - Secondary Performance: Ranked by Domain I
 - Summary: The overall performance of YES Prep Secondary schools in comparison to each other remained relatively the same as previous years.
 - Secondary Domain I: YES Prep vs. State
 - Summary: YES Prep Secondary Domain I Social Studies and Science STAAR results were below the state average in 3 of 4 assessments.

5. Adjournment at 9:22am