

# SAN BRUNO

## Community Foundation

*Board of Directors*

Nancy A. Kraus, *President* • Frank Hedley, *Vice President* • John P. McGlothlin, *Secretary* • Tim Ross, *Treasurer*  
Patricia Bohm • Emily Roberts • Regina Stanback Stroud  
Leslie Hatamiya, *Executive Director*

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### AGENDA

#### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

**June 6, 2018**

**7:00 p.m.**

#### **Reception Honoring 2018 Recipients of the Crestmoor Neighborhood Memorial Scholarship**

**6:30 p.m.**

#### **Meeting Location:**

**San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno**

In compliance with the Americans with Disabilities Act, individuals requiring reasonable accommodations or appropriate alternative formats for notices, agendas, and records for this meeting should notify us 48 hours prior to meeting. Please call the City Clerk's Office at 650-616-7058.

- 1. Call to Order/Welcome**
- 2. Roll Call**
- 3. Presentation:** 2018 Crestmoor Neighborhood Memorial Scholarship Recipients
- 4. Approval of Minutes:** March 7, 2018, Regular Board Meeting
- 5. Board Member Comments**
  - a. President
  - b. Others
- 6. Executive Director's Report**

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**7. Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Board Member or staff.

- a. Adopt Resolution Canceling the July 4, 2018, and August 1, 2018, Regular Board Meetings
- b. Adopt Resolution Authorizing Executive Director Leslie Hatamiya to Execute a Consulting Agreement with Program Consultant Stephanie Rutgers for an Amount Not to Exceed \$37,800
- c. Receive and Approve Treasurer's Report (February, March, and April 2018 Financial Statements)

**8. Conduct of Business**

- a. Receive Report from Investment Committee
- b. Discuss and Provide Direction on Strategic Grantmaking Budgeting Constraints
- c. Receive Presentation from San Bruno Park School District Dr. Stella Kemp on "Schools with Tomorrow Inside, San Bruno Park School District's Vision for 21st Century Teaching and Learning Centers" and Discuss and Provide Direction Regarding Strategic Grant Proposal from the San Bruno Education Foundation Regarding School District Transformation Projects
- d. Receive Report from Ad Hoc Committee on First Responder Strategic Initiative
- e. Receive Report from Ad Hoc Committee on Recreation and Aquatics Center Project and Adopt Resolution Authorizing Executive Director to Receive Donation from the El Crystal Elementary School PTA Related to the Recreation and Aquatics Center Project
- f. Receive Report on Other Strategic Initiatives with the City of San Bruno
- g. Receive Report on Other Programs (Music Education Strategic Initiative and Community Grants Fund)
- h. Adopt Resolution Approving Fiscal Year 2018-2019 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2018-2019, and Approving Transfers from the Strategic Pool Investment Account to the Liquidity Pool Account for Fiscal Year 2018-2019

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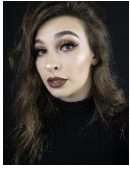
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i. Receive Report from Ad Hoc Committee on Board Development

**9. Public Comment:** Individuals are allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, contact the President to request that the Board consider your comments earlier. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.

**10. Adjourn**

*In 2018, the San Bruno Community Foundation recognizes nine outstanding San Bruno students who have demonstrated a strong commitment to the San Bruno community with multi-year college scholarships totaling \$120,000.*



**KIERSTEN BLAIR:** After graduating from Capuchino High School this spring, Kiersten Blair will study cosmetology and esthetics at Skyline College, with the ultimate goal of becoming a professional special FX makeup artist in the movie industry. She has cultivated this interest at Cap, where she has led the makeup team for the school's musical productions, worked on the stage crew, and served as a lead instructor of makeup seminars as part of Capuchino Flex Days. Since 2014, Kiersten has volunteered as a counselor at a local Girl Scout camp that many San Bruno girls attend, teaching camping and outdoor skills. She also works at a small, locally owned ice cream shop in downtown San Bruno.



**MURIEL BUTLER:** Headed to Colorado State University to study animal science, Muriel Butler aspires to be a first-generation farmer and manage her own agricultural company. As president of the San Bruno 4-H Club, Muriel organized community service activities, encouraged younger members, and built a culture of respect and integrity, while also successfully raising and showing livestock. She has also served as a summer recreational leader with the San Bruno Community Services Department. At Mercy High School, Burlingame, Muriel has run track and cross country, played in the school band, assisted senior citizens with Alzheimer's, and is a member of the National Honors Society.



**JULIA CORDERO:** Julia Cordero is a Capuchino High School scholar in the International Baccalaureate diploma program, a two-sport varsity athlete, and a committed member of the San Bruno community. An officer in Cap's Interact Club, she led a team that developed a mobile app for facilitating communication among local Interact clubs, helped organize the Rotary Youth Leadership Awards training program, and volunteered at countless community events. She also provides voluntary instruction to the children's liturgy at St. Robert's Church and has served as a cabin leader at the San Mateo County Outdoor Education program. Julia plans to major in computer science at the University of Southern California, where she will enroll this fall.



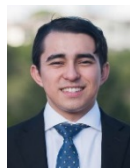
**MARTHA MARQUEZ RAMIREZ:** A lifelong love of nature and a childhood diagnosis of an autoimmune disease that has left permanent physical limitations have combined to inspire Martha Marquez Ramirez to pursue chemical biology at UC Berkeley, with the intention of eventually obtaining a Ph.D. Immigrating from Mexico, Martha has excelled at Skyline College, serving as a tutor and instructional leader for STEM classes and the TRiO program for first-generation college students from underrepresented communities, organizing STEM workshops for middle and high school girls at the Expanding Your Horizons conference, and spending countless hours providing computer literacy training to seniors through the Phi Theta Kappa honor society.



**LAUREN MEYER:** This fall Lauren Meyer will begin her studies at Cal Poly San Luis Obispo, on her way to achieving her longtime goal of becoming an elementary school teacher. In addition to serving as a peer tutor, public relations commissioner, rally commissioner, and yearbook editor at Capuchino High School, Lauren has volunteered weekly as an aide in her former fifth grade teacher's class at Allen Elementary School. A varsity soccer player, Lauren has served as a field marshal for the San Bruno AYSO's annual Turkey Tournament, coached younger players in the Summer Kicks program, and volunteered as a cabin leader for the San Mateo County Outdoor Education program.



**MARJOURIE QUINTANILLA:** A single mother, full-time student, and active San Bruno community member, Marjorie Quintanilla is an inspiration to those around her. An alumna of Capuchino High School who graduates from Skyline College this spring, Marjorie assists students and community members with obtaining and maintaining public benefits through the SparkPoint program, has assisted patrons of Skyline's library, facilitated a classroom of first graders as part of the Big Lift Summer Camp, and worked with second graders through the Reading Partners program. She also supports her son's activities as a volunteer with San Bruno Youth Baseball and his school's PTA. This fall Marjorie will transfer to San Jose State University and pursue a degree in social work.



**VINCENT RAMSEY:** A lifelong resident of San Bruno, a graduate of Capuchino High School, and a business student at Skyline College, Vincent Ramsey has researched the challenges of the Bay Area's housing crisis, which he hopes to address upon transferring to UC Berkeley's Haas School of Business this fall to study housing economics. Growing up in San Bruno, Vincent represented Cahill's Academy at national judo competitions, served as recreation leader for the City's Community Services Department, and played varsity football. More recently, he has interned at a local real estate brokerage, supporting the company's engagement in the local community. With support from the San Bruno Rotary Club, Vincent coordinated a successful clothing drive for an orphanage in Nicaragua.



**MAX STINES:** From Junior Giants to Pee Wee to Joe DiMaggio to Capuchino High School's varsity team, Max Stines bleeds San Bruno baseball, a tradition he hopes to continue as a student athlete at Skyline College this fall. Max loves to support San Bruno's kids, working as a recreation leader in the San Bruno Community Services Department's after-school program, serving as an instructor at a San Bruno sports camp, and helping coach younger players at various San Bruno baseball clinics. Max also volunteers at an annual Special Olympics basketball tournament, refereeing games and supporting players, and is an active member of Capuchino's Latinos Unidos Club. At Skyline, Max intends to study communications.



**LAUREN VALLES:** As Capuchino High School's student body president, Girls State representative, and president of the Junior State of America chapter, Lauren Valles hopes to pursue a career in policy and politics. Lauren's service to San Bruno began in earnest in middle school, when she joined the Youth Activities Committee, and she currently serves as a recreation leader for the City's Community Services Department. At Cap, Lauren has served as captain of the cross country team, a peer tutor, a cabin leader for the Outdoor Education program, an active member of the Interact Club, and a cast and crew member of several musical theater productions. A Shinkyu Shotokan black belt, Lauren will begin her undergraduate studies at UCLA this fall.

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## MINUTES

### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

**March 7, 2018**

**7:00 p.m.**

**Meeting Location:**

**San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno**

- 1. Call to Order/Welcome:** President Nancy Kraus called the meeting to order at 7:00 p.m.
- 2. Roll Call:** Board Members Kraus, Hedley, McGlothlin, Ross, Bohm, and Roberts, present; Stanback Stroud, excused.
- 3. Approval of Minutes:** January 29, 2018, Special Board Meeting: Board Member Roberts moved to approve the minutes of the January 29, 2018, Special Board Meeting, seconded by Vice President Hedley, approved unanimously.
- 4. Board Member Comments**
  - a. **President:** President Kraus commented on one item in the Consent Calendar, the resolution adjusting the Executive Director's compensation. She explained that state law requires the Board to report orally on this item and that the resolution would provide a 3% cost-of-living increase to the Executive Director's salary (to \$186,558.75), as well as a one-time contribution of an additional 5% of her salary to her 403(b) retirement plan. She then complimented the Executive Director for her leadership, due diligence, professionalism and integrity of commitment to the mission of the Foundation.
  - b. **Others:** Vice President Hedley echoed President Kraus' comments commending the Executive Director. He also reported on presenting a grant check to Parca and said that meeting the student program participants was a moving experience for him and his wife.
- 5. Executive Director's Report:** Executive Director Hatamiya gave a brief report on several items not covered in the business portion of the agenda. She reported that, upon consultation with the President

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and Vice President, she had changed the Foundation's payroll vendor from Paychex to Intuit Payroll, which will result in cost savings and increased efficiency for the accounting consultant. She also reported that, under her contract authority as Executive Director, she is renewing the Foundation's commercial general liability (which will include a cyber liability rider), property, non-owned hired auto liability, and workers compensation insurance policies, all of which are up for renewal on March 21, 2018 (total combined premium of \$2,176). She also reminded Board members to submit their FPPC Form 700s by the April 2 deadline as well as turn in a Conflict of Interest Policy annual affirmation. Finally, she reported that website traffic and e-newsletter reach was slightly higher since the December Board meeting due to the Community Grants Fund announcement and Crestmoor Scholarship application activity.

### **6. Consent Calendar**

- a. Adopt Resolution Canceling April 4 and May 2, 2018, Regular Meetings of the Board of Directors
- b. Adopt Resolution Authorizing Executive Director to Bind Directors and Officers Liability Insurance Policy from Philadelphia Insurance Companies for an Amount Not to Exceed \$13,485
- c. Adopt Resolution Authorizing President Nancy Kraus to Execute a Contract with Novogradac & Company LLP for Audit and Tax Preparation Services for Fiscal Year 2017-2018 for an Amount Not to Exceed \$9,000
- d. Approve Resolution Adjusting Executive Director's Compensation
- e. Receive and Approve Treasurer's Report (November 2017, December 2017, and January 2018 Financial Statements)

Secretary McGlothlin moved to accept the Consent Calendar as presented, seconded by Board Member Bohm, approved unanimously.

### **7. Conduct of Business**

- a. Receive Report from Ad Hoc Committee on First Responder Effectiveness Strategic Initiative and Adopt Resolution Approving First Responder Effectiveness Strategic Grant to the City of San Bruno in an Amount Not to Exceed \$160,723

Vice President Hedley introduced final draft of the First Responder Effectiveness Strategic Initiative and reminded Board members of the three core projects involved: (1) emergency shelter supplies, (2) critical facilities site assessments, incident action plans, and joint public safety training, and (3) police officer mindfulness, compassion, and resiliency training. He mentioned three small updates from the draft proposal presented at the December Board meeting, resulting in a total initiative budget of \$160,723. He mentioned that the initiative had been highlighted in an article in that day's issue of the *San Mateo*

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*Daily Journal*. He also said that this initiative, which the Committee strongly endorses, is special as a tribute to the 2010 gas pipeline explosion that allowed the Foundation to provide the funding.

Board Member Roberts commended the Committee on its due diligence and partnership with the City and initiative's emphasis of prevention and proactivity. She asked about evaluation metrics for the police officer mindfulness training. San Bruno Police Chief Ed Barberini responded by first reiterating the Police and Fire Departments' gratitude for the Foundation's support and generosity on this initiative and then explaining that the organization offering the training is partnering with Stanford University on follow-up training and evaluation. He also said that the department hopes that the training will have long-term benefits for its officers, where they have longer, more productive careers with less burnout.

Secretary McGlothlin moved to adopt the resolution approving the First Responder Effectiveness Strategic Grant to the City of San Bruno in an amount not to exceed \$160,723, seconded by Board Member Roberts, approved unanimously.

- b. Receive Report from Ad Hoc Committee on Program Strategy Development Regarding Strategic Initiatives in Partnership with the City of San Bruno and Approve Resolution Creating Ad Hoc Committee on Recreation and Aquatics Center Project

On behalf of the Ad Hoc Committee on Program Strategy Development, Chair Kraus gave an update on several of the projects on which the Foundation is partnering with the City of San Bruno.

Regarding the Pedestrian Safety Initiative, she reported that the City has completed installation of flashing beacons at two crosswalks in front of Parkside Intermediate School and one crosswalk in front of Portola Elementary School. She showed photos of the crosswalks as well as signage at the base of each pair acknowledging the Foundation and YouTube's funding of the project. She reported that the Foundation is now working now with the City to identify crosswalks in the downtown area for installing flashing beacons after completion of the City's sewer and water replacement project along San Mateo Avenue this summer.

Regarding Community Day, she reported that this year's event will be held on Sunday, June 3, in partnership with the San Bruno Lions Club's Posy Parade. She reminded the Board that the Foundation is once again the primary funder for event and listed the other community partners sponsoring the event (commitments totaling \$21,250 from the Sammut Family Foundation, Skyline College, YouTube, Recology San Bruno, and Jack's Restaurant and Bar.

Regarding the Florida Avenue park development, President Kraus reported that the Foundation has provided payment to the City of the \$200,000 grant toward the design of the new park.

Regarding the Recreation Center and Aquatics Center project, she reported that the Foundation has executed a grant agreement for a \$550,000 grant to the City to cover costs associated with the conceptual design of the new center. She reported that, in late 2017, the City selected Group 4, an architectural firm based in South San Francisco, to lead the work. She said the Foundation has

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representatives on the Advisory Committee providing input to the conceptual design process and that the City will be hosting various opportunities for community feedback this spring.

President Kraus thanked Vice President Hedley and Board Member Stanback Stroud for serving on the Ad Hoc Committee on Program Strategy Development, whose work has come to an end. She explained that going forward the Foundation would create project-specific ad hoc committees for future partnerships with the City. She then introduced a resolution creating of a new Ad Hoc Committee on Recreation and Aquatics Center Project, which will be the primary liaison to the City through the duration of the project, of which President Kraus will serve as chair and on which Vice President Hedley will serve as Committee member. She explained that the new committee will provide continuity through the duration of the planning, design, and construction stages and that she and Vice President Hedley have been closely involved with the Foundation's negotiations with the City on the lead-up to this project.

Treasurer Ross moved to adopt the resolution creating an ad hoc committee on the Recreation and Aquatics Center project, seconded by Board Member Roberts, approved unanimously.

- c. Receive Report on Other Programs (Crestmoor Neighborhood Memorial Scholarship, Community Grants Fund, and Music Education Strategic Initiative)

Program Consultant Stephanie Rutgers reported on the 2018 cycle of the Crestmoor Neighborhood Memorial Scholarship, which is proceeding on schedule toward the March 14 application deadline. She reported that staff distributed marketing materials to area high schools and community colleges, posted flyers and posters at businesses and gathering places around town, and offered Scholarship application workshops at Capuchino High School and Skyline College in January and February. She said that online registration for the scholarship application is robust and that there appears to be increased interest from applicants in all three scholarship categories. She reminded the Board that the program disbursement budget for the scholarships, as approved in the budget last June, is \$120,000, the same amount as last year.

Ms. Rutgers then reported on the Community Grants Fund. She first informed the Board that the Foundation was extending the grant period for the 2016-2017 grant awarded to the Parent Boosters of 72 because the group was unable to use up the full grant amount in the original grant period when the number of the troop's San Bruno Boy Scouts working on Eagle Scout projects was lower than expected in 2017. She then provided highlights from several of the grant reports received from 2016-2017 grantees, including the \$15,000 grant to Via Heart Project, which enabled 300 Parkside Intermediate School students to receive CPR and AED training; the \$25,000 grant to Project Read, expanded its literacy services to low-income parents and children in San Bruno; the \$25,000 grant to St. Vincent de Paul, which provided assistance to San Bruno families at risk of homelessness; two grants totaling \$25,000 to the San Bruno Education Foundation bolstering music education in San Bruno Park School District schools; and the \$6,246 grant to Edgewood Center for Children and Families to provide arts programming for at-risk young adults at its San Bruno Drop-In Center.



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Ms. Rutgers reported that the Foundation executed grant agreements for 21 of the 23 Community Grants approved for the 2017-2018 grant cycle and expects to execute the two remaining grant agreements soon. She deeply thanked the Board members who have represented the Foundation by personally delivering grant checks to various grantees: President Kraus, Vice President Hedley, Treasurer Ross, Board Members Pat Bohm and Emily Roberts, and especially Secretary McGlothlin. She said that the 2018-2019 grant cycle will launch in July and follow the same schedule as last year.

With regard to the Music Education Strategic Initiative, Executive Director Hatamiya reported that implementation of the initiative is proceeding on schedule. She mentioned that the Capuchino High School Band has its new marching band uniforms and will wear them publicly for the first time at a parade later in March. She also reported that the steering committee, led by Bryan Vander Lugt of the San Bruno Education Foundation, is working on an annual fundraising event that will allow the initiative to be sustainable once SBCF funding sunsets. Current plans include a reception connected with Capuchino's spring concert for potential donors and a community concert in the fall.

#### d. Receive Report from Investment Committee

Treasurer Ross, who serves as Investment Committee chair, reported on the February 21 quarterly meeting of the Investment Committee, at which Sand Hill Global Advisors reported on the performance of the Foundation's investment portfolio in the fourth quarter of 2017. He reported that volatility has returned to the markets and that the Sand Hill team advised the Foundation to expect to experience additional market turbulence after a long period of positive growth. He reported that as of the end of the fourth quarter of 2017, investment account balances were approximately \$17.4 million for the quasi-endowment, \$56.2 million for the strategic pool, and \$1.1 million for the liquidity pool.

#### e. Approve Resolution Creating Ad Hoc Committee on Board Development

President Kraus reported that since the Foundation has emerged from the startup phase and all of the original Board members are now in their second term, Board members have expressed a desire to discuss ideas for maintaining and enhancing the effectiveness of the Board. She then presented a resolution to create an Ad Hoc Committee on Board Development, to consist of Dr. Regina Stanback Stroud as chair and John McGlothlin as member. The Committee will be charged with researching and making proposals to improve the Board's effectiveness.

Vice President Hedley moved to adopt the resolution creating the Ad Hoc Committee on Board Development, seconded by Treasurer Ross, approved unanimously.

### **8. Study Session: Program Strategy Update**

Executive Director Hatamiya led the Board in a study session to begin a discussion of the Foundation's program strategy moving forward. She explained that the Foundation has emerged from its "startup" phase, with the first two years focused on setting up the Foundation administratively and establishing its basic policies and strategy documents, the next year launching the program strategy, and the past year

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solidifying the first set of programs. To begin the process of evaluating next steps, Ms. Hatamiya reviewed the Foundation's "three-bucket" program strategy (strategic grantmaking, responsive grantmaking, and Foundation-run programs), summarized what the Foundation has accomplished in each of the three buckets of program activity thus far (strategic grants to the City of San Bruno for Community Day 2016, 2017, and 2018, Florida Avenue Park development, pedestrian safety improvements, Community Facilities Vision Plan, first responder effectiveness, and the design and construction of the new recreation and aquatics center, as well as the Music Education Strategic Initiative grants to the San Bruno Education Foundation and the Capuchino High School Alumni Association; the Community Grants Fund as a responsive grantmaking program; and Crestmoor Neighborhood Scholarship as a Foundation-run program), and presented the current state of the Foundation's finances (particularly the Quasi-Endowment and Strategic Pool balances).

Ms. Hatamiya reported that program disbursements thus far total \$2.8 million. She reminded Board members that the Foundation initially took possession of the \$70 million in restitution funds in late spring 2016 (\$15 million in the quasi-endowment, about \$53.6 million in the strategic pool, and about \$1.3 in the liquidity pool), and the current value of the investment portfolio is about \$73.5 million (\$17.4 in the quasi-endowment, \$55.5 in the strategic pool, and about \$578,000 in the liquidity pool). She then explained that after the \$50 million recreation and aquatics center commitment and three years of operating expenses are subtracted from non-quasi-endowment net assets, the Foundation has about \$4.2 million that could be distributed as additional strategic grants. She also presented various scenarios for quasi-endowment payout, which would provide the Foundation's main source of income over the long term once the strategic funds are depleted.

Board members reacted to this presentation with appreciation and pride. Several said they appreciated the impact of the Crestmoor Scholarship and the Community Grants Fund in the community, reminding each other of the vision for the programs: Community Grants Fund gives hope to people who have an idea and need funding, and the Crestmoor Scholarship offers every young person the opportunity to compete for this educational funding. They also noted all that the Foundation has accomplished over the past three years, benefiting the community in a variety of different ways.

The Board then engaged in a discussion of two questions related to the Foundation's strategy and role going forward. The first question is: After the \$50 million for the recreation and aquatics center and support costs at the current run rate for three more years are taken into consideration, what should the Foundation do the remaining \$4.2 million in strategic funds? Ideas expressed included:

- Increasing the annual distributions for the Crestmoor Scholarship and/or the Community Grants Fund in their current forms and expanding Crestmoor Scholarship to technical training/trades. Treasurer Ross cautioned that investment performance has been better than long-term averages and advocated for not increasing spending on these programs because that may not be sustainable; the Board also discussed the logistical challenges of expanding the scholarship to technical training beyond community college offerings. One alternative proposed was to give grants to support technical training programs rather than scholarships to individuals.

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- Identifying some smaller strategic grant opportunities, such as community leadership development and additional programs for the new recreation and aquatics center.
- Supplementing the quasi-endowment (that is, using some of the remaining strategic funds to add to the quasi-endowment, so that once only the quasi-endowment remains, the annual income stream would be larger, enabling more activity over the long term).

The second question the Board considered is: Once the Foundation has expended the strategic funds and all that is left is the quasi-endowment (which was at \$17.4 million as of February 28, 2018, and would result in a 3.8% payout of \$661,000), what should be the Foundation's role in the San Bruno community? How can the Foundation add the most value? The Board discussed such possibilities as:

- Maintenance mode to administer the Crestmoor Scholarship, Community Grants Fund, and some small strategic grants
- Role as a proactive collaborator, convener, educator to bring together groups to tackle issues facing San Bruno and the region
- Role as a fundraiser or resource gatherer for community projects
- Role assisting the City in creating an environment that will convince voters of the need for additional capital funding for other community facilities needs

Executive Director Hatamiya and President Kraus said they would compile the ideas proposed so that the Board can continue the discussion at additional Board meetings later this year.

**9. Public Comment:** None.

**10. Adjourn:** Board Member Bohm moved to adjourn the meeting at 9:18 p.m., seconded by Treasurer Ross, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of June 6, 2018, by Secretary John McGlothlin and President Nancy Kraus.

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John McGlothlin, Secretary

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Nancy Kraus, President

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## Community Foundation

### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Executive Director's Report

Since the March 7, 2018, Board meeting, I have continued to focus on administering the Community Grants Fund and Crestmoor Scholarship Program, partnering with the City on strategic projects, monitoring the Music Education Strategic Initiative, supporting the Investment Committee and the Ad Hoc Committee on Board Development, and developing the fiscal year 2018-2019 budget, all of which will be covered during the business portion of the June 6, 2018, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

#### **1. Insurance Policy Renewals**

Renewals of the Foundation's workers compensation, directors and officers liability, and commercial general liability (CGL), cyber liability rider, property, and non-owned hired auto liability insurance policies became effective on March 21, 2018.

In addition, under my contracting authority as Executive Director, I bound coverage on a renewal of the Foundation's crime insurance policy with Travelers Casualty and Surety Company of America, with an annual premium of \$2,901 (a decrease from last year's premium of \$3,404). The policy renewal took effect on May 27, 2018.

#### **2. Email Newsletter and Website Hits**

Since the March 7 Board meeting, I have sent out five email blasts to the Foundation's email distribution list. One reported on the March Board meeting, another announced the donations from Google.org and Google and YouTube employees in support of first responder programs, one announced the 2018 Crestmoor Scholars, and two urged community members to attend community engagement opportunities related to the Recreation and Aquatics Center conceptual design process. Not surprisingly, the announcements of the Crestmoor Scholars and the Google/YouTube donations received the most views. Of the approximately 615 emails sent each time, 32%-43% of the recipients opened the email, and the e-newsletter was viewed, either in email or as posted on the web, 442-780 times.

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### Memorandum

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According to Google Analytics, activity on the sbcf.org website spiked significantly on April 5, when Google and YouTube internally announced its \$100,000 donation to the Foundation to support San Bruno first responder programs and began encouraging employees to make their own donations to the Foundation to demonstrate their appreciation for San Bruno's first responders during the April 3 shooting incident at YouTube's headquarters. Website activity experienced a smaller spike on May 10, when the Crestmoor Scholars were announced. Between March 8 and May 29, 1,312 users engaged in 1,656 sessions on the Foundation website, for a total of 2,922 page views. The most visited pages were the home page and pages related to the Crestmoor Scholarship.

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### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Consent Calendar for the June 6, 2018, Regular Board Meeting

For the June 6, 2018, Regular Meeting of the Board of Directors of The San Bruno Community Foundation, the Consent Calendar includes two items related to administrative and operational functions of the Foundation:

**1. Adopt Resolution Canceling the July 4, 2018, and August 1, 2018, Regular Board Meetings**

As discussed at previous Board meetings, as we move forward, President Kraus and I anticipate that the Board will need to meet less frequently. The Foundation Board is scheduled to have regular monthly meetings on July 4 and August 1, 2018 (the first Wednesday of the month). The July meeting falls on the Independence Day holiday, and typically, some Board and staff members take vacation in early August. Moreover, at this time, we do not anticipate the Foundation facing any pressing matters that would require Board attention or action on either date. Thus, I recommend that the Board approve the attached resolution canceling these two meetings as part of the Consent Calendar. Please note that the Board is able to schedule a special meeting in July or August if matters requiring the Board's attention arise and such a meeting is deemed necessary.

**2. Adopt Resolution Authorizing Executive Director Leslie Hatamiya to Execute a Consulting Agreement with Program Consultant Stephanie Rutgers for an Amount Not to Exceed \$37,800**

In November 2016, Stephanie Rutgers began serving as the consultant supporting the Crestmoor Neighborhood Memorial Scholarship. Under my authority as Executive Director, I initially executed a consulting agreement with Ms. Rutgers for the time period of November 16, 2016, to June 30, 2017. In May 2017, the Board approved amending the agreement to expand Ms. Rutgers' responsibilities to include support of the Community Grants Fund and extending the term of her agreement through June 30, 2018.

Ms. Rutgers has competently and attentively fulfilled her duties with the Crestmoor Scholarship and the Community Grants Fund. The schedule for the two programs easily enables one person to manage both at roughly the same monthly time commitment, with the bulk of the work for

# SAN BRUNO

## Community Foundation

### Memorandum

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the Community Grants Program running June through January and the bulk of the work for the Crestmoor Scholarship running November through June.

The attached resolution would authorize me to execute a new consulting agreement with Ms. Rutgers for the 2018-2019 fiscal year (July 1, 2018, to June 30, 2019). The agreement would maintain the same hourly rate, but it increases her budgeted monthly time commitment from 40 hours per month to 45 hours per month. Although Ms. Rutgers will likely be more efficient in fulfilling her duties with the experience she has gained over the past one and a half years, the volume of a large portion of her workload is dependent on the number of grant and scholarship applications we receive, over which we have little control. I believe it is likely that her workload will be within the 40-42 hours per month range, but a slightly increased budget gives us more flexibility, including the possibility of shifting some additional responsibilities to her. Under the amendment, the Foundation's maximum liability for all services performed during the term of the agreement will not exceed \$37,800.

I recommend the Board approve, as part of the Consent Calendar, the resolution authorizing Executive Director Leslie Hatamiya to execute a consulting agreement with Program Consultant Stephanie Rutgers for an amount not to exceed \$37,800.

### **3. Receive and Approve Treasurer's Report (February, March, and April 2018 Financial Statements)**

The February, March, and April 2018 financial statements each consist of a Budget Report and Balance Sheet. The Budget Narratives provide a thorough explanation of the financial statements. The Budget Reports include the budget figures approved at the June 7, 2017, Board meeting. I recommend that the Board approve the Treasurer's Report as part of the Consent Calendar.

#### Attachments:

1. Resolution Canceling the July 4, 2018, and August 1, 2018, Regular Board Meetings
2. Resolution Authorizing Executive Director Leslie Hatamiya to Execute a Consulting Agreement with Program Consultant Stephanie Rutgers for an Amount Not to Exceed \$37,800
3. February 2018 Financial Statements
4. March 2018 Financial Statements
5. April 2018 Financial Statements

**RESOLUTION NO. 2018-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
CANCELING THE JULY 4, 2018, AND AUGUST 1, 2018, REGULAR MEETINGS OF THE BOARD OF  
DIRECTORS**

**WHEREAS**, the July Regular Meeting of the San Bruno Community Foundation’s Board of Directors is scheduled for July 4, 2018, and the August Regular Board Meeting is scheduled for August 1, 2018;

**WHEREAS**, July 4, 2018, falls on the Independence Day holiday;

**WHEREAS**, the Executive Director is unable to confirm attendance on August 1, 2018;  
and

**WHEREAS**, at this time no business items requiring Board action are anticipated for either meeting.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors cancels the Regular Board Meetings of July 4, 2018, and August 1, 2018.

Dated: June 6, 2018

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2018-\_\_ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 6<sup>th</sup> day of June, 2018, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:



**RESOLUTION NO. 2018-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION AUTHORIZING EXECUTIVE DIRECTOR LESLIE HATAMIYA TO EXECUTE A CONSULTING AGREEMENT WITH PROGRAM CONSULTANT STEPHANIE RUTGERS FOR AN AMOUNT NOT TO EXCEED \$37,800**

**WHEREAS**, on November 16, 2016, under her authority to execute contracts on behalf of the San Bruno Community Foundation under Article XIII, Section 2, of the Foundation's Bylaws, Executive Director Leslie Hatamiya executed a consulting agreement with Stephanie Rutgers under which Ms. Rutgers supports the administration of the Crestmoor Neighborhood Memorial Scholarship;

**WHEREAS**, on May 3, 2017, the Board approved a resolution authorizing Executive Director Hatamiya to execute an amendment to the consulting agreement with Program Consultant Stephanie Rutgers dated November 16, 2016, that broadened Ms. Rutgers' responsibilities to include support of the Community Grants Fund and extended the term of the agreement to June 30, 2018, for an amount not to exceed a total of \$54,600;

**WHEREAS**, Executive Director Hatamiya and Ms. Rutgers executed the amendment to the consulting agreement on May 9, 2017;

**WHEREAS**, the consulting agreement with Ms. Rutgers terminates on June 30, 2018; and

**WHEREAS**, Executive Director Hatamiya and Ms. Rutgers have reached agreement to continue Ms. Rutgers' professional relationship with the Foundation for the 2018-2019 fiscal year, with Ms. Rutgers continuing to support the Community Grants Fund and the Crestmoor Scholarship.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors authorizes Executive Director Leslie Hatamiya to execute a consulting agreement with Program Consultant Stephanie Rutgers, under which Ms. Rutgers continues to support administration of the Community Grants Fund and the Crestmoor Scholarship during the 2018-2019 fiscal year, for an amount not to exceed a total of \$37,800.

Dated: June 6, 2018

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2018-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 6<sup>th</sup> day of June, 2018, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

# SAN BRUNO

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## Community Foundation

February 2018

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First eight months equal 66.7% of the fiscal year.

### INCOME & TRANSFERS

**Line 1 Transfers from Quasi Endowment** – Entire amount (\$352,921) planned for the year has been transferred.

**Line 2 Transfers from Strategic Pool** – \$700,000 transferred is 65.3% of budget.

**Line 3 Restricted Donations** – Unbudgeted amount of \$227,000 received. Community Grants have been increased by \$100,000 and \$127,000 is earmarked for Strategic Grants (Pedestrian Safety & Community Day).

**Line 4 Interest Income** – \$4,665 is 58.3% of budget.

**Line 5 Miscellaneous Income** – This unbudgeted \$2,000 comes from writing off the balance of a prior year grant that had been accrued, but was not fully used by the grantee.

### EXPENSES

**Line 8 Community Grants Fund** – As noted above in Line 3, the projected final amount has been increased \$100,000 based on additional restricted income. \$277,000 in year to date expense is 138.5% of the budget. There are two grants, totaling \$23,000 that have not been recorded as of February. One of those (\$3,000) was paid in the first half of March leaving only one of the 23 grants awarded that is pending execution of grant agreement and payment.

**Line 9 Strategic Grants** - \$854,952 (1.7% of budget) has been recorded based on fully executed agreements. The total breaks down as: a) Community Center Conceptual Design (\$550,000); b) Pedestrian Safety (\$263,952); and c) 2018 Community Day (\$41,000). Additionally, agreement was finalized in March on the \$160,723 First Responder grant.

**Line 11 Salaries & Wages** – Expense is exactly on budget at 66.7%. Final Expected Amount increased \$2,264 based on Board approved cost of living adjustment.

**Line 12 Payroll Taxes & Benefits** – Expense (\$12,956) is 57.3% of budget. Costs include: Social Security/Medicare (\$5,926); retirement (\$6,037); and Workers' Compensation Insurance (\$817). Final Expected Amount increased \$8,136 based on Board approved increase to employer retirement contribution.

**Line 14 Occupancy** – Only cost is office lease (\$9,311). Amount is 66% of budget.

**Line 15 Insurance** – Total (\$11,907) is exactly on budget at 66.7%. Policies include: Directors & Officers (\$8,963); crime (\$2,272); and commercial liability (\$672).

**Line 16 Telecommunications** – Cost (\$1,209) is 67.2% of budget. Costs include cellular phone (\$510), internet access (\$464), and office landline (\$235).

**Line 17 Postage & Shipping** – Cost (\$1,643) is 82.2% of budget. 78% of this cost (\$1,290) incurred to distribute annual report to community.

**Line 18 Marketing & Communications** - \$8,924 expense is 58.9% of budget, with 76% of the total for printing (\$6,331) and graphic design (\$485) of annual report. \$1,109 has been used for software and internet applications used to promote, accept, and organize Grant and Scholarship applications. \$955 incurred for hard copy Scholarships promotional material.

**Line 19 Office Supplies & Equipment** – Total (\$848) is 24.3% of budget. Office printer required repair and maintenance costing \$371. Quickbooks accounting software fees have been \$217.

**Line 20 Legal Fees** – Cost (\$20,229) is 53.4% of budget. \$11,624 is related to Recreation Center, Pedestrian Safety, and Community Day Strategic Grants. \$6,565 is for San Bruno City Attorney time. \$2,010 is related to Community Grants.

**Line 21 Accounting & Payroll Fees** – Total (\$22,703) is 71.5% of budget. Consistent with Audited Financial Statement and IRS 990 presentation, this line item now includes Accounting fees, which were formerly included in Other Consultants (Line 21). Year to date total includes Accounting (\$12,639), Audit (\$9,000), and Payroll (\$1,064) fees.

**Line 22 Other Consultants** - Cost (\$27,995) is 63.1% of budget and is for Program Support (\$22,925) and Technology (\$5,070) consultants.

**Line 23 Travel, Meetings & Conferences** – Total (\$1,576) is 33.4% of budget. \$1,481 or 94% of the cost is from Board meetings.

**Line 24 Miscellaneous** – Cost (\$1,381) equals 69.1% of budget with organizational memberships (\$925) being the largest expense.

## **SUMMARY**

Excluding Scholarships & Grants, total expenses are at 63.7% of budget, which is 3% below the 66.7% benchmark for the first eight months of the year. In terms of dollars, the \$241,432 in year to date expense is \$11,129 less than 66.7% of the year's budget. The only line item exceeding budget by more than 5% (Postage & Shipping) is at that level only due to the timing of annual report distribution cost.

February net Investment loss in value is \$1,432,147 and came from losses in both the Strategic Pool (\$896,009) and Quasi Endowment (\$536,138). Year to date net investment income is \$2,119,736 with \$976,892 from Strategic and \$1,142,844 from Quasi Endowment. Overall organization year to date net income is \$980,016.

Total Net Assets, as of February 28, 2018 are \$72,533,021 with \$17,404,334 in Quasi Endowment and \$55,128,687 in general Unrestricted funds.

# SAN BRUNO

## Community Foundation

### February 2018 2017-2018 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 352,921	\$ 352,921	100.0%	\$ 352,921	\$ -
2 Transfers from Strategic Pool	700,000	1,071,764	65.3%	1,071,764	-
3 Restricted Donations	227,000	-		232,000	232,000
4 Interest Income	4,665	8,000	58.3%	8,000	-
5 Miscellaneous Income	2,000			2,000	2,000
<b>6 Total Available for Operations</b>	<b>1,286,586</b>	<b>1,432,685</b>	<b>89.8%</b>	<b>1,666,685</b>	<b>234,000</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	-	120,000	0.0%	120,000	-
8 Community Grants Fund	277,000	200,000	138.5%	300,000	100,000
9 Strategic Grants	854,952	50,293,952	1.7%	1,020,225	(49,273,727)
<b>10 Subtotal Direct Program Expenses</b>	<b>1,131,952</b>	<b>50,613,952</b>	<b>2.2%</b>	<b>1,440,225</b>	<b>(49,173,727)</b>
11 Salaries & Wages	120,750	181,125	66.7%	183,389	2,264
12 Payroll Taxes & Benefits	12,956	22,594	57.3%	30,730	8,136
<b>13 Subtotal Personnel Expenses</b>	<b>133,706</b>	<b>203,719</b>	<b>65.6%</b>	<b>214,119</b>	<b>10,400</b>
14 Occupancy	9,311	14,104	66.0%	14,104	-
15 Insurance	11,907	17,851	66.7%	17,851	-
16 Telecommunications	1,209	1,800	67.2%	1,800	-
17 Postage & Shipping	1,643	2,000	82.2%	2,000	-
18 Marketing & Communications	8,924	15,158	58.9%	15,158	-
19 Office Supplies & Equipment	848	3,490	24.3%	3,490	-
20 Legal Fees	20,229	37,917	53.4%	37,917	-
21 Accounting & Payroll Fees	22,703	31,733	71.5%	31,733	-
22 Other Consultants	27,995	44,350	63.1%	44,350	-
23 Travel, Meetings & Conferences	1,576	4,720	33.4%	4,720	-
24 Miscellaneous	1,381	2,000	69.1%	2,000	-
<b>25 Subtotal Non-Personnel</b>	<b>107,726</b>	<b>175,123</b>	<b>61.5%</b>	<b>175,123</b>	<b>-</b>
<b>26 Total Expenses</b>	<b>1,373,384</b>	<b>50,992,794</b>	<b>2.7%</b>	<b>1,829,467</b>	<b>(49,163,327)</b>
<b>27 Net Surplus/(Loss)</b>	<b>\$ (86,798)</b>	<b>\$ (49,560,109)</b>		<b>\$ (162,782)</b>	<b>\$ 49,397,327</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of February 28, 2018

#### ASSETS

Cash, Wells Fargo General	\$	49,091.88	
Cash, Wells Fargo Payroll		23,802.15	
Cash, Wells Fargo Savings		164,040.84	
Cash, Fidelity Liquidity Pool		578,591.22	
<b>Total Cash</b>		815,526.09	815,526.09
Investments, Fidelity Quasi-Endowment		17,404,333.64	
Investments, Fidelity Strategic Pool		55,492,692.07	
Accrued Interest Receivable		43,985.53	
<b>Total Investments</b>		72,941,011.24	72,941,011.24
Other Receivables		58.00	
Prepaid Rent		1,172.61	
Prepaid Insurance		3,186.34	
<b>Total Other Current Assets</b>		4,416.95	4,416.95
Deposits		1,335.45	
<b>Total Other Assets</b>		1,335.45	1,335.45
<b>TOTAL ASSETS</b>			\$ 73,762,289.73

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable		9,025.54	
Payroll Taxes Payable		4,957.43	
Accrued Grants Payable		1,082,514.00	
Accrued Scholarships Payable		120,000.00	
Accrued Employee PTO		12,771.73	
<b>Total Liabilities</b>		1,229,268.70	1,229,268.70

##### NET ASSETS

Unrestricted, Non-QE 7/1/2017 Balance		54,938,593.61	
Transfer from Quasi-Endowment		352,921.00	
Year to Date Net Income (non-investment)		(1,139,719.75)	
Year to Date non-QE Investment Income		976,892.53	
<b>Total Non-QE Net Assets</b>		55,128,687.39	
Quasi-Endowment 7/1/2017 Balance		16,614,410.94	
Transfer to Liquidity for Operations		(352,921.00)	
Year to Date QE Net Investment Income		1,142,843.70	
<b>Total Quasi-Endowment Net Assets</b>		17,404,333.64	
<b>Total Unrestricted Net Assets</b>		72,533,021.03	72,533,021.03
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>			\$ 73,762,289.73

# SAN BRUNO

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## Community Foundation

March 2018

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First nine months equal 75% of the fiscal year.

### INCOME & TRANSFERS

**Line 1 Transfers from Quasi Endowment** – Entire amount (\$352,921) planned for the year has been transferred.

**Line 2 Transfers from Strategic Pool** – \$700,000 transferred is 65.3% of budget.

**Line 3 Restricted Donations** – Unbudgeted amount of \$237,000 received. Community Grants have been increased by \$100,000 and \$137,000 is earmarked for Strategic Grants (Pedestrian Safety & Community Day). Additionally, \$280,000 is expected in support of the First Responder program and \$5,000 more expected for Community Day.

**Line 4 Interest Income** – \$5,564 is 69.6% of budget.

**Line 5 Miscellaneous Income** – This unbudgeted \$2,000 comes from writing off the balance of a prior year grant that had been accrued, but was not fully used by the grantee.

### EXPENSES

**Line 8 Community Grants Fund** – As noted above in Line 3, the projected final amount has been increased \$100,000 based on additional restricted income. \$280,000 in year to date expense is 140% of the budget. There is one grant (out of 23) for \$20,000 that has not been recorded as of March and is pending execution of grant agreement.

**Line 9 Strategic Grants** - \$1,015,675 (2% of budget) has been recorded based on fully executed agreements. The total breaks down as: a) Community Center Conceptual Design (\$550,000); b) Pedestrian Safety (\$263,952); c) First Responder (\$160,723); and d) 2018 Community Day (\$41,000). Additional expected amounts are donor funded: \$280,000 - First Responder; \$5,000 Community Day.

**Line 11 Salaries & Wages** – Expense is 75.5% of budget. Final Expected Amount increased \$2,264 based on Board approved cost of living adjustment.

**Line 12 Payroll Taxes & Benefits** – Expense (\$24,244) is 107.3% of budget. Costs include: retirement (\$15,894); Social Security/Medicare (\$7,150); and Workers' Compensation Insurance (\$1,025). Final Expected Amount increased \$8,136 based on Board approved increase to employer retirement contribution, which was paid in March.

**Line 14 Occupancy** – Only cost is office lease (\$10,518). Amount is 74.6% of budget.

**Line 15 Insurance** – Total (\$13,395) is exactly on budget at 75%. Policies include: Directors & Officers (\$10,083); crime (\$2,556); and commercial liability (\$756).

**Line 16 Telecommunications** – Cost (\$1,361) is 75.6% of budget. Costs include cellular phone (\$574), internet access (\$523), and office landline (\$264).

**Line 17 Postage & Shipping** – Cost (\$1,676) is 83.8% of budget. 77% of this cost (\$1,290) incurred to distribute annual report to community.

**Line 18 Marketing & Communications** - \$9,086 expense is 59.9% of budget, with 75% of the total for printing (\$6,331) and graphic design (\$485) of annual report. \$1,212 has been for software and internet applications used to promote, accept, and organize Grant and Scholarship applications. \$955 incurred for hard copy Scholarships promotional material.

**Line 19 Office Supplies & Equipment** – Total (\$1,198) is 34.3% of budget. Office printer required repair and maintenance costing \$371. Accounting software applications have been \$265. Ergonomic computer accessories purchased for \$217.

**Line 20 Legal Fees** – Cost (\$24,713) is 65.2% of budget. \$11,984 is related to Recreation Center, Pedestrian Safety, and Community Day Strategic Grants. \$10,629 is for San Bruno City Attorney time. \$2,070 is related to Community Grants.

**Line 21 Accounting & Payroll Fees** – Total (\$24,284) is 76.5% of budget. Consistent with Audited Financial Statement and IRS 990 presentation, this line item now includes Accounting fees, which were formerly included in Other Consultants (Line 21). Year to date total includes Accounting (\$14,178), Audit (\$9,000), and Payroll (\$1,106) fees.

**Line 22 Other Consultants** - Cost (\$37,480) is 84.5% of budget and is for Program Support (\$30,135) and Technology (\$7,345) consultants.

**Line 23 Travel, Meetings & Conferences** – Total (\$1,951) is 41.3% of budget. \$1,856 or 95% of the cost has been for Board meetings.

**Line 24 Miscellaneous** – Cost (\$1,383) equals 69.2% of budget with organizational memberships (\$925) being the largest expense.

## **SUMMARY**

Excluding Scholarships & Grants, total expenses are at 76% of budget, which is 1% over the 75% benchmark for the first three quarters of the year. In terms of dollars, the \$288,038 in year to date expense is \$3,907 more than 75% of the year's budget. Payroll Taxes & Benefits (\$7,299 over budget) and Other Consultants (\$4,218) have the greatest dollar variances exceeding budget.

March net Investment loss in value is \$55,455 and is the net of Strategic Pool gain (\$31,568) and Quasi Endowment loss (\$86,023). Year to date net investment income is \$2,065,281 with \$1,008,460 from Strategic and \$1,056,821 from Quasi Endowment. Overall organization year to date net income is \$726,132.

Total Net Assets, as of March 31, 2018 are \$72,279,137 with \$17,318,311 in Quasi Endowment and \$54,960,826 in general Unrestricted funds.



# SAN BRUNO

## Community Foundation

### March 2018 2017-2018 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 352,921	\$ 352,921	100.0%	\$ 352,921	\$ -
2 Transfers from Strategic Pool	700,000	1,071,764	65.3%	1,071,764	-
3 Restricted Donations	237,000	-		522,000	522,000
4 Interest Income	5,564	8,000	69.6%	8,000	-
5 Miscellaneous Income	2,000			2,000	2,000
<b>6 Total Available for Operations</b>	<b>1,297,485</b>	<b>1,432,685</b>	<b>90.6%</b>	<b>1,956,685</b>	<b>524,000</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	-	120,000	0.0%	120,000	-
8 Community Grants Fund	280,000	200,000	140.0%	300,000	100,000
9 Strategic Grants	1,015,675	50,293,952	2.0%	1,300,675	(48,993,277)
<b>10 Subtotal Direct Program Expenses</b>	<b>1,295,675</b>	<b>50,613,952</b>	<b>2.6%</b>	<b>1,720,675</b>	<b>(48,893,277)</b>
11 Salaries & Wages	136,749	181,125	75.5%	183,389	2,264
12 Payroll Taxes & Benefits	24,244	22,594	107.3%	30,730	8,136
<b>13 Subtotal Personnel Expenses</b>	<b>160,993</b>	<b>203,719</b>	<b>79.0%</b>	<b>214,119</b>	<b>10,400</b>
14 Occupancy	10,518	14,104	74.6%	14,104	-
15 Insurance	13,395	17,851	75.0%	17,851	-
16 Telecommunications	1,361	1,800	75.6%	1,800	-
17 Postage & Shipping	1,676	2,000	83.8%	2,000	-
18 Marketing & Communications	9,086	15,158	59.9%	15,158	-
19 Office Supplies & Equipment	1,198	3,490	34.3%	3,490	-
20 Legal Fees	24,713	37,917	65.2%	37,917	-
21 Accounting & Payroll Fees	24,284	31,733	76.5%	31,733	-
22 Other Consultants	37,480	44,350	84.5%	44,350	-
23 Travel, Meetings & Conferences	1,951	4,720	41.3%	4,720	-
24 Miscellaneous	1,383	2,000	69.2%	2,000	-
<b>25 Subtotal Non-Personnel</b>	<b>127,045</b>	<b>175,123</b>	<b>72.5%</b>	<b>175,123</b>	<b>-</b>
<b>26 Total Expenses</b>	<b>1,583,713</b>	<b>50,992,794</b>	<b>3.1%</b>	<b>2,109,917</b>	<b>(48,882,877)</b>
<b>27 Net Surplus/(Loss)</b>	<b>\$ (286,228)</b>	<b>\$ (49,560,109)</b>		<b>\$ (153,232)</b>	<b>\$ 49,406,877</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of March 31, 2018

#### ASSETS

Cash, Wells Fargo General	\$	40,770.18	
Cash, Wells Fargo Payroll		46,887.40	
Cash, Wells Fargo Savings		114,044.28	
Cash, Fidelity Liquidity Pool		189,042.52	
<b>Total Cash</b>			390,744.38
Investments, Fidelity Quasi-Endowment		17,318,310.54	
Investments, Fidelity Strategic Pool		55,532,039.97	
Accrued Interest Receivable		36,649.95	
<b>Total Investments</b>			72,887,000.46
Prepaid Rent		1,206.61	
Prepaid Insurance		15,126.00	
<b>Total Other Current Assets</b>			16,332.61
Deposits		1,253.45	
<b>Total Other Assets</b>			1,253.45
<b>TOTAL ASSETS</b>			\$ 73,295,330.90

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable		16,621.16	
Payroll Taxes Payable		5,064.21	
Accrued Grants Payable		861,737.00	
Accrued Scholarships Payable		120,000.00	
Accrued Employee PTO		12,771.73	
<b>Total Liabilities</b>			1,016,194.10

##### NET ASSETS

Unrestricted, Non-QE 7/1/2017 Balance		54,938,593.61	
Transfer from Quasi-Endowment		352,921.00	
Year to Date Net Income (non-investment)		(1,339,148.69)	
Year to Date non-QE Investment Income		1,008,460.34	
<b>Total Non-QE Net Assets</b>			54,960,826.26
Quasi-Endowment 7/1/2017 Balance		16,614,410.94	
Transfer to Liquidity for Operations		(352,921.00)	
Year to Date QE Net Investment Income		1,056,820.60	
<b>Total Quasi-Endowment Net Assets</b>			17,318,310.54

<b>Total Unrestricted Net Assets</b>			72,279,136.80
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>			\$ 73,295,330.90

# SAN BRUNO

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## Community Foundation

April 2018

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First ten months equal 83.3% of the fiscal year.

### INCOME & TRANSFERS

**Line 1 Transfers from Quasi Endowment** – Entire amount (\$352,921) planned for the year has been transferred.

**Line 2 Transfers from Strategic Pool** – Entire amount (\$1,071,914) for the year has been transferred.

**Line 3 Restricted Donations** – Unbudgeted amount of \$237,100 received. Community Grants have been increased by \$100,000 and \$137,000 is earmarked for Strategic Grants (Pedestrian Safety & Community Day). Additionally, \$280,000 is expected in support of the First Responder program and \$10,000 more expected for Community Day.

**Line 4 Interest Income** – \$6,162 is 77% of budget. Additional \$1,200 projected for final two months, which will be \$638 under budget.

**Line 5 Miscellaneous Income** – This unbudgeted \$2,000 comes from writing off the balance of a prior year grant that had been accrued, but was not fully used by the grantee.

### EXPENSES

**Line 7 Crestmoor Scholarships** – Full budget amount of \$120,000 was awarded and recorded. Payments will begin in the summer.

**Line 8 Community Grants Fund** – As noted above in Line 3, the projected final amount has been increased \$100,000 based on additional restricted income. \$280,000 in year to date expense is 140% of the budget. There is one grant (out of 23) for \$20,000 that will be recorded in May based on execution of grant agreement.

**Line 9 Strategic Grants** - \$1,015,675 (2% of budget) has been recorded based on fully executed agreements. The total breaks down as: a) Community Center Conceptual Design (\$550,000); b) Pedestrian Safety (\$263,952); c) First Responder (\$160,723); and d) 2018 Community Day (\$41,000). Additional expected amounts are donor funded: \$280,000 - First Responder; \$10,000 Community Day.

**Line 11 Salaries & Wages** – Expense is 84.1% of budget. Final Expected Amount increased \$2,264 based on Board approved cost of living adjustment.

**Line 12 Payroll Taxes & Benefits** – Expense (\$26,307) is 116.4% of budget. Costs include: retirement (\$16,671); Social Security/Medicare (\$8,339); and Workers' Compensation Insurance (\$1,121). Final Expected Amount increased \$8,136 based on Board approved increase to employer retirement contribution.

**Line 14 Occupancy** – Only cost is office lease (\$11,690). Amount is 82.9% of budget.

**Line 15 Insurance** – Total (\$14,900) is on budget at 83.5%. Policies include: Directors & Officers (\$11,217); crime (\$2,840); and commercial liability (\$843).

**Line 16 Telecommunications** – Cost (\$1,513) is 84.1% of budget. Costs include cellular phone (\$637), internet access (\$582), and office landline (\$294).

**Line 17 Postage & Shipping** – Cost (\$1,733) is 86.7% of budget. 74% of this cost (\$1,290) incurred to distribute annual report to community.

**Line 18 Marketing & Communications** - \$9,230 expense is 60.9% of budget, with 74% of the total for printing (\$6,331) and graphic design (\$485) of annual report. \$1,241 has been for software and internet applications used to promote, accept, and organize Grant and Scholarship applications. \$955 incurred for hard copy Scholarships promotional material.

**Line 19 Office Supplies & Equipment** – Total (\$1,599) is 45.8% of budget. Printer and copier toner has cost \$496. Office printer required repair and maintenance costing \$371. Accounting software applications have been \$279. Ergonomic computer accessories purchased for \$217.

**Line 20 Legal Fees** – Cost (\$24,713) is 65.2% of budget. \$11,984 is related to Recreation Center, Pedestrian Safety, and Community Day Strategic Grants. \$10,629 is for San Bruno City Attorney time. \$2,070 is related to Community Grants.

**Line 21 Accounting & Payroll Fees** – Total (\$26,187) is 82.5% of budget. Year to date total includes Accounting (\$16,040), Audit (\$9,000), and Payroll (\$1,147) fees.

**Line 22 Other Consultants** - Cost (\$40,458) is 91.2% of budget and is for Program Support (\$32,463) and Technology (\$7,995) consultants.

**Line 23 Travel, Meetings & Conferences** – Total (\$2,097) is 44.4% of budget. \$1,986 or 95% of the cost has been for Board meetings.

**Line 24 Miscellaneous** – Cost (\$1,270) equals 63.5% of budget with organizational memberships (\$925) being the largest expense.

## **SUMMARY**

Excluding Scholarships & Grants, total expenses are at 82.9% of budget, which is 0.4% under the 83.3% benchmark for the first ten months of the year. In terms of dollars, the \$313,993 in year to date expense is \$1,709 less than 83.3% of the year's budget. The projection for year-end is a budget savings of \$7,288 on all non-Scholarships & Grants expenses.

April net Investment loss in value is \$61,965 and is the net of Strategic Pool loss (\$101,081) and Quasi Endowment gain (\$39,116). Year to date net investment income is \$2,003,316 with \$907,380 from Strategic and \$1,095,936 from Quasi Endowment. Overall organization year to date net income is \$518,910.

Total Net Assets, as of April 30, 2018 are \$72,071,915 with \$17,357,426 in Quasi Endowment and \$54,714,489 in general Unrestricted funds.

# SAN BRUNO

## Community Foundation

### April 2018 2017-2018 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 352,921	\$ 352,921	100.0%	\$ 352,921	\$ -
2 Transfers from Strategic Pool	1,071,914	1,071,764	100.0%	1,071,914	150
3 Restricted Donations	237,100	-		527,000	527,000
4 Interest Income	6,162	8,000	77.0%	7,362	(638)
5 Miscellaneous Income	2,000			2,000	2,000
<b>6 Total Available for Operations</b>	<b>1,670,097</b>	<b>1,432,685</b>	<b>116.6%</b>	<b>1,961,197</b>	<b>528,512</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	120,000	120,000	100.0%	120,000	-
8 Community Grants Fund	280,000	200,000	140.0%	300,000	100,000
9 Strategic Grants	1,015,675	50,293,952	2.0%	1,305,675	(48,988,277)
<b>10 Subtotal Direct Program Expenses</b>	<b>1,415,675</b>	<b>50,613,952</b>	<b>2.8%</b>	<b>1,725,675</b>	<b>(48,888,277)</b>
11 Salaries & Wages	152,296	181,125	84.1%	183,389	2,264
12 Payroll Taxes & Benefits	26,307	22,594	116.4%	30,730	8,136
<b>13 Subtotal Personnel Expenses</b>	<b>178,603</b>	<b>203,719</b>	<b>87.7%</b>	<b>214,119</b>	<b>10,400</b>
14 Occupancy	11,690	14,104	82.9%	14,104	-
15 Insurance	14,900	17,851	83.5%	17,851	-
16 Telecommunications	1,513	1,800	84.1%	1,816	16
17 Postage & Shipping	1,733	2,000	86.7%	1,836	(164)
18 Marketing & Communications	9,230	15,158	60.9%	10,216	(4,942)
19 Office Supplies & Equipment	1,599	3,490	45.8%	1,809	(1,681)
20 Legal Fees	24,713	37,917	65.2%	30,037	(7,880)
21 Accounting & Payroll Fees	26,187	31,733	82.5%	29,209	(2,524)
22 Other Consultants	40,458	44,350	91.2%	46,542	2,192
23 Travel, Meetings & Conferences	2,097	4,720	44.4%	2,626	(2,094)
24 Miscellaneous	1,270	2,000	63.5%	1,389	(611)
<b>25 Subtotal Non-Personnel</b>	<b>135,390</b>	<b>175,123</b>	<b>77.3%</b>	<b>157,435</b>	<b>(17,688)</b>
<b>26 Total Expenses</b>	<b>1,729,668</b>	<b>50,992,794</b>	<b>3.4%</b>	<b>2,097,229</b>	<b>(48,895,565)</b>
<b>27 Net Surplus/(Loss)</b>	<b>\$ (59,571)</b>	<b>\$ (49,560,109)</b>		<b>\$ (136,032)</b>	<b>\$ 49,424,077</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of April 30, 2018

#### ASSETS

Cash, Wells Fargo General	\$	22,314.07	
Cash, Wells Fargo Payroll		29,129.22	
Cash, Wells Fargo Savings		114,047.10	
Cash, Fidelity Liquidity Pool		562,288.61	
<b>Total Cash</b>		727,779.00	727,779.00
Investments, Fidelity Quasi-Endowment		17,357,426.31	
Investments, Fidelity Strategic Pool		55,059,476.03	
Accrued Interest Receivable		35,482.83	
<b>Total Investments</b>		72,452,385.17	72,452,385.17
Accounts Receivable		814.34	
Prepaid Rent		1,206.61	
Prepaid Insurance		13,845.50	
<b>Total Other Current Assets</b>		15,866.45	15,866.45
Deposits		1,253.45	
<b>Total Other Assets</b>		1,253.45	1,253.45
<b>TOTAL ASSETS</b>			\$ 73,197,284.07

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable		6,041.41	
Payroll Taxes Payable		4,819.22	
Accrued Grants Payable		861,737.00	
Accrued Scholarships Payable		240,000.00	
Accrued Employee PTO		12,771.73	
<b>Total Liabilities</b>		1,125,369.36	1,125,369.36

##### NET ASSETS

Unrestricted, Non-QE 7/1/2017 Balance		54,938,593.61	
Transfer from Quasi-Endowment		352,921.00	
Year to Date Net Income (non-investment)		(1,484,405.86)	
Year to Date non-QE Investment Income		907,379.65	
<b>Total Non-QE Net Assets</b>		54,714,488.40	
Quasi-Endowment 7/1/2017 Balance		16,614,410.94	
Transfer to Liquidity for Operations		(352,921.00)	
Year to Date QE Net Investment Income		1,095,936.37	
<b>Total Quasi-Endowment Net Assets</b>		17,357,426.31	
<b>Total Unrestricted Net Assets</b>		72,071,914.71	72,071,914.71
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>			\$ 73,197,284.07

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Investment Committee

The June 6, 2018, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting, which was held on May 16, 2018. Treasurer Tim Ross chairs the Committee, on which Vice President Frank Hedley and community members Tony Clifford, Mark Hayes, and Georganne Perkins also serve.

On May 16, a team representing Sand Hill Global Advisors LLC (SHGA), the Foundation's investment adviser – including Chief Investment Officer Brenda Vingiello and Senior Wealth Manager Kristin Sun – made its quarterly presentation to the Committee. The Committee also received a report from me on the Foundation's activities, adopted a resolution recommending to the Board the Quasi-Endowment payout rate for fiscal year 2018-2019, reviewed Strategic Pool cash flow testing analysis provided by SHGA and discussed options for managing funds in the Strategic Pool to meet the Foundation's cash flow needs, and conducted its annual review of the Investment Policy Statement and the Investment Operating Plan. The results of the Committee's deliberations will inform the discussion of two other items on the June 6 agenda – namely, the discussion regarding strategic grantmaking budgetary constraints and consideration of the resolution approving the fiscal year 2018-2019 budget, setting the fiscal year 2018-2019 Quasi-Endowment payout rate, and approving transfers from the Strategic Pool to the Liquidity Pool for fiscal year 2018-2019.

#### **1. Quarterly Report from Sand Hill Global Advisors**

Ms. Vingiello gave an overview of the firm's investment outlook, describing the current stage of the economic cycle as mid-to-late cycle. She gave a summary of the firm's current economic forecast for the second quarter of 2018, commenting on economic growth, interest rates, the employment market, corporate earnings, international developed markets, emerging markets, inflation, commodity markets, valuation, and the housing market.

Ms. Vingiello then reviewed the Foundation's Investment Dashboard for the first quarter of 2018, including March 31, 2018, balances of \$17,327,253 for the Quasi-Endowment, \$55,615,889 for the Strategic Pool, and \$189,379 for the Liquidity Pool (total of \$73,132,521 in all three accounts). She reported that in the first quarter, SHGA increased the Foundation's global equity holdings and eliminated an overweight to large cap technology stocks.

# SAN BRUNO

## Community Foundation

### Memorandum

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#### **2. Committee's Recommendation to the Board for the Quasi-Endowment Payout Rate for Fiscal Year 2018-2019**

Section VII of the Foundation's Investment Policy Statement sets forth the spending policy. Section VII.1. states:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

Section VI.1.d. of the Investment Operating Plan provides pool-specific operating guidelines for payout or other withdrawals. Last June, upon recommendation from the Investment Committee, the Board amended the payout guidelines for the Quasi-Endowment Pool:

Payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

The City Attorney has advised that as amended, the Quasi-Endowment payout provision in the Investment Operating Plan does not need to be amended each year, and the Board – with guidance from the Investment Committee – can simply pass a resolution each year setting the next fiscal year's Quasi-Endowment payout rate.

Last year, the Committee recommended and the Board subsequently adopted a Quasi-Endowment payout rate sufficient to meet the cash flow needs for the Crestmoor Scholarship and the Community Grants Fund in fiscal year 2017-2018 (2.25%, which resulted in a payout of \$352,921). The Committee is again recommending that the Board follow this practice in setting the Quasi-Endowment payout rate for fiscal year 2018-2019. This practice of setting the payout



# SAN BRUNO

## Community Foundation

### Memorandum

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to meet the cash flow needs for the Crestmoor Scholarship and Community Grants Fund is consistent with the original long-term vision for the Quasi-Endowment – to fund those two programs plus support costs on an ongoing basis – and allows for some continued growth of the Quasi-Endowment, while the Foundation still has the Strategic funds to help support operational expenses. Strategic funds would cover cash needs for all strategic grants plus all support costs. This option seems like a reasonable compromise position – it draws from the Quasi-Endowment but at a low rate, and it taps into the Strategic Pool for all support costs but also leaves some amount for additional strategic grantmaking.

With the assistance of Accounting Consultant Frank Bittner in preparing the fiscal year 2018-2019 budget, I have determined that the cash flow needs for the Crestmoor Scholarship and Community Grants Fund in the upcoming fiscal year are estimated at \$320,000. A total of \$365,000 in Scholarships and Community Grants are expected to be paid out in 2018-2019. However, the 2017-2018 Quasi-Endowment payout included \$45,000 in Community Grants that will not be paid out until 2018-2019. Therefore, \$45,000 in 2017-2018 Quasi-Endowment payout will carry forward to 2018-2019.

The average of all quarter-ending Quasi-Endowment values available from inception to today (eight quarters) is \$16,409,212. A payout rate of 1.95% would result in a Quasi-Endowment payout of \$319,980, just \$20 under the estimated cash needs of \$320,000. As a result, the Investment Committee is recommending that the Board set the Quasi-Endowment payout rate for fiscal year 2018-2019 at 1.95%. The Board will consider a resolution taking such action as part of its consideration of the fiscal year 2018-2019 budget later in the June 6 Board meeting.

### **3. Management of Strategic Pool Funds**

As you know, in March 2017 the Foundation Board expressed its support for the concept of the Foundation making a strategic grant to the City of San Bruno for the planning, design, and construction of a new recreation and aquatics center (RAC) in an amount not to exceed \$50 million, and in December 2017 the Foundation and the City executed a grant agreement for the first stage of the project (conceptual design) for an amount not to exceed \$550,000. The City hired Group 4 Architecture, Research + Planning to manage the conceptual design process, which began in early 2018 and is expected to be completed by the end of June 2018. Group 4 has provided the City and the Foundation with a very preliminary timeline of the estimated expenditures of the likely remaining two stages of the project (construction documents and construction), which should run through fiscal year 2021-2022.

Using this preliminary estimate of the cash flow that will be required to fund the \$50 million RAC project along with estimates of other strategic grant commitments and annual operating expenses, the SHGA team presented the Committee with cash flow testing analysis of the Strategic Pool at the May 16 Committee meeting. This analysis showed that on average, once

# SAN BRUNO

## Community Foundation

### Memorandum

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the \$50 million is disbursed to fund the RAC by 2022, on average the Strategic Pool account is likely to end up with a balance upwards of \$7 million. The analysis also cautions that if the account experiences negative returns in 2018-2019, the balance could be under \$1 million.

With this analysis, the Committee discussed how best to manage funds in the Strategic Pool to meet the Foundation's cash flow needs with regard to the RAC project, other strategic grants, and its operating expenses. The Committee weighed the desire to keep the funds needed for the RAC in the (conservatively invested) Strategic Pool account so that those funds continue to have the potential to reap positive investment returns against the potential risk of experiencing a significant decline in value of the Strategic Pool due to investment volatility. The Committee considered various actions it could take to decrease some of the risk of market volatility and ultimately decided against amending the Investment Operating Plan to adjust the asset allocation ranges for the Strategic Pool, noting that the investment strategy for that account is already conservative and that the Liquidity Pool was created to provide a structure for holding funds needed for strategic grants within the next 24 months. Instead, the Committee voted in favor of recommending to the Board a transfer, at the beginning of fiscal year 2018-2019, of \$10 million from the Strategic Pool to the Liquidity Pool to protect those funds from fluctuations in the market. This \$10 million transfer would be in addition to a transfer needed to cover cash flow needs in fiscal year 2018-2019 and would not appear in the fiscal year 2018-2019 budget because it would not be intended for use in 2018-2019. The \$10 million figure was based, in part, on the architect's projection that cash flow needs for the RAC project would be about \$12.7 million in fiscal year 2019-202. This transfer would be consistent with the structure of the Liquidity Pool account, which can include funds to be disbursed over the next 24 months, not just the next fiscal year.

The Committee also discussed guidance it could provide to the Board as it considers other grantmaking opportunities funded by the Strategic Pool. The Committee agreed that the Board should take a conservative stance and exercise an abundance of caution when considering any new proposals for strategic grants until the funds for the RAC project are fully disbursed.

The Board will consider a resolution that includes a one-time transfer of an additional \$10 million from the Strategic Pool to the Liquidity Pool at the beginning of fiscal year 2018-2019 as part of its consideration of the fiscal year 2018-2019 budget later in the June 6 Board meeting. The Committee's guidance with regard to the making of additional strategic grants will be relevant in the agenda item regarding strategic grantmaking budgetary constraints.

#### **4. Annual Review of Investment Policy Statement and Investment Operating Plan**

The Committee also conducted its annual review of the Foundation's Investment Policy Statement, which is the high-level policy document governing the Foundation's investment practices, and Investment Operating Plan, which is the more detailed operating agreement

# SAN BRUNO

## Community Foundation

### Memorandum

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between the Foundation and SHGA, annually. Under the Investment Policy Statement, the Committee is tasked with reviewing both documents at least once a year and making any recommendations for amendments to the Board.

As Executive Director, I reported to the Committee that I specifically looked at one primary issue related to the item above regarding management of Strategic Pool funds as a possible candidate for amendment – that is, changes to the Strategic Pool’s asset allocation now that the Foundation has made an initial grant to the City for the RAC conceptual design phase and planning for the construction project is underway.

I decided not to recommend any Strategic Pool asset allocation adjustments. In order to protect the value and ensure the liquidity of the funds as they will need to be paid out, the three investment pools were structured so that as funds are needed, they can be shifted from the Strategic Pool to the Liquidity Pool, which has a more conservative risk tolerance and higher liquidity requirement. Moreover, the Investment Operating Plan also provides SHGA will asset allocation ranges that allows SHGA to make reasonable and sufficient adjustments to the Strategic Pool to accommodate the payment schedule. After discussion, the Committee did not make any recommendations related to changes in asset allocation.

Finally, the Committee discussed changing the date of its November meeting, as Chair Ross is unable to attend on the scheduled date of November 14. Committee members were receptive to changing the date to Tuesday, November 27, 2018. I have confirmed that a conference room at City Hall is available that day, and the Committee will formally change the November meeting date to November 27 at its next meeting, which will take place on Wednesday, August 22, 2018, at 4:30 p.m., at San Bruno City Hall, Room 101.

Attachment:

1. Investment Committee Resolution No. IC 2018-5 Recommending to the SBCF Board of Directors the Quasi-Endowment Payout Rate for Fiscal Year 2018-2019

## RESOLUTION NO. 2018-5

### RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION INVESTMENT COMMITTEE RECOMMENDING TO THE SBCF BOARD OF DIRECTORS THE QUASI-ENDOWMENT PAYOUT RATE FOR FISCAL YEAR 2018-2019

**WHEREAS**, under Section II.2.a. of the Investment Policy Statement of the San Bruno Community Foundation, the Investment Committee is tasked to “review at least annually the Investment Policy Statement and Investment Operating Plan and monitor compliance with both documents”;

**WHEREAS**, Section VII.1 of the Investment Policy Statement sets forth the spending policy for the Quasi-Endowment as follows:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

**WHEREAS**, Section VI.1.d.i. of the Investment Operating Plan with its investment adviser, Sand Hill Global Advisors, as amended, states, with regard to the Quasi-Endowment payout:

Payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

**WHEREAS**, a Quasi-Endowment payout rate of 1.95%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision, would provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in fiscal year 2018-2019, consistent with the original long-term vision for the Quasi-Endowment; and

**WHEREAS**, the Foundation's Board of Directors will consider the Foundation's fiscal year 2018-2019 budget, including transfers from the Quasi-Endowment to the operating budget, at its June 6, 2018, meeting.

**NOW, THEREFORE, BE IT RESOLVED** that the Investment Committee recommends that the Board of Directors approve, for fiscal year 2018-2019, a Quasi-Endowment payout rate of 1.95%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision, to provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in fiscal year 2018-2019, consistent with the original long-term vision for the Quasi-Endowment.

Dated: May 16, 2018

ATTEST:

*Tim Ross*

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Tim Ross, Investment Committee Chair

I, Tim Ross, Chair, do hereby certify that the foregoing Resolution No. 2018-5 was duly and regularly passed and adopted by the Investment Committee of the San Bruno Community Foundation on this 16<sup>th</sup> day of May, 2018, by the following vote:

AYES:           Committee members: Ross, Clifford, Hayes, Hedley, Perkins

NOES:           Committee members: None

ABSENT:        Committee members: None

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Discussion Regarding Strategic Grantmaking Budgetary Constraints

As a follow-up to both the upcoming Investment Committee report and the program strategy update study session at the March Board meeting, on June 6, 2018, the Board will have a discussion and provide direction on strategic grantmaking budgetary constraints.

At its May 16, 2018, meeting, the Investment Committee reviewed cash flow analysis prepared by Sand Hill Global Advisors based on preliminary estimates of the timeline and cash flow for the Recreation and Aquatics Center project, as provided by the architects leading the conceptual design process. This analysis showed that on average, once the \$50 million is disbursed to fund the RAC by 2022, on average the Strategic Pool account is likely to end up with a balance upwards of \$7 million. The analysis also cautions that if the account experiences negative returns in 2018-2019, the balance could be under \$1 million.

The Committee discussed guidance it could provide to the Board as it considers other grantmaking opportunities funded by the Strategic Pool. The Committee agreed that the Board should take a conservative stance and exercise an abundance of caution when considering any new proposals for strategic grants until the funds for the RAC project are fully disbursed.

In light of this guidance, on June 6, Treasurer and Investment Committee Chair Tim Ross will lead the Board in discussion about the Board's budgetary strategy in approaching future strategic grantmaking opportunities. It will be important for the Board to reach consensus on the approach it would like to take over the next several years, while the Recreation and Aquatics Center project is in progress, in making decisions about additional strategic grantmaking opportunities. For example, does the Board want to set a total dollar amount limit on additional strategic grants until the Recreation and Aquatics Center project is fully funded? Does it want to set a cap on the size of any individual strategic grant it might consider during this time period?

In preparation for this discussion, I am providing the following background information: (1) a summary of the Foundation's investment strategy and investment account balances, and (2) a summary of program disbursements committed thus far.

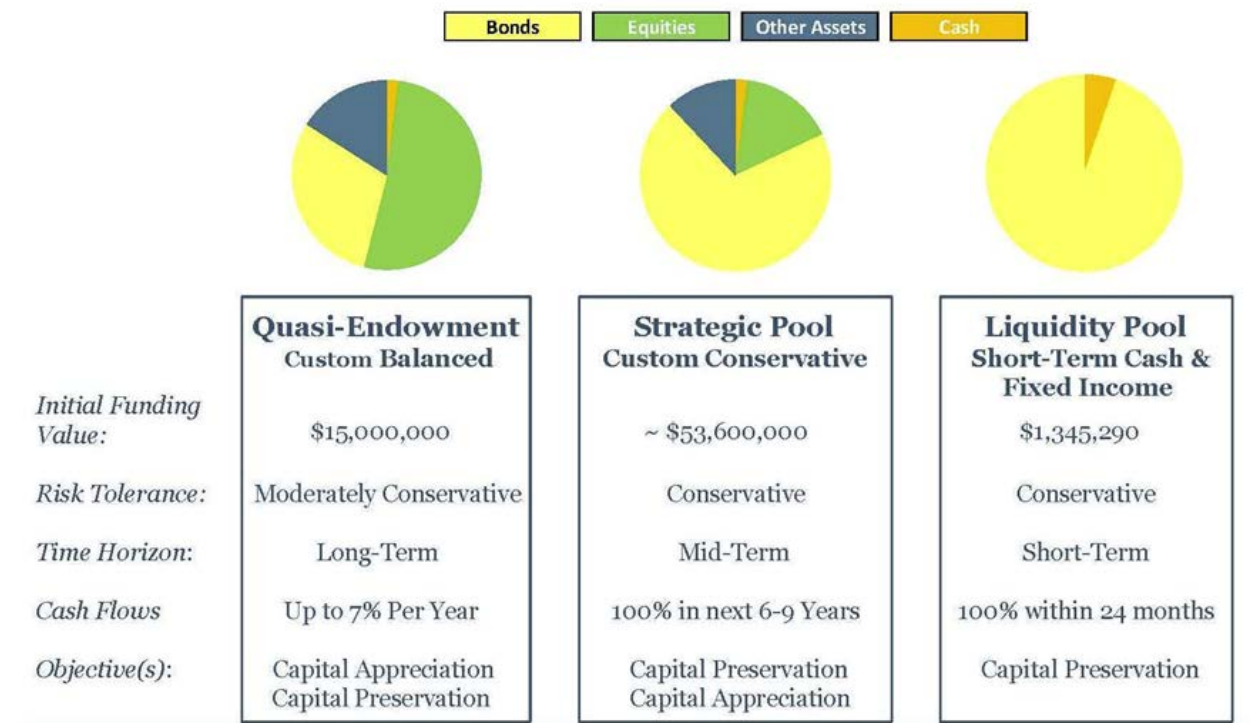
# SAN BRUNO

## Community Foundation

### Memorandum

#### 1. Investment Strategy Summary

The following graphic provides a high-level summary of the Foundation's investment strategy, as outlined in the Investment Policy Statement, and the chart below includes the investment account balances at inception and as of April 30, 2018.



	Quasi-Endowment	Strategic Pool	Liquidity Pool	Total
<b>Initial Funding May/June 2016</b>	\$15,000,000	~\$53,600,000	\$1,345,290	~\$69,945,290
<b>April 30, 2018</b>	\$17,357,426	\$55,059,476	\$562,288	\$72,979,190

# SAN BRUNO

## Community Foundation

### Memorandum

#### 2. Program Disbursements Summary

The following table outlines program disbursements thus far approved, by category, prior to the June 6, 2018, Board meeting:

Year	Crestmoor Scholarship	Community Grants Fund	Strategic Grants	TOTAL
2015-2016	\$100,000	\$0	\$55,000	\$155,000
2016-2017	\$120,000	\$200,000	\$919,047	\$1,239,047
2017-2018	\$120,000	\$300,000	\$1,025,675	\$1,725,675
<b>TOTAL</b>	<b>\$340,000</b>	<b>\$500,000</b>	<b>\$1,999,722</b>	<b>\$3,119,722</b>

The following table provides a breakdown of Strategic Grants, by year:

Strategic Grant	Grant \$	Notes
Community Day 2016	\$30,000	
Community Facilities Vision Plan Pre-Planning Process	\$25,000	
<b>Total 2015-2016</b>	<b>\$55,000</b>	
Community Day 2017	\$43,000	Includes \$15,000 from Walmart and YouTube
Florida Avenue Park Development	\$200,000	
Community Facilities Vision Plan	\$181,047	
Music Education Strategic Initiative (3 yrs) - SBEF	\$378,890	
Music Education Strategic Initiative (3 yrs) - CHSAA	\$116,110	
<b>Total 2016-2017</b>	<b>\$919,047</b>	
Community Day 2018	\$51,000	Includes \$21,000 from Sammut Family Fdn, YouTube, PG&E, Recology
Pedestrian Safety Strategic Initiative	\$263,952	Includes \$126,000 from YouTube
Recreation & Aquatics Center - Conceptual Design	\$550,000	
First Responder Strategic Initiative	\$160,723	
<b>Total 2017-2018</b>	<b>\$1,025,675</b>	
<b>Grand Total</b>	<b>\$1,999,722</b>	



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## Community Foundation

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<b>Strategic Grants Budgeted, 2018-2019 – Have not yet been approved</b>		
Community Day 2019	\$30,000	
Recreation & Aquatics Center - Construction Documents	\$4,000,000	
First Responder Strategic Initiative	\$290,000	Fully funded by Google/YouTube and employees
SBPSD Schools Transformation	\$250,000	
<b>Total 2018-2019</b>	<b>\$4,570,000</b>	

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Presentation from San Bruno Park School District Superintendent Dr. Stella Kemp on “Schools with Tomorrow Inside, San Bruno Park School District’s Vision for 21<sup>st</sup> Century Teaching and Learning Centers” and Report on Strategic Grant Proposal from the San Bruno Education Foundation Regarding School District Transformation Projects

At the June 6, 2018, Board meeting, the Board will receive a presentation from San Bruno Park School District Superintendent Dr. Stella Kemp on the transformation she is leading at the school district, entitled “Schools with Tomorrow Inside, San Bruno Park School District’s Vision for 21<sup>st</sup> Century Teaching and Learning Centers.” Dr. Kemp will also outline specific funding needs for two key components of the transformation strategy. Providing fundraising support for the school district, the San Bruno Education Foundation is requesting that the San Bruno Community Foundation meet these funding needs with a strategic grant of \$250,000. The Board will consider and provide direction regarding this strategic grant request.

Accompanying Dr. Kemp at the Board meeting will be Scott Curtner, President of the San Bruno Education Foundation, and Dr. Derek Mitchell, CEO of Partners in School Innovation.

#### **1. Background and Process**

As a follow-up to Board’s March study session discussion on next steps for the Foundation’s program strategy, I reached out to key community partners to generate ideas that the Board might want to explore, including San Bruno Park School District Superintendent Dr. Stella Kemp. Dr. Kemp is new to the District this year and since arriving has been charging full-steam ahead with an ambitious vision of transforming our school district into 21<sup>st</sup> century schools. She has successfully shepherded through the school board a plan to consolidate the district into four modern elementary schools. In addition, she has concrete plans to improve the academic achievement at all schools and to transform Parkside into a thriving middle school that successfully prepares students for the rigors of high school. As part of the transformation at Parkside, the school district announced a new principal for Parkside, Don Smith, in May.

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As a result of my discussion with her, Dr. Kemp sent me proposals for the Foundation to consider to fund, over three years, two key programs in this transformation: the Sobrato Early Academic Language (SEAL) program at Belle Air and Allen Elementary Schools, and a partnership with Partners in School Innovation to support the Parkside transformation. I shared these proposals with you in early May. As a result of additional conversations I have had with Dr. Kemp, she has provided the attached revised proposal, which SBEF is submitting to SBCF for consideration.

When an idea for a strategic grant arises, our usual protocol is to create an ad hoc committee that investigates the idea and works with the appropriate community partner to develop a grant proposal that addresses an important community need, within one of our identified focus areas, in a meaningful and lasting way. The committee typically reports on its progress and presents to the Board its preliminary grant proposal. The committee then takes the feedback it has received from the Board, refines the proposal in consultation with the community partner, and eventually brings a final grant proposal to the Board for consideration. This process has served us well, allowing for deliberation, feedback, and collaboration.

However, I have decided to diverge from this usual process with regard to the two proposals because of the urgency with which the funds are needed. The district seeks funding for the two programs this summer in order to launch them in the upcoming 2018-2019 school year. If funding is not secured by the early summer, the district will need to delay and/or trim back its plans for the upcoming school year. Given the forward momentum that the school district is currently experiencing – with the completion of the school consolidation plan and plans to soon bring to the voters a bond measure to modernize all schools in the district well underway – I believe that accelerated consideration of the proposal at our June meeting is merited.

## **2. Schools with Tomorrow Inside**

On June 6, Dr. Kemp will present her vision for the district and explain the transformation that must occur to achieve that vision.

The mission of San Bruno Park School District is to educate and empower all students to thrive academically, socially and emotionally to be contributing members of society. The leadership of the district believe it is its responsibility and opportunity to equip its students with the skills to succeed in life, and the current law in the state of California requiring each school district throughout the state to build a Local Control Accountability Plan, (LCAP) plays a major role in ensuring that this happens.

The district is currently made up of six elementary schools (Allen, Belle Air, El Crystal, John Muir, Portola and Rollingwood) and one middle school (Parkside Intermediate). As part of

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recent consolidation, the district will be closing El Crystal in June 2018. All students in the elementary program matriculate to the middle school for grades 6 - 8, and then to Capuchino High School, which is part of the San Mateo Union High School District.

The district is a diverse community serving many ethnic and socio-economic backgrounds. The district serves 28% English learners, 12% special education students, 37% low-income students, and 32% compensatory education students (Title I). The enrollment per elementary school averages 315 students, and the middle school averages 792 students. The district currently serves a total of 2,784 students.

The vision of Schools with Tomorrow Inside is twofold: to create 21<sup>st</sup> century learning centers that are necessary for students to be successful in a global economy, and to raise academic achievement and engage students in programs and curriculum that inspire them now to be productive critical thinkers who embrace diversity, curiosity, and innovation throughout their lives.

District schools are 52-76 years old and were built for a different generation of students. Many of the schools have outlived their useful lives or are in need of extensive repairs. San Bruno children today and in the future deserve modern classrooms that prepare them for success in the world they live in now and tomorrow. The district is spending thousands of dollars every year maintaining and repairing antiquated schools – dollars that could be used for instruction and providing resources to recruit and keep quality teachers and staff. Moreover, the district is not “right sized” for current and projected enrollment over decades into the future, and out of sync with the state funding model, which is based on elementary schools having enrollments of 400-600 students; SBPSD has six under-enrolled schools.

On September 27, 2017, Dr. Kemp presented to the school board a vision for 21<sup>st</sup> century teaching and learning centers in San Bruno. Supportive of the vision, the Board gave her direction to create a Surplus Facilities Committee (“7-11”) to work with experts to study the benefits and challenges of consolidating six elementary schools into four. On February 15, on the recommendation of the district’s Surplus Facilities Committee, the Board of Trustees voted to consolidate two elementary schools – El Crystal (established 1948) at the end of June 2018 and Rollingwood (established in 1958) in a few years. The District Office property (Hesselgren) and the former Engvall site are also surplus.

In terms of raising academic achievement and engaging students, the district is focused on a variety of efforts, many of which target under-performing schools or populations. The two programs for which funding is being sought address two of the district’s top priorities: bolstering language and literacy education at the district’s two Title I schools, which have large

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populations of English learners, and improving the quality of teaching and leadership – with the ultimate goal of raising student achievement – at Parkside.

#### **3. Strategic Grant Proposal**

The proposal requests \$250,000 to support the SEAL program and the Parkside transformation partnership with Partners in School Innovation.

- a. Sobrato Early Academic Language (SEAL) Program at Belle Air and Allen Elementary Schools

Provided by the Sobrato Foundation, SEAL is designed as a comprehensive model of intensive, enriched language and literacy education designed for English language learners, starting in preschool and continuing through third grade. SBPSD is seeking to implement SEAL, from transitional kindergarten to third grade, at Belle Air and Allen Elementary Schools, which are both Title I schools with a large number of English learners. Both schools have experienced a pattern of low performance on state standardized tests for a number of years, and under the state's new accountability guidelines, the district is required to develop an action plan to raise achievement. SEAL is a key component of the district's plans to boost language and literacy achievement at Belle Air and Allen. Research has shown that English learners who do not receive the necessary support in the primary grades are at greater risk of accruing irreparable academic gaps as they move through school and of never developing the levels of English proficiency necessary for academic success. SEAL aims to tackle this challenge at the earliest levels.

The SEAL model is anchored by six research-based foundational components that infuse all aspects of teaching and learning throughout the school day:

- Alignment of preschool and the K-3 systems around a shared vision of powerful language development as the foundation for academic success – with support for transitions across systems and levels (including Summer Bridge programs)
- Simultaneous academic language and literacy (including bilingual options)
- Language-rich environments and instruction with an emphasis on expressive and complex oral language development and enriched vocabulary
- Text-rich curriculum and environments that engage children with books and the printed word, and lead to the appreciation and love of reading and writing
- Language development through academic thematic units based upon science and social studies standards

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- An affirming learning environment that brings together teachers and parents to support strong language and literacy development at home and at school

SEAL provides intensive professional development to teachers through workshop sessions, coaching, and collaborative reflection and planning. It also supports parents in developing language and literacy of their children at home and in the classroom.

Implementation of the SEAL program at Belle Air and Allen will include:

- Professional development - SEAL Launch (two days of professional development for teachers in the summer of 2018 and the summer of 2019)
- Professional development - SEAL Program Training (six days of professional development each year)
- Collaboration Time - Using enrichment and PE time to provide grade level release time to allow teachers by grade to come together weekly with the SEAL coach to work on unit plans
- Monitoring of the program – Through focused walkthroughs with the Superintendent, Assistant Superintendent of Educational Services, site principal, SEAL support provider, and site coach
- Network meetings – SEAL will provide support to district leadership including site principals, parent liaisons and district administration.

As the attached proposal explains, a total of 21 SBPSD teachers will receive the SEAL training over the three years of implementation.

SBEF is requesting from SBCF the program implementation fees associated with the district's participation in the SEAL program for Belle Air and Allen, which must be paid to the Sobrato Foundation. The original estimate for the fees totaled \$250,000. Through Dr. Kemp's successful negotiations, the Sobrato Foundation has recently agreed to program fees totaling \$166,000, which are to be paid up front in the first year of implementation. Once the district has completed implementation, there are no further fees to be paid to Sobrato. Also, note that district funds will be covering significant portions of the costs associated with offering the SEAL program at Belle Air and Allen, including professional development and instructional materials.

- b. Parkside Intermediate School Accelerating Student Learning Through Systems Transformation

While Capuchino High School has undergone transformation work in recent years, implementing an International Baccalaureate program and several CTE Academies, Parkside

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continues to operate in a 20th century educational model. The district seeks to partner with Partners in School Innovation, a San Francisco-based nonprofit organization that works with school districts and teachers to transform under-performing districts to narrow the achievement gap, to support the transformation of Parkside into a 21<sup>st</sup> century school. The district's goal is to better align the academic programs at Parkside in order to ensure that all Parkside eighth graders enter high school with the knowledge and skills to be able to participate in any program of their choosing. While the school has made progress, many students have not reached satisfactory achievement levels. The school's fall 2017 California Dashboard report shows that while the overall school suspension rate declined, the rate for students with disabilities, Pacific Islanders, and English learners was significantly higher than the rest of the school. The Dashboard also reveals schoolwide issues regarding student performance in English language arts and math, particularly for Hispanic, English learner, Pacific Islander, special education, and socio-economically disadvantaged students.

The district believes a meaningful investment in teachers and leaders can help the district achieve outstanding results for its students. Therefore, the district seeks to partner with Partners in School Innovation to provide intensive school transformation support at Parkside for the next three school years to build the capacity of school leaders in implementing the Common Core State Standards instructional shifts and to design and facilitate a cross-school learning network specifically for fourth and fifth grade teachers in the district. The ultimate goal of this partnership is to accelerate achievement for students of color and English learners at a rate that exceeds state and district averages, resulting in closing of the achievement gap.

Partners in School Innovation will provide a full-time School Improvement Partner who will work alongside the new principal and other Parkside school leaders to:

- *Build a strong core instructional program in literacy/English language arts and math that ensures students are meeting common core standards:* To promote instructional coherence, alignment to the school's vision, and common high expectations, Partners will support the principal and teachers in deep and strategic thinking about the design of their instructional program.
- *Create systems and structures that foster teacher professional learning, allowing all teachers to deliver excellent instruction:* To ensure teachers are systematically supported to improve their practice continuously, Partners will work with school leaders, coaches and teachers to develop and strengthen the systems and structures for teacher professional learning.
- *Align district systems to support school transformation:* To ensure positive changes to teacher and leader practice is occurring at the school site, Partners' School Transformation Review (STR) will be implemented and will provide feedback to the

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school about their transformation efforts and track progress over the course of the partnership.

- *Strengthen results-oriented leadership:* To ensure sustainability of new structures and ways of working, Partners will provide on-going coaching for school leaders to strengthen instructional leadership, helping to sustain improvement and build teacher capacity at the school.
- *Create family-school learning partnerships:* To support families to understand the Common Core Standards and see how they impact expectations for their children, Partners will help teachers and leaders to partner more effectively with families. Partners will offer professional development that will enable teachers and leaders to engage families and implement strategies to strengthen the school community to ensure every family, student, and staff member feels valued and respected.

The revised proposal provides for a slightly scaled-back set of activities than was originally proposed (notably, 1.5 days per week of on-site technical assistance from Partners). The proposal seeks funding for the partnership with Partners in School Innovation for the first year (2018-2019), which will enable the district, with the assistance of Partners, to secure additional grants to support continuation of the partnership.

#### c. Proposed Financials

The proposal requests a total of \$250,000 from SBCF, as follows:

Activity	\$ Requested
SEAL Program Implementation Fees	\$166,000
Parkside Partnership with Partners in School Innovation	\$84,000
<b>Total</b>	<b>\$250,000</b>

#### d. Board Discussion and Direction

Due to the timing of the district's need for the funds, on June 6 the Board will receive Dr. Kemp's presentation and consider the request for strategic grant funding. This discussion will be informed, in part, by the Investment Committee Report and Board discussion on strategic grantmaking budgetary constraints that will precede this agenda item.

If approved, the grant would be awarded to the San Bruno Education Foundation for implementation of the SEAL program and the Parkside transformation partnership with Partners in School Innovation. The entire grant payment would be made in the 2018-2019 fiscal year.



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I recommend that the Board provide direction in responding to the grant request, including taking action as to whether it approves funding some or all of the request. Because we do not yet know the results of the grantmaking budget discussion and no committee of the Board has vetted this proposal, I have not prepared a resolution supporting a particular outcome for this request. If the Board decides to fund the request, it can affirm any action it takes on June 6 with a resolution at the September Board meeting.

**Attachments:**

- Proposal for Strategic Grant to Support Two SBPSD Transformation Programs Addressing the Achievement Gap
- Summary of the SEAL Model
- Partners in School Innovation 2016-2017 Annual Report

## San Bruno Community Foundation Grant Application

### PROJECT SNAPSHOT

**Amount requested:** \$250,000

**Project Start Date:** July 1, 2018

**Project End Date:** June 30, 2021

#### ***Project Description:***

To support the transformation work in the San Bruno Park School District specifically with two district transformation projects addressing the achievement gap.

#### ***Overview:***

Vision for Schools with Tomorrow Inside is a bold statement for the San Bruno Park students. In fulfilling the District's mission to educate and empower all students to thrive academically, socially and emotionally to be contributing members of society, we have identified two areas to address to begin the shift in teaching and learning, including the professional development and collaboration structures among teachers.

In an attempt to improved student achievement in schools, for many years school district have invested in "boxed" or purchased curriculum, relying on fidelity to and "hope" that the curriculum would meet the needs of the students. Research has shown that to significantly improve student performance, districts must couple high quality curriculum with improving adult practice - aka - professional development. Accompanying this is the need for a structured system for monitoring and adjusting (tuning our sails) to reach our targets. This is the theory of change for San Bruno Park School District.

To accomplish this, the district is embarking on a three year process that starts with our most needy groups of students:

#### **1. English learners including socioeconomically disadvantaged youth**

This three year English Learner (EL) project includes implementation of Sobrato Early Academic Language (SEAL) at Belle Air and Allen schools. The SBCF would support a portion of the funding for the SEAL program (as outlined in the previous documents).

The district has developed a comprehensive plan for addressing English Learners, which includes programs for all ELs including long-term ELs, newcomers at the middle school, programs at the elementary schools (including PreK) with high concentrations of ELs (Belle Air, Allen), a program for our Transitional Kindergarten students and district wide programs for other grade levels and sites with fewer English Learners. SEAL is a program that is supported through the Sobrato Foundation. Some, but not all of the costs are paid by the foundation. The program fees, which the District must pay to the Sobrato Foundation, cover the training costs for SEAL, and site (admin and parent liaison) and district support.

A total of 21 SBPSD teachers will be trained over the three years. The coaching is job-embedded coaching and collaboration partnership that builds adult practice capacity to insure sustainability of the program.

This program differs from Big Lift in that BL is a summer only program. The BL coaches are NOT district coaches and support the BELL Foundation’s program. At this time district coaching capacity building is not a part of the BL/BELL program (due to their design), but will be an opportunity to expand in partnership with BL for the summer bridge programs. Teachers who are part of BL are hired from various schools across the district, so they are not necessarily BA or Allen teachers. We are working with BL and other BL/SEAL districts in the county to develop programming continuity

**2. Middle school transformation**

In order to insure that 8th graders matriculate to the high school ready to participate in college and career preparatory program, Parkside Intermediate School (PKIS) needs to address a variety of areas including setting up a leadership team that focuses on student results, developing a system for professional development aligned to developing teacher practice with high levels of impact on student performance, and implementing a core instructional program that is aligned to Common Core State Standards. In Winter 2018, we conducted a School Transformation Review of PKIS to assess where the school stood in these three areas. In the review, teachers indicated a desire and urgency for school transformation and an eagerness in the work. Yet, many of these systems do not exist because of the lack of institutionalized systems. Therefore, we intend to launch a partnership with Partners in School Innovation (PSI) to support the new principal and the newly established Instructional Leadership Team (ILT) to build the site capacity. There are a variety of ways that this partnership can be implemented and outcomes will be dependent on the amount of support provided through the partnership. PSI’s partnership fee ranges from \$30K to \$250K depending on the partnership type, amount of time on campus and the background staff that support the partnership. (PSI will accompany the superintendent to present the details about the partnership). As part of the sustainability planning, the district is working with PSI to submit grants to support continuation of the partnership. PSI partnerships are largely funded through grants to school districts.

**Funding Request**

Through the various partnerships, the district has requested funding from a number of sources. Partners in School Innovation has supported the district to submit grants to the Silicon Valley Community Foundation and PG&E. PSI’s well-tuned philanthropic arm works to assist school districts to fund the partnership. The District has limited resources to fund the large scale transformation work and we rely on the support of funders to move forward. Funding for SEAL has been set aside in the district budget. Regardless of the level of funding, the district will move forward with this project. We hope to be able to fund the program fees for SEAL (recently reduced through negotiations from \$250K to \$166K) through the Foundation.

A \$250K grant from SBCF would be able to fund the program fees for SEAL and one year of a strategic partnership (1.5 days per week) for the PKIS addressing the transformation work. Revised proposal:

ACTIVITY	TOTAL
SEAL	\$166,000
PSI	\$84,000
TOTAL	\$250,000



# SEAL

Sobrato Early Academic Language PreK-3 Model

***Powerful, Joyful, Rigorous  
Language & Literacy Learning***

The  
**SOBRATO**  
Family Foundation



## INTRODUCTION

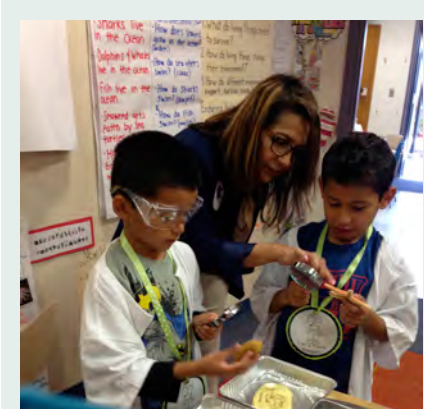
SEAL is a preschool through third grade program of the Sobrato Family Foundation. SEAL is designed to build the capacity of preschools and elementary schools to powerfully develop the language and literacy skills of young English Learner children, and to close the academic achievement gap by fourth grade. It is also a model of language-rich, joyful and rigorous education for all children.

SEAL develops rich, powerful language and literacy in the context of delivering a full academic curriculum. SEAL classrooms are alive with language! Language and literacy education is woven into all aspects of the school day. Children use high-level, complex language to talk about what they are learning, ask questions, make predictions, and think through solutions to academic and social problems and tasks. Teachers model rich, expressive language and create environments where academic vocabulary and concepts come to life. Students actively collaborate, solve problems, and engage in whole- and small-group activities as they pursue and construct knowledge based upon science and social studies standards. Books in multiple languages are easily accessible, and student-produced work and writing adorns the walls.



*Teachers model rich, expressive language and create environments where academic vocabulary and concepts come to life.*

For young English Learners, SEAL creates the learning conditions that build language and literacy skills necessary for participation in the academic world and the world at large. Whenever possible, SEAL promotes the development of biliteracy, affirming and supporting home language for English Learner children and families, and developing high levels of proficiency in both Spanish and English. For all students, the SEAL classroom brings to life the rigor and richness called for by the Common Core Language Arts standards, the new California English Language Development standards, and the California ELA/ELD Framework.



## WHY SEAL? ADDRESSING A NEED

English Learners represent the fastest growing student population in the United States, now numbering over five million (double the enrollment just 15 years ago). These students must learn English while mastering increasingly rigorous grade-level academic content taught in English. The vast majority of English Learners (four out of five) who enter U.S. schools are Spanish speakers. These children are eight times more likely to drop out of school than their non-Hispanic, native English speaking peers. In California, close to half of English learners who enroll in kindergarten are likely to become “Long Term English Learners” who accrue irreparable academic gaps as they move through school, and never develop the levels of English proficiency necessary for academic success. As the nation implements 21st century Common Core era standards, the urgency of putting into place powerful schooling that prepares English Learners for college and career readiness is greater than ever.

Tackling these academic challenges requires educational programs, curriculum and instruction that address head-on the language barriers faced by English Learners. School leaders need models of research-based programs and approaches that will establish a powerful foundation in language and early literacy for their English Learners. Teachers need resources and training to turn their classrooms into environments where English learners thrive. Parents need information and channels to connect to their children’s schooling and become partners with teachers in supporting the language, literacy and cognitive development needed for school success.

In response to these needs, the Sobrato Family Foundation developed the Sobrato Early Academic Language (SEAL) model. Designed by Dr. Laurie Olsen, a national expert in English language learner education, and piloted initially in California’s San Mateo and Santa Clara counties, SEAL pulls together the most current research on effective practices and implements the knowledge base from effective school improvement. It focuses on meeting the demands of the Common Core era standards while addressing the needs of English Learners, their parents, and their teachers. And, SEAL works with all classrooms and teachers PreK-3 in a school to create a coherent, articulated and collaborative system of high quality primary grades education.

### The Goal of the SEAL Model

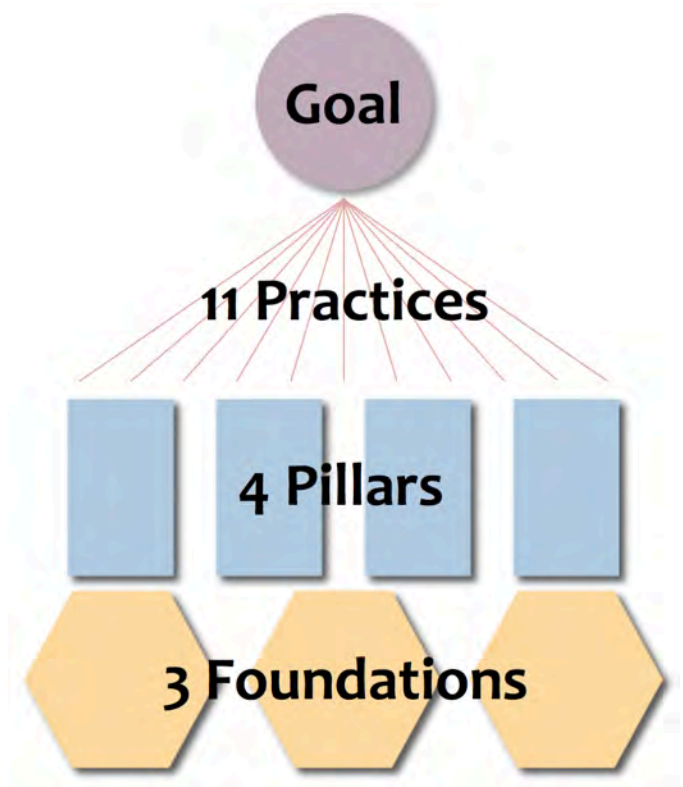
***To develop academically proficient and literate students who love reading and writing, express themselves articulately in two languages, are joyful and confident learners, and are active participants in their learning.***

Taking a PreK-3 perspective, SEAL starts English Learners with a language-rich preschool and Transitional Kindergarten program that prepares them for kindergarten. The kinder program builds seamlessly from this preschool experience, developing the skills and language foundation needed for academic success in grades 1–3 and beyond. It is an articulated approach that knits together early childhood education and primary grades in a coherent pathway to academic success.

While the initial impetus for the model was to address the needs of English Learners, the approach has been found to be powerful for all students because of SEAL’s implementation of the Common Core standards that scaffolds all students into rigorous language and academic literacy, and meaningful, deep engagement with academic content.

Three elementary schools and thirteen feeder preschools in two California school districts (Redwood City School District and San Jose Unified School District) piloted the SEAL model beginning in 2008. These SEAL pilot sites were 95% minority enrollment, including 90% Hispanic and 70% English learner populations. The schools serve more Hispanic, economically disadvantaged, and English language learners compared to other schools in their districts and in the state. The preschool programs in pilot sites included state-funded and community-based preschools. Positive results from the longitudinal evaluation that tracked the progress of students in the pilot sites attest to the power of the model to close longstanding achievement gaps and to accelerate language proficiency.

Now, viewing SEAL as both a compelling response to English Learner needs and an exciting vehicle to enact Common Core era standards for all students, additional districts throughout California are replicating the model. Early childhood educators see SEAL as a model that aligns instruction and curriculum between early childhood and the primary (K–3) grades, preparing children in a developmentally appropriate manner for kindergarten and a successful academic journey in the primary grades. Primary grade teachers are excited by the level of student engagement and the high-level production of language they witness among children in SEAL pilot classrooms. Educational leaders seeking to close the achievement gap for English Learner and Latino children look to SEAL as a model that ramps up the rigor and effectiveness of early literacy education, and speaks (finally) to the challenges of overcoming persistent gaps between English Learners and others. District leaders find SEAL to be a model for supporting meaningful instructional change and building coherence and articulation across the system.



This publication presents:

- **3 research foundations** behind the SEAL model,
- **4 components (pillars)** of the SEAL model,
- **11 high leverage pedagogical practices** put in place through SEAL,
- the approach to SEAL replication and implementation, and
- a summary of findings to date on the impact of the SEAL model.





## THE THREE FOUNDATIONS OF THE SEAL MODEL

The SEAL model is a response to the persistent achievement gap facing English Learners in U.S. schools. It was designed drawing upon the research on preventing the creation of Long Term English Learners, and enacts the research on effective English Learner practices. These two bodies of research, together with an analysis of the challenges of implementing Common Core era standards, establish the foundation for the SEAL model.

### Foundation #1

#### *Research on Preventing the Creation of Long Term English Learners*

Approximately half of the young English Learners who enroll in California schools in kindergarten face year after year of struggling academically and falling further and further behind because they do not adequately comprehend what is being taught in a language they have not yet mastered. Along with compounding academic gaps and academic failure, these “Long Term English Learners” fail to attain the English proficiency needed to participate and succeed academically in school. They remain “stuck” at a level of basic oral fluency, able to use English for social purposes, but limited in expression and struggling with the academic English needed for school participation. Despite dreams of going to college and finding success in the U.S. culture and economy, many are unable to complete high school requirements or graduate. Weak in English, these students typically are increasingly weak in their home language as well. By middle school, they have limited vocabulary and weak language skills in both English and the home language. There is a clear connection between students schooling experiences, language development and academic achievement.

The patterns that result in the creation of Long Term English Learners begin in preschool and kindergarten and continue throughout the primary grades:

- Language and literacy curriculum designed for native English speakers that is inadequate to address the needs of English Learners
- Neglect of the home language
- Exposure only to simplified, watered-down language and literature
- Inadequate support for English Learners to be able to participate actively, resulting in entrenched coping patterns of student passivity, non-engagement and silence
- Inadequate modeling, scaffolding and support that compounds gaps in comprehension
- Narrowed curriculum that does not provide social studies or science, and results in a decontextualized approach to language and literacy development as well as compounds a knowledge gap
- Inconsistent programs and approaches to English Learner support from year to year resulting in gaps

SEAL was designed, in part, to address these lapses in school practices. To begin, SEAL centralizes science and social studies through an integrated thematic approach that situates language development in and through the process of children learning about their world. Children in SEAL classrooms study science and

social studies as well as language arts, math and the arts. SEAL emphasizes active student engagement and participation, with multiple high-leverage pedagogical practices that provide opportunities and support for all students to be meaningfully involved contributors.

SEAL ensures regular exposure to high-level, expressive, precise and complex language through the books that are selected for read-alouds, the language that teacher's model, and the vocabulary that is explicitly taught. Teaching strategies help children understand how the language works, and how to make it their own. Writing, drawing and dictation, and active engagement in oral language are centerpieces of the SEAL approach. Moreover, SEAL is insistent on the value of bilingualism and affirming home language and culture. In bilingual and dual-language classrooms, a high bar is set for rigor in the home language and careful attention is paid to the transfer and simultaneous development of English along with home language. Finally, SEAL stresses articulation and alignment across grade-levels to provide English Learners with a consistent and coherent process of language development from year to year to avoid the gaps that are so harmful to vulnerable students.



*SEAL emphasizes active student engagement and participation.*

## Foundation #2

### *Enacting the Research on Effective English Learner Practices*

In the past decade, an explosion of research has appeared on effective practices for English Learner education, as well as research on young dual-language learners and dual-language development. A major meta-analysis compiled by the Congressionally mandated National Literacy Panel on Language Minority Children and Youth provided an important synthesis of what is known about effective practices. In 2010, the California Department of Education also released a set of commissioned papers from lead researchers nationally, *Improving Education for English Learners: research-based approaches*. Across these reports, there is remarkable convergence of findings, providing guidance for educators. Because there is still a disturbing gap between research and practice, SEAL seized upon the new research as a foundation for the model. Eight key research findings from the field of effective English Learner practices inform the SEAL model:

*Quality early childhood education makes a significant difference, reducing disparities between groups, and resulting in better schooling outcomes for children once they enter kindergarten.*

While most children benefit from high quality preschool education, the gains are greater for low-income, Hispanic and English Learner students. The period in a child's life, from ages 3-8 years is a crucial developmental phase for language and cognitive development, especially for dual language learners. The SEAL model was designed, therefore, as a PreK-3 approach to leverage the importance of the preschool year and to address the need for coherence and articulation across this important developmental phase.

*An emphasis on oral language is an essential element of an effective language development program for young children and for English Learners.*

Oral language is the foundation for other domains of language and for literacy (reading, writing). Extensive and intentional oral language development is a foundational piece of successful literacy development approaches. It is through producing the language that children make it their own. And yet, according to the National Literacy Panel on Language Minority Children and Youth, oral language is often and has increasingly been overlooked in language arts curriculum and literacy instruction. SEAL emphasizes multiple and frequent structured opportunities for students to be engaged in talking about what they are learning, thinking, wondering and doing. The amount, type and quality of student talk are a mark of good instruction and a hallmark of SEAL classrooms. Children’s oral language is closely related to what they hear. Therefore, SEAL teachers model rich, expressive language exposing children regularly to academic vocabulary and ways of using language that extend the linguistic range and possibilities for children.



*The amount, type and quality of student talk are a mark of good instruction and a hallmark of SEAL classrooms.*

*An explicit focus on academic language is needed.*

Academic language is the formal language of schooling, text and academic participation. It is the language used in school to help students develop content knowledge, and the language they are expected to utilize to convey their understanding of that knowledge. It is different from the informal language used in daily aspects of a child’s life. Academic language develops in the context of engaging with academic content and encountering academic text. SEAL is intentional in the approach to selection of high-level academic vocabulary and discourse patterns that will be taught within a thematic unit, and utilizes high-leverage pedagogical practices that engage children in analyzing academic language and using it in multiple ways. For young children, “academic language” is also about developing complex, precise language for naming and talking about their world and experiences. For this reason, SEAL emphasizes helping children learn the vocabulary of the socio-emotional realm, and the language they need to express themselves in interactions with others.

*Language develops in context, not in isolation.*

Language and cognition go hand in hand. Thinking and understanding are made possible through language – through having the words to codify thought. While some early literacy skills can be developed in isolation through decontextualized lessons, language actually develops most powerfully when it is in the context of learning about and interacting with the world because this is when language has function and meaning. Academic language and literacy are most powerfully developed, then, where the background knowledge and academic concepts associated with the language are also being constructed. Everything that happens in a school day is an opportunity for language development. And, language development needs to be occurring across the curriculum. For young children in particular, learning and language occur through making connections. Young children also develop language through play and social interactions – facilitated in an enriched and interactive environment. For this reason, SEAL approaches

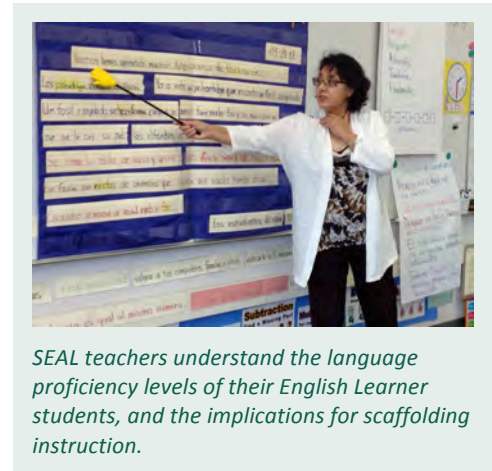
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*... language actually develops most powerfully when it is in the context of learning about and interacting with the world because this is when language has function and meaning*

curriculum through the creation of thematic units, carefully designed learning environments, and many opportunities to use the language in context. Integrated instruction and thematic approaches provide multiple perspectives and “ways in” to understanding. And through thematic connections across the curriculum and the school day, students have more opportunities to use the new language they are learning and approach it from varying viewpoints.

*English Learners definitely require specific and additional instructional supports and specially designed instruction in order to access, comprehend and participate effectively in school.*

Called “sheltered” or “scaffolded” instruction, these approaches offer differentiated support for English Learners based on their level of English. In scaffolding instruction for English Learners, teachers use a variety of graphic organizers, realia and visuals to boost comprehension. They recognize the need to bridge from student experience and cultural referents to the material that is being introduced by beginning with familiar content.



*SEAL teachers understand the language proficiency levels of their English Learner students, and the implications for scaffolding instruction.*

Teachers model what is being expected and provide clear directions, construct hands-on and interactive learning activities, offer sentence frames and discourse formats to enable students to participate in talking about the lessons, and use home language support to bolster comprehension, etc. The print-rich and content-rich environment includes academic vocabulary walls, language frame charts, and exemplary writing samples to clarify and bolster student participation. SEAL teachers understand the language proficiency levels of their English Learner students, and the implications for scaffolding instruction. Taking into account this knowledge, teachers select and sequence tasks, model and produce guided practice, and construct questioning and supports for their students – utilizing a variety of strategies for differentiation.

*Dedicated and intentional English language development instruction and curriculum advances knowledge of and use of English, and continues to be needed until English Learners reach English proficiency.*

The purpose of ELD is to help English Learners learn and acquire English in their zone of proximal development to maximize their capacity to engage successfully in academic instruction in English. It is designed specifically to advance an English Learner’s knowledge and use of English in increasingly sophisticated ways – aimed toward participation in academic English. This requires building a knowledge of how English works, and providing the opportunities and supports for students to practice and apply such knowledge in the speaking, listening, reading and writing domains. California’s new English Language Development standards are aligned to the Common Core Language Arts standards, and meant to be used in tandem with those standards – for differentiation and language development across the curriculum, as well as in dedicated ELD curriculum. SEAL supports implementation of both Designated and content-based ELD instruction using the new standards, as well as the planning and implementation of Integrated ELD throughout the curriculum.

*Development of the home language in addition to English is critical because it contributes to growth in both English and the child’s home language and provides life-long benefits.*

A child’s home language is a crucial foundation for cognitive development, learning about the world, and emerging literacy. The use and development of a student’s home language and culture increases academic achievement, promotes a sense of belonging and connection to school, positively affects family relationships and inter-generational communication, and increases confidence and motivation. The best foundation for literacy is a rich foundation of language—extensive vocabulary, experience with expressive language, active practice using language, etc. This can often be more easily developed in the child’s strongest language. The sophistication developed in their strongest language is then transferred into the new language – English. A quality early childhood education approach for dual language children sets a foundation of rich and complex linguistic skills in the home language. Studies have found that children have more extended and complex vocabulary and language skills if their home language continues to develop throughout the age 3-8 developmental phase. Furthermore, English Learners make more academic progress when they have the opportunity to learn in both languages. Systematic, deliberate exposure to English plus an ongoing development of the home language leads to the highest achievement in both languages by the end of 3rd grade and beyond. Additionally, there is no loss in English development as a result of developing the home language.



*The use and development of a student’s home language and culture increases academic achievement, promotes a sense of belonging and connection to school, positively affects family relationships and intergenerational communication, and increases confidence and motivation.*

The National Literacy Panel on Language Minority Children and Youth states: “The research indicates that instructional programs work when they provide opportunities for students to develop proficiency in their first language. Studies that compare bilingual instruction with English-only instruction demonstrate that language minority students instructed in their native language as well as in English perform better, on average, on measures of English reading proficiency than language-minority students instructed only in English.” Home language loss occurs quickly among children schooled in English-only instruction. The loss of home language has potentially negative long-term consequences for the English Learner child’s academic, social and emotional development, as well as family connection. Given the many advantages of bilingualism and biliteracy—intellectual, cultural, economic and familial—this knowledge is essential for families in making decisions about language programs for their children. SEAL works with schools to strengthen bilingual and dual language programs, clarifying research-based program design and working with teachers to implement effective approaches to the development of the two languages. The SEAL approach builds a school climate supportive of bilingualism, and establishes supports for parents related to raising bilingual children and supporting biliteracy.

*Strong relationships between home and school are a cornerstone of powerful early education.*

Effective programs build strong home-school partnerships and support parents as a child’s first teacher. Linguistic and cultural congruity between home and school supports children’s development (social, emotional, cognitive and language) and learning. Two-way partnerships between home and school are essential to creating that congruity—drawing upon the knowledge, expertise and cultural capital of families as assets. While the educational involvement of families is important in children’s lives throughout their schooling years, in the early years of development, family culture, home language and

family engagement are absolutely central for healthy development. Young children learn best in a safe, affirming environment that respects and integrates the home culture and language, recognizes the key role of a child’s culture and language in her development, and supports young children in bridging across and integrating home and school contexts. Yet English Learner parents typically face language, cultural and economic barriers to such involvement. Schools in which English Learners achieve to high levels are typically characterized by active parent and community engagement, supported with programs that build parent leadership capacity. Effective school approaches intentionally create inclusive, welcoming and supportive conditions for English Learner family engagement. The SEAL model has a major focus on parent and school partnerships that includes parent education, supports for parent involvement in school, and activities that engage families in academic content.

## Foundation #3

### ***Seizing the Opportunity and Addressing the Demands of the Common Core Standards and new generation science standards***

New Common Core Standards have been voluntarily adopted by most states across this nation as a shared set of benchmarks defining college and career readiness in English Language Arts and Mathematics. These rigorous standards articulate high expectations for students, and are driving a new era in curriculum, teaching pedagogy and assessments. They are the new reality that any school improvement effort needs to address. For SEAL, the Common Core Standards are an opportunity to strengthen the schooling of English Learners, by providing the framework for a rigorous education that will prepare them (as all students) for the 21st century. However, the new standards also increase the urgency of defining how English Learners will be supported to master this new rigor. Without attention to English Learner needs, the Common Core standards could become the proverbial nail in the coffin of educational access and opportunity for English Learners – exacerbating the barriers and achievement gaps that have characterized the education of English Learners for far too long.

Fortunately, the Common Core Standards support many aspects of what we know is needed for English Learners, and they open the door for implementation of powerful approaches that have been difficult to implement in the past. There are five aspects of the Common Core standards that have particular relevance to the design of SEAL. Key among those are:

1. *The Common Core Language Arts Standards call for attention to literacy and language across the curriculum, and for explicit focus upon the vocabulary, oral language and discourse patterns essential to participation in academic work.*

The new standards call upon teachers to develop an understanding of literacy and language as it applies across all curricular areas, and to utilize strategies to promote active student engagement with language in the classroom throughout the day. Academic language develops in the context of learning academic subjects. Students learn to talk about and write about history, to talk about and write about science, through a focus on language within those academic disciplines. The kind of decontextualized focus on language skills that has been the approach in the past is no longer sufficient. From the approach of ELD as a separate and peripheral curricular area, the new standards define ELD as occurring BOTH in a designated specific ELD curriculum AND as an “integrated ELD: approach to addressing English Learner needs across all academic subjects. The focus on language development is no longer just the responsibility of the English Language Arts block or the ELD curriculum during one discrete part of the day, but is now a responsibility across the day. SEAL positions language development across the school day, in and through all activities and curricular areas.

2. *The Common Core Standards call for collaboration and teamwork as a key component of instruction.*

This understanding of the role of “language in action” necessitates more project- based and inquiry- based teaching and learning, and for the active use of language in the context of inquiry and collaborative work. Too often, the experience of English Learners in U.S. classrooms has been an experience of silence – they speak little, participate minimally, are seldom called upon because they lack sufficient English skills for participation. For ALL students, the Common Core standards envision a different kind of active engagement, calling for collaboration and teamwork as a key component of instruction. The new standards recognize that preparing students for college and career in the 21st century requires that they develop skills for collaborative engagement in academic work. This skill development begins in preschool and develops through the years. Collaborative discussions (one-on-one, small group and whole class) on grade appropriate academic topics, texts and issues are all expected in the era of the Common Core. The new ELD standards aligned to the Common Core include a major section addressing the language skills for *Interacting in Meaningful Ways*, with a sub-focus on collaborative uses of language for exchanging information and ideas. SEAL emphasizes active student engagement, and the development of skills of collaboration and teamwork.

3. *The Common Core Standards call for engagement with more complex text.*

Common practices now include relegating English Learners to overly simplified text. This is no longer acceptable. Rather, the text to be used for academic study will be complex. The language and literacy demands of the Common Core are high. Currently many English Learners are not achieving even the low- bar of CELDT proficiency or the academic language needed for redesignation. The focus on academic language has been inadequate, the provision of ELD has been generally weak statewide, and both teaching and curriculum materials have been insufficient for moving English Learners to the levels of English needed for successful academic engagement. Meeting the demands of the new standards is not simply a matter of increasing the complexity of text. What is needed is to increase the support strategies used to help students cope with complex text. To ramp up instruction to get English Learners to the bar of linguistic complexity called for in the Common Core Standards requires a major intensification, strengthening and focus on English Language Development and scaffolding strategies across the curriculum to provide English Learners access to the Common Core. Implementation of the Common Core will require both investment in materials that more appropriately provide the scaffold into academic rigorous text, and changes in teaching practices so that students are provided support for engaging with more complex text. SEAL incorporates a focus on rigorous, complex language and text engagement – with a set of teaching strategies and pedagogical approaches that support English Learners to engage with that more rigorous material.

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*... to get English Learners to the bar of linguistic complexity called for in the Common Core Standards requires a major intensification, strengthening and focus on English Language Development and scaffolding strategies across the curriculum...*

4. *The Common Core Standards position academic language development within the study of history, social science and academic disciplines.*

In response to testing pressures, California schools have greatly narrowed the curriculum that English Learners receive to just language arts and math. With little or no social studies, science, history and arts students do not build the necessary background knowledge to engage with academic text. English Learners will need instruction that builds the background knowledge needed to comprehend the references, cultural knowledge and academic concepts in more rigorous and complex text. Time needs to be spent in the curriculum building background knowledge. We cannot assume that English Learners have that knowledge. The Common Core requires that we take the time to build it, end the narrowing of the curriculum and ensure English Learners receive a full curriculum. The SEAL model builds thematic units around the science and social studies standards, and emphasizes building background knowledge and comprehension around academic concepts through making connections to student experience, hands-on activities, realia, field trips, docent visits, and teaching strategies that bring content to life.

5. *The Common Core standards call for an increased focus on oral language, speaking and listening.*

The National Literacy Panel on Language Minority Children and Youth found that oral language development was critical as a foundation for literacy, but was being increasingly overlooked in literacy curriculum and teaching. The Common Core Standards rectify this unbalance. The standards include Speaking and Listening for all students. The new standards call for developing student skills in presenting ideas orally and working in groups to construct and negotiate meaning. This is a major shift from the teacher-directed, primarily teacher-talk nature that has been the norm in most classrooms. Teachers now need to structure opportunities and then support students to actively engage in one-on-one, small group and whole group discussions. They will need to design collaborative tasks that require students to participate actively in linguistically rich discussions. The Common Core Standards view language as action – a vehicle for constructing meaning, negotiating meaning, expressing ideas, and accomplishing academic tasks. The new ELD standards aligned to the Common Core focus on, among other things, interpretive uses of language (and skills of active listening) and productive capacities, which involve the development of speaking skills. The SEAL model begins with a major emphasis on oral language development, and utilizes the Common Core speaking and listening standards as a major tool in planning lessons and the scope and sequence of thematic units.



*The SEAL model builds thematic units around the science and social studies standards, and emphasizes building background knowledge and comprehension around academic concepts ...*



### In sum

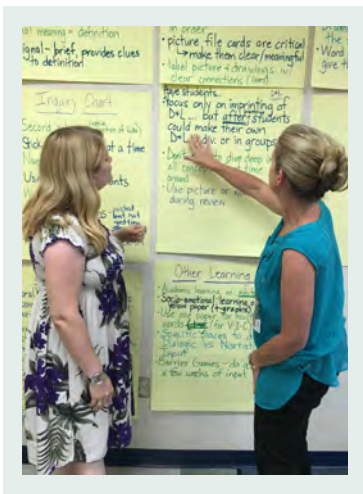
In these ways, SEAL is closely aligned to the new Common Core Language Arts standards and the new California ELD standards. While SEAL was designed and piloted before the adoption of the new California ELA/ELD Framework, the model is a close fit and enacts directly the guidance in that Framework.

As districts begin the task of implementing the standards, one thing stands out as an imperative: teachers are key to ensuring that English Learners have access to the Common Core Standards. And for this, they need professional development, planning time and support. It is essential that teachers receive meaningful and well-designed professional development that focuses on scaffolding strategies to ensure access, differentiating instruction for maximum participation, ways of working with the linguistic demands of academic text that build understanding of how English works, and embedding language development across the curriculum.



*Teachers are key to ensuring that English Learners have access to the Common Core Standards. And for this, they need professional development, planning and support.*

Highly effective professional development empowers teachers through coaching, lesson study, collaborative planning, and a well-designed rollout of strategies to implement the Common Core. The SEAL approach to implementation incorporates this type of strong infrastructure of professional development and support for teachers.





## THE FOUR PILLARS OF THE SEAL MODEL

Utilizing the foundational research cited above, and the analysis of the opportunities and demands within the Common Core standards, the SEAL Model coalesces around Four Pillars:

1. Pillar #1: A focus on rich, powerful, precise and academic language
2. Pillar #2: Creation of an affirming and enriched environment
3. Pillar #3: Articulation across grades, and alignment of the preschool and K–3 school systems
4. Pillar #4: Strong partnerships between parents and teachers

### Pillar #1

#### ***A Focus on Rich, Powerful, Precise and Academic Language throughout the curriculum***

A child's ability to grasp concepts, communicate articulately, and comprehend their world directly relates to the amount and complexity of words in their grasp. The SEAL model's focus on academic language has four critical aspects.

#### *First, the development of rich and complex oral language is the foundation for literacy.*

Oral language is critical to literacy. To develop language, children need many opportunities to listen and to speak. In fact, the vocabulary a child develops in the preschool years is predictive of their later language skills and future success with reading. In producing language, children process ideas, develop conceptual understanding, and construct knowledge. Verbal interaction helps build the academic language used in school and develops literacy. In SEAL classrooms, teachers stimulate the talk that allows language learners to explore and clarify concepts, name their world, and describe what they see. The SEAL classroom is rarely quiet. A hallmark is the amount, quality, and focus on student talk.

#### *Second, the simultaneous development of English and home language is sought whenever possible.*

Children's brains are wired for the developmental tasks of learning to speak, use and master language. Spanish-speaking English Learners undertake these tasks straddling two language worlds. The strongest foundation for academic success and high levels of literacy for these young, dual-language learners is the development of both their home language and English. Bilingualism offers cognitive, social, and economic benefits. In a SEAL classroom, children are exposed to rich, expressive language in English and Spanish, promoting bilingual development. A minimum of 50% of the day's instruction occurs in the home language.

Depending upon the district-defined model of instruction and the grade level, students receive a minimum of 20% in English. The two languages are kept separate to provide children with authentic models in each language. New, complex concepts are taught in the home language. Dedicated English Language Development instruction occurs daily. In those SEAL classrooms where it is not feasible to teach bilingually, teachers still affirm bilingualism by: providing books and homework in both English

and in the home languages of the children; exposing students to languages other than English using basic phrases and songs; and offering parents suggestions for engaging in language and literacy experiences with their children in their home language.

*Third, SEAL advocates a text-rich curriculum and environment that engages children with books and the printed word to develop confident and motivated learners who appreciate and love reading and writing.*

Children become proficient readers and writers when these skills are developed through exposure to a variety of written materials, genres, and meaningful text. In SEAL classrooms, books, posters, and other printed materials are visible and accessible in English and in the home language of students. Around the room, materials contain rich language, objects are labeled, and children’s work is prominently displayed.

*Fourth, academic language is developed in the context of an enriched and full thematic curriculum.*

Language develops not only when an explicit language arts curriculum is taught. A comprehensive program of academic language development recognizes the importance of immersing students in a full curriculum—in science, social studies, math, and the arts—in addition to explicit and direct language arts instruction. Academic language develops as students learn academic concepts – as they read about and hear about academic topics, talk about and synthesize what they are learning, and make observations. As they undertake these tasks, learners develop key vocabulary and conceptual understanding, and learn the structures and forms of language used to talk about specific content. Children learn the language of hypothesizing, observation, and description as they talk about science and the language of positing opinions, questioning, and talking about social patterns as they study social studies. Rather than relegating language development solely to a language arts instructional block, teachers in SEAL classrooms focus on intentional language development as they teach all academic content and as they create thematic connections across the curriculum. Teaching thematically enhances comprehension, increases opportunities for exposure to and use of academic language, and facilitates making connections to previous experience and knowledge.



## **Pillar #2**

### ***Creation of an Affirming and Enriched Environment***

Children learn best where they feel safe, supported, and affirmed; where they are provided with support for developing social skills; and where they can engage respectfully with each other. Building self-identity and skills for social interaction, as well as learning appropriate school behavior, are major developmental tasks for young children. A safe, affirming, and enriched environment helps children understand and respect differences, learn the vocabulary for social interaction, and value diversity. In SEAL classrooms, teachers recognize that how children learn to relate to each other is a primary point of social learning and

development. Strategies for building an affirming environment include:

- Pictures, posters, books, and realia that reflect the cultures and languages of students and their families
- Explicit teaching of language for expressing feelings, supported by opportunities to problem solve and interact respectfully with peers
- Facilitated discussions (e.g., use of Persona dolls and class meetings) that focus on children’s concerns, address social dynamics, and create forums for talking about the classroom environment
- Focus on pro-social, inclusive behaviors by teaching, emphasizing, and acknowledging clear standards of social behavior and class norms
- Explicit emphasis on the value of bilingualism, which supports the use of children’s home language to talk about their identity, their families, and their culture
- Classroom set-up to support inquiry and hands-on engagement with content, and to support interaction and collaboration

## Pillar #3

### Articulation Across Grades, and Alignment of the Preschool and K–3 Systems

Birth to age eight is a crucial period in a child’s development of language and cognition. Quality preschool helps prepare students for kindergarten and has the potential to reduce disparities and longstanding achievement gaps between student populations. While a well-designed preschool does improve children’s social and cognitive skills, these gains can dissipate as children advance beyond kindergarten. A growing body of research shows that English Learners can continue to make gains when schools connect PreK to kindergarten and primary grades through a coherent PreK–3 program that aligns standards and curriculum around a shared vision of early language development. Rather than view the preschool task as preparing children for K–12, the SEAL PreK–3 model views preschool as an articulated and connected schooling experience. SEAL strategies to align Preschool with kindergarten include:

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*Rather than view the preschool task as preparing children for K-12, the SEAL PreK-3 model views preschool as an articulated and connected schooling experience.*

- Shared professional development for preschool and kindergarten teachers on language development for young dual language learners
- An aligned language assessment (appropriate for children ages 4–8), administered in the home language and in English, to help teachers plan and align instruction across the preschool and kindergarten grades
- A Summer Bridge program that provides extra support to children and families, smoothing the transition from one school system to another
- Cross-grade level dialogues between preschool and kindergarten teachers to learn about each other’s curriculum, instruction, concerns, and needs
- Kindergarten visits for preschool children and families to familiarize them with new teachers and schools
- Use of similar instructional approaches across PreK–3 so children become socialized in the practices of active engagement and language use early and consistently

The process of alignment and articulation continues up through the grades. All teachers co-teach in the Summer Bridge program with teachers of other grade levels. Special topic institutes bring teachers together in professional learning dialogues across grade levels. Observations and visits are facilitated across grade levels. These strategies facilitate a common vision of schooling across the preschool through third grade, and continuity of strategies.

## **Pillar #4**

### ***Strong Partnerships Between Parents and Teachers***

Strong partnerships between families and schools support academic success. This is particularly true for young English Learners for whom the school's language and cultural environment differs from that in their home. Teachers need to understand the cultures and communities of their students and create an environment that integrates home and school contexts. This ensures that children and parents feel accepted and included. As their children's first teachers, parents need information to support learning at home and to be active in their child's schooling.

In a SEAL school, parents are encouraged and supported to foster their child's academic and language development, to involve themselves with the school, and to develop their own literacy. SEAL strategies include:

- Providing workshops for parents on: supporting language and literacy development at home, raising dual-language learners, and the importance of home language and culture
- Offering a book bag loan program that sends literature and non-fiction books home with children to read with their parents
- Providing English as a Second Language classes for parents, offered at the school site
- Instituting volunteer systems that recruit and train parents as classroom volunteers
- Designing visitation opportunities that regularly invite parents to visit the class or school to see children perform, to view children's work, and to participate in various family activities
- Utilizing regular and multiple forums for teacher-parent communication including weekly newsletters, posted photos of class activities, bulletin boards, home visits, family homework projects related to themes being studied, and parent-teacher conferences
- Offering guidance for teachers in creating classroom environments and activities that incorporate the cultures and community experiences of their students, and that allow students to connect their life at home to their life at school
- Displaying photos of children and their families on the walls of the classrooms
- Planning family science and literacy nights that bring whole families to school to engage in interesting, fun, and high-level academic activities

## ELEVEN HIGH-LEVERAGE PEDAGOGICAL PRACTICES

Eleven high-leverage instructional pedagogical practices (implemented in all SEAL classrooms) ensure that all Four Pillars are addressed as part of the educational program in all grades. The eleven practices are:

### Practice #1

#### **Complex, Academic Vocabulary Development**

Children need to be exposed to and learn the vocabulary and ways of using language that are specific to reading, writing, and academic discourse. (This differs from the social language they develop in more informal settings.) To develop students' high-level language and literacy skills, deliberate and precise vocabulary instruction must begin in preschool and continue throughout K–12. At the preschool level, SEAL teachers identify key vocabulary as they plan thematic units. Kindergarten through third grade SEAL teachers examine grade-level standards and district curriculum to identify high-level academic vocabulary words. They utilize a variety of materials and strategies to teach these words (e.g., photographs, visuals, realia, drawings, demonstrations, experiential activities). Students have multiple opportunities throughout the day to practice and use new vocabulary. Learning language extends beyond vocabulary to include language functions, structures and discourse patterns. Every thematic unit focuses on a specific language function (e.g., description, compare and contrast, cause and effect) immersing children in the grammatical structures and ways of putting language together to talk about ideas.

### Practice #2

#### **Structured Oral Interaction and Academic Discourse**

In a SEAL classroom, the goal is to have more student talk than teacher talk. Students utilize a variety of language structures and are encouraged to ask questions. Strategies such as “Think- Pair-Share,” “Heads Together,” and “10/2” provide students time and support to practice new vocabulary and concepts through structured, purposeful interactions with peers. Teachers carefully craft discussion prompts and high-level questions to engage children in generating and using academic language. Songs and chants are used to teach the content, incorporate the vocabulary students are studying, and offer an opportunity to practice using new vocabulary in a low-risk environment, which increases children’s ease with and ownership of academic vocabulary while building fluency and rhythm in producing language. Additionally, well-planned learning centers enable children to independently engage in academic discourse with their peers.



*Songs and chants are used to teach the content, incorporate the vocabulary students are studying, and offer an opportunity to practice using new vocabulary in a risk-free environment.*

## Practice #3

### *Exposure to Rich Literature and High-Level Informational Text*

Reading instruction helps children learn the mechanics of reading. But they become readers and learn to love reading as they engage with books that interest them. Students in a SEAL classroom are provided multiple opportunities to engage with text in a variety of genres and to make choices about the topics of the texts. Classroom libraries include rich literature in students' home languages. These multilingual books include high-interest graphics, rich vocabulary, student-written books, and leveled text. Teachers use a variety of story telling strategies and story retell activities to develop student comprehension and to teach story structure and elements (e.g., setting, characters, and plot). Materials such as puppets, flannel boards and graphic organizers support story retell and paraphrasing. Students learn to relate prior knowledge to a story, confirm predictions, and generate and respond to questions. In the youngest grades, dramatic play centers provide ongoing, independent opportunities for children to dramatize stories. Children's drawings and writing retell narrative stories. During independent or free-choice time, children look at and read books they select. In SEAL classrooms, a print-rich environment also provides students with multiple opportunities to "read the room" and be immersed in language.

## Practice #4

### *Purposeful, Interactive Read-Alouds and Meaningful Text Engagement*

Teachers in SEAL classrooms read aloud a variety of text related to classroom themes. Read-alouds are carefully selected to build vocabulary and model rich and expressive language. These read-alouds are prefaced with anticipatory activities that allow students to make predictions, draw connections between their own background experience and the text, and practice comprehension skills related to using visual cues, questioning, and monitoring. Reading is thoughtfully accompanied by high-quality discussions.

Teachers and students talk about books and engage in summarizing, predicting, and synthesizing what students have read; Students model and use language to respond to and think about books they hear. Books are regularly read multiple times, allowing students to check their comprehension and make connections. Multiple readings also deepen children's familiarity with the text-structure, promote awareness of the author's craft and use of language, and facilitate vocabulary development to deepen writing.



*Books are read multiple times, allowing students to check their comprehension and make connections.*

## Practice #5

### *Authentic Writing for Purpose*

Reading and writing are closely related. From the beginning of their school experiences, children are be engaged in actively producing text. "Children as authors" enables students to see the connection between their own words and text. What they say can be written down, and what they write can be read. Beginning in SEAL preschools, children draw pictures and dictate to adults, who record their words. SEAL classrooms have writing centers (with paper, pencils, notebooks, envelopes, mailboxes, etc.) to

encourage children to write. Students in SEAL classroom learn the power of the written word and use writing for a variety of authentic purposes. Academic notebooks, daily journals, and collaborative writing are opportunities to use writing for authentic purposes. Student writing is laminated and bound, and placed in the classroom library, often times accompanied by photos from the classroom so children literally “see” themselves in books and as writers.

## **Practice #6**

### ***Dramatic Play and Hands-On, Inquiry Based Learning***

Young children learn through play and the opportunity to act out concepts, roles and stories related to themes and literature. Dramatic play offers a unique opportunity for students to practice and own academic vocabulary in a low affective environment. SEAL preschool through first grade classrooms include areas where props, equipment, puppets, and realia related to thematic units encourage dramatization, dialogue and play. As children move up through the grades, dramatic play areas give way to research and inquiry centers stocked with realia, photos, equipment and tools for research to encourage them to work with others to discover and deepen learning. SEAL classrooms also promote the use of language through role-playing, dramatization and Readers Theater.

## **Practice #7**

### ***Graphic Organizers and Visuals***

The SEAL classroom uses graphic organizers, color-coding, and visuals throughout the day. Visual constructs, such as tables, timelines, web diagrams, flow charts, and Venn Diagrams (to name a few) teach children to organize information, clarify concepts, compare and contrast information, conceptualize sequence, and categorize and classify. For English Learners, these are essential scaffolds to display the relationships between ideas in visual formats. Graphic organizers are used by students as a tool to organize oral presentations and writing. Authentic graphics, images and realia help more academic content understandable and relevant.

## **Practice #8**

### ***Continuous Checks for Comprehension and Performance Tasks***

Teachers in SEAL classrooms continually check whether and how well students understand concepts and skills. Teachers utilize multiple question formats, signal responses, and visuals to allow students to demonstrate comprehension and application. These checks for comprehension occur throughout a lesson, not just at the end – facilitating adjustment of the lesson to clarify concepts and meet student need. Students are provided multiple opportunities to demonstrate learning more formally through performance-based tasks and culminating activities designed to allow students the choice to capitalize upon their individual learning modalities. End of unit performance tasks are designed to engage students in demonstrating knowledge of content, acquisition of skills, and mastery of the language. Celebrations of learning and reflection on growth are central to these opportunities.



## Practice #9

### *Collaborative Practice and Skills of Teamwork*

Students engage regularly in small group inquiry, cooperative learning, discussion and activities designed to promote building upon each other's ideas, share and integrate information, and develop skills of working together to achieve an academic purpose. Small groups activities are important contexts for language practice and use. SEAL classrooms are organized to maximize collaborative work, enabling teachers to pull small groups for differentiation and targeted instruction.



## Practice #10

### *Language Development Through Arts Infusion*

In SEAL classrooms, students are exposed to the arts – both for the enrichment the arts provide, and as an opportunity to develop language. Students learn the precise language of talking about and engaging in the arts, and develop expanding realms of expression that are available only through the arts. Arts integration enriches the thematic units.

## Practice #11

### *The World in the Classroom*

Education in a SEAL classroom is relevant. Teachers use multiple strategies to invite children to talk about their lives and to bring their experiences into the classroom as part of developing understanding about the world. Children's cultures and identities have a place in the curriculum and in the physical environment of the classroom. Teachers support strong identity development and promote the skills and capacities for children to live respectfully in a diverse world. Teachers plan units to include real world connections so students see the value in their new knowledge. Teachers seize upon events in the community and the world as resources for the curriculum, utilizing technology as well as human resources to connect children to a broader global, diverse world. As children learn about a subject, they also learn about its relevance in the world and the future roles they may play that relate to that subject.



## GETTING FROM HERE TO THERE: SEAL IMPLEMENTATION

SEAL implementation is a multi-year process of capacity building and system alignment. Based upon lessons from the fields of instructional improvement, school reform and implementation science, the SEAL model is characterized by the following:

*SEAL combines an explicit English Learner focus within a larger frame of increasing rigor for all students.*

For decades, school reform efforts sought to raise achievement and close achievement gaps through a variety of models. In the process, much was learned about what does and does not work in comprehensive school reform, restructuring and school improvement. One lesson is that sound reform strategies do not automatically or inevitably lead to high quality English Learner programs or outcomes. In fact, almost all efforts pursued under a general banner of “good practice for all,” despite large public

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*The SEAL model focuses explicitly on the unique needs of English Learners, while simultaneously addressing the language needs of all students and the systemic conditions of teaching and learning.*

and private investments, largely miss the mark with regards to English Learners. Because English Learners have needs specific to overcoming barriers of language, schools which enroll English Learners need to incorporate into their school improvement efforts explicit attention to those English Learner needs. Conversely, efforts targeting English Learner achievement that do not address the broader context of school practices, beliefs and structures have largely failed to achieve sustained outcomes because they did not adequately address issues of system alignment, ownership, culture or coherence. The SEAL model focuses explicitly on the unique needs of English Learners, while simultaneously addressing the language needs of all students and the systemic conditions of teaching and learning. The English Learner focus is infused and integrated in how teaching and learning occur throughout the day and for all students. The benefits to all students are an enriched, rigorous

and intentional language development approach with scaffolds for participation for all students. SEAL works with schools and districts to more clearly define the English Learner program and to focus attention on the needs of English Learners, as well as builds a collaborative culture of improvement among all teachers across all classrooms

*SEAL addresses systemic alignment and works school-wide.*

Innovations take hold and are sustained when they are built into the life of a school, and are not “owned” by just some teachers or identified with one program. While many instructional improvement efforts focus on a select group of teachers who are interested and volunteer, SEAL works with all teachers at a grade level, and with all grade-levels preschool through third grade. It is less about individual teacher change than it is about building school capacity, coherence and culture for embracing this more rigorous and language-intentional approach to teaching. The model is implemented, therefore, in the preschool program and in the primary grades, in bilingual classrooms as well as English-taught programs within the school – knitting shared vision, strategies and approaches across the settings while addressing the specific challenges and needs of each program. This has several impacts. First, the consistency and coherence of approach needed by English Learners is assured through such articulation

across the grades. Second, the approaches become built into “how we do second grade at this school,” “how we approach literacy at this school,” how we work with English Learners at this school.” Third, teachers who are trying new instructional strategies and working to realign curriculum have the support of colleagues. Finally, approaching the task of school improvement through a systems lens, SEAL facilitates more coherence in policies, administrative systems, assessments and decision-making through Leadership development and technical assistance support.

*SEAL provides a strong Infrastructure for delivery of high-quality comprehensive professional development and support for instructional improvement.*

Mastering a complex set of new instructional strategies and curricular approaches takes time, resources and support for teachers. Professional development modules and workshops are important venues for reading and discussing research and learning new strategies. However, they are not by themselves sufficient to support actual implementation in the classrooms. Teachers need planning time to consider how to incorporate the strategies into their instruction.

Teachers need opportunities to see the practices being modeled in their own classrooms. Teachers need encouragement to try new strategies. They need constructive feedback from a knowledgeable and supportive coach and from colleagues. The SEAL process of implementation employs a comprehensive instructional improvement approach. A series of cycles over a two to three year period incorporates professional development sessions, individual coaching, and collaborative planning with colleagues. Specifically, the professional development infrastructure includes:

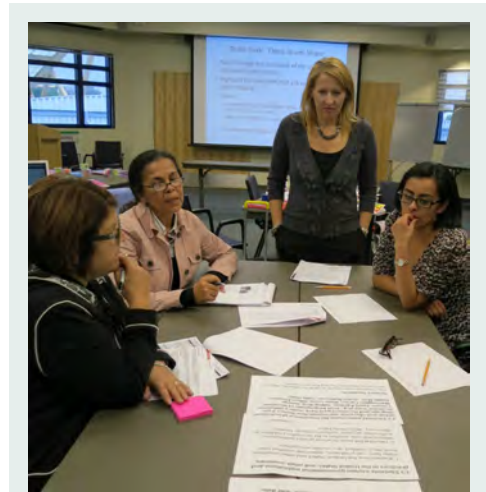
- A dedicated SEAL Coach/Facilitator who works with all teachers to maximize the consistency and coherence of instruction and to encourage collaborative and reflective practice.
- Professional Development modules and special topic Institutes which bring together district staff, administrators and teachers across SEAL sites, building a shared understanding of the framework and research behind the SEAL model, while creating a robust community of SEAL practitioners.
- A Summer Bridge program that allows for intensive professional development for teachers as well as enriched language development for children; co-teaching during Summer Bridge allows teachers to try out new strategies, observe and support each other, and build a shared understanding of SEAL’s approach.
- Classroom demonstrations, modeling, and coaching by the SEAL Coach/Facilitator and other members of the SEAL team to help individual teachers implement SEAL strategies.
- Instructional and curriculum planning sessions facilitated by the SEAL Coach/Facilitator to review curriculum standards, plan thematic units, and analyze the core program to determine where intensive language development strategies can be employed. Teachers share student work and talk about observations of student language use.
- Reflection and Implementation tools to help SEAL teachers assess the degree to which each of SEAL’s four pillars is present in their classrooms and school.

*SEAL emphasizes reflective practice, collaborative discourse, continuous improvement, and teacher creativity.*

The bedrock for instructional improvement and for the implementation of SEAL High-Leverage Pedagogical Practices is teacher understanding about how language develops, the needs of English Learners and dual-language learners, and about the optimal schooling conditions that foster learning. SEAL teachers learn strategies, but they learn them in the context of reading research, discussing and

making meaning about why those strategies are effective and when and for whom they might be used. Purposely, SEAL does not define a specific toolkit of mandatory instructional activities, nor does SEAL provide a set curriculum.

Rather, SEAL facilitates a process of teachers working collaboratively to design thematic units around basic principles of standards-based planning and with clarity about the components that must be addressed. Teachers come to know and understand the standards they are teaching, and why. They learn how to construct lessons and select from an array of strategies that will address the language needs and intentionality about language development that ensures participation, comprehension and access for their English Learners. Teachers bring to the table their knowledge, wisdom and creativity – contributing to the collaborative task of designing powerful, exciting and rigorous thematic units with their colleagues.



*Teachers bring to the table their knowledge, wisdom and creativity – contributing to the collaborative task of designing powerful, exciting and rigorous thematic units with their colleagues.*

*SEAL provides leadership development and support for site and district administrators in centralizing the needs of English Learners and managing a complex instructional and curricular change process.*

SEAL understands the crucial role of site and district leadership in supporting and managing a complex change process. A series of regional convenings as well as district specific meetings engage administrators in building their own understanding of the needs of English Learners, deepening knowledge of the SEAL model, peer dialogue about the challenges inherent in supporting teachers through instructional and curriculum change, and opportunities to build a toolkit of skills related to being an instructional leader and sustaining reforms. Tools are provided to enable administrators to lead the process at their sites.

*SEAL customizes and adapts to local conditions, building on strengths and addressing the specific needs and realities of each school community.*

SEAL is not a program. Instead, it is an approach to system alignment, instruction and curriculum planning that results in the powerful language development that English Learners (and all students) need for long-term academic success. Such planning uses the SEAL lens, framework and tools to identify local strengths, gaps and needs, and to customize the SEAL implementation process for a school community. This process begins with The Getting Started Institute which includes site and district leadership, charged with examining their current practices and outcomes, and customizing a SEAL implementation plan to the strengths and needs of each site.

The standard set of professional development modules are tailored to address specific areas of need, or to incorporate a relevant initiative already underway. Throughout SEAL implementation, support is provided to site and district leadership to identify and respond to new English Learner challenges, refine English Learner program models, and further adapt the SEAL model to provide the most targeted and relevant support. As part of this customization, SEAL can work with existing district-adopted language arts, math, science, social studies and English language development curriculum. SEAL also works within the parameters of any mandated minutes and pacing guides that may govern the delivery of curriculum.

This is done through infusing intentional language development instructional strategies and pedagogical practices into the existing core curriculum programs in ways that both enrich and maintain the integrity of those programs, and through the creation of SEAL standards- based thematic units that build upon existing curriculum to integrate science and social studies standards. This two-pronged approach requires that teachers know the standards they have to teach, understand the language development process, and possess a repertoire of instructional and pedagogical practices. Teachers gain these competencies through SEAL’s sustained professional development opportunities.

**SEAL PROFESSIONAL DEVELOPMENT MODULES: PROGRESSION**

The SEAL professional development series begins with the Teacher Launch and then a series of six two-day Modules that are delivered over a two-year period. Grade-level “Unit Development and Planning” days occur between Modules where teachers work in grade-level teams across school sites, with the support of their coach-facilitators.

An initial two-day **Teacher Launch** establishes a common understanding of the SEAL Model, it’s research foundations, the replication and implementation plan, and engages grade-levels in utilizing Next Generation Science, History-Social Science and Common Core standards to create a yearly plan of integrated thematic units. All modules engage teachers in reading research together, learning strategies, classroom demonstrations, reflection and planning.

<b>Module I:</b> Oral Language	<b>Module II:</b> Intentional, Academic & Complex Language	<b>Module III:</b> Collaborative Practices & Teamwork	<b>S U M M E R  B R I D G E</b>	<b>Module IV:</b> The World in the Classroom & Authentic Writing	<b>Module V:</b> Meaning Making & Effective Expression	<b>Module VI:</b> Celebration & Joy in the Classroom	<b>S U M M E R  B R I D G E</b>
<b>Key content:</b> <ul style="list-style-type: none"> <li>• Research on oral language, related to literacy</li> <li>• CCCS Speaking and Listening &amp; related Standards</li> <li>• Strategies to support oral language development and discourse</li> </ul>	<b>Key content:</b> <ul style="list-style-type: none"> <li>• New ELD standards, integrated &amp; designated</li> <li>• Graphic organizers</li> <li>• Language functions</li> <li>• Strategies to engage analytic language, and to differentiate scaffolds for English Learners</li> </ul>	<b>Key content:</b> <ul style="list-style-type: none"> <li>• Collaboration, teamwork, 4Cs</li> <li>• Visual arts standards</li> <li>• Arts integration</li> <li>• Parent Partnerships</li> <li>• Cooperative learning strategies, and use of centers and structured team tasks</li> </ul>		<b>Key content:</b> <ul style="list-style-type: none"> <li>• Identity, diversity, student voice</li> <li>• Stages of writing development</li> <li>• Authentic writing</li> </ul>	<b>Key content:</b> <ul style="list-style-type: none"> <li>• ELA/ELD framework &amp; relationship between meaning-making, language development, content knowledge, effective expression and foundational skills</li> <li>• Shared research, literature studies, deconstructing text</li> </ul>	<b>Key content:</b> A customized final module that includes focus on performance based assessment, designing culminating projects, celebration and joy in a SEAL classroom PLUS review and additional depth on any strategies and aspects of the SEAL model that the teachers/sites/leaders request.	
<b>YEAR ONE</b>				<b>YEAR TWO</b>			

## SEAL IMPACT

Dr. Kathryn Lindholm-Leary, a national expert in dual-language education, conducted a longitudinal evaluation of the five-year SEAL pilot in San Jose and Redwood City schools from 2009 - 2014. Using a combination of assessments commonly used in preschools and elementary grades, along with additional language and family literacy practices assessments, the evaluation answered three questions:

- What is the impact of the SEAL model on family literacy practices?
- To what degree does the performance of SEAL students improve?
- How does the academic growth of SEAL students compare to demographically similar students?

This summary of findings is based upon data on 422 students whose entire schooling was been in SEAL classrooms, and 309 Partial SEAL children who received one or two years of the SEAL program in elementary grades, but did not attend SEAL preschool. Comparison groups included demographically similar students in the same districts who were not in SEAL classrooms, as well as student data from national databases and research studies.

### Impact Findings

#### 1. *SEAL has a significant impact on parents and literacy activities at home.*

SEAL students in the pilot sites came from homes with very low incomes (\$27,384 per family of four on average) and very low parent education levels (85% with a high school diploma or less – far lower than the California state average). One-third of SEAL parents had six or fewer years of formal education.

Most had at least rudimentary literacy skills in Spanish, but few had basic English literacy or oral language skills. However, as a result of involvement with SEAL, half of SEAL parents read books with their child on a daily basis and regularly engaged in literacy-related activities. In comparing the frequency with which SEAL family members read or told stories to their kindergarten children with a national sample of Hispanic parents and college-educated parents (of any ethnicity), SEAL kindergarten parents were more likely to engage in these literacy-related activities than the national sample of Hispanic parents and as likely as the college-educated parents. These results indicate that even with low levels of Spanish literacy and education, SEAL parents (with the help of SEAL workshops and teacher-parent conferences) were able to engage with their children in activities that help promote language and pre-literacy skills.

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*One-third of SEAL parents in the pilot had six or fewer years of formal education. Most had at least rudimentary literacy skills in Spanish, but few had basic English literacy or oral language skills. However, as a result of involvement with SEAL, half of SEAL parents read books with their child on a daily basis and regularly engaged in literacy-related activities.*

2. *SEAL had a statistically significant impact on student growth and development in language, literacy and cognition.*

SEAL students (across cohorts and grade levels) consistently made statistically significant growth (gaining at least one level and usually more) on each measure of language and literacy (in Spanish and in English), as well as cognition and social skills on the CDRDP-PS California preschool assessment, the California English Language Development Test (CELDT) and the PreLAS assessment of language. They made good progress towards English proficiency. All cohorts surpassed state set accountability targets for moving up levels on CELDT towards English proficiency.

3. *SEAL students consistently outperformed demographically similar comparison groups in growth and achievement, especially in areas related to language and literacy.*

While SEAL students began preschool with very low levels of language proficiency in their home language and little-to-no English (lower than their comparison peers), after just one year of SEAL preschool they entered kindergarten scoring equal to or higher than the comparison group on the PreLAS language assessments and on the CELDT. By the end of preschool, one in three were age-appropriate fluent in Spanish. By the end of kindergarten, half were fluent. In comparison to demographically similar groups, these results indicate that SEAL students were at least as strong (and in many cases much stronger) in language and literacy growth and achievement. In addition, preschool teachers unanimously reported that, as a result of using SEAL strategies, they saw students using language and understanding academic content at a much higher level than previously expected. Kindergarten teachers universally reported that children entering kindergarten from a SEAL preschool classroom had much higher and more active language skills than they typically experience. These patterns repeat themselves from grade to grade. Overall, SEAL students either closed gaps or surpassed comparison students, despite beginning school with very low levels of language and early literacy, and coming from homes with disproportionately lower parent education levels and higher poverty levels.



*Kindergarten teachers universally report that children entering kindergarten from a SEAL preschool classroom have much higher and more active language skills than they typically experience. These patterns repeat themselves from grade to grade.*

4. *There is evidence that even one year of SEAL provides benefits in comparison to non-SEAL students, and that cumulative years of SEAL education provide even greater benefits.*

The evaluation compared Full-SEAL students with Partial-SEAL students to examine the comparative benefits of one year of SEAL with the cumulative effect of multiple years of SEAL. Students with even one year of SEAL showed benefits over students with no SEAL, but students who were Full-SEAL had greater growth and achievement.

5. *The SEAL approach changes teacher practices and increases the use of research-based language development strategies.*

SEAL is a complex instructional and curricular model that requires significant teacher commitment and effort to implement. From the pilot's inauguration, the SEAL model elicited high levels of teacher

interest, active participation, and buy-in. Measures of implementation show that building capacity and implementing the full SEAL model at a grade level takes more than one year for most teachers. While the

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*... 95% of teachers report  
“SEAL has had a major positive  
impact on my teaching.”*

great majority of teachers made significant progress towards SEAL implementation in their first year of involvement, all needed a second year of intensive support to reach full implementation. By the end of their first year, 80% of the classrooms reflected SEAL’s hallmark instructional approaches, environments, and thematic curriculum as defined by the Four Pillars of SEAL and the High Leverage Pedagogical Practices. By

the end of the second implementation year 95% of the classrooms showed such evidence. In addition, 95% of teachers reported “SEAL has had a major positive impact on my teaching.”

## 6. *The SEAL model produces higher levels of curriculum articulation, increased student engagement, and deepened relationships across the preschool and K–3 systems.*

Preschool and kindergarten teachers cite increased PreK–kindergarten communication and curriculum alignment as a major impact of SEAL. In pilot sites, the learning environments and instruction across the two levels reflected a shared vision of language development and the implementation of aligned strategies. The number of preschool parents who requested enrollment in the kindergarten classrooms on campus has increased. Interviews with school and district leaders also cited increased involvement of preschool personnel and preschool families in the life of the school, and attribute this shift to the SEAL model.

## ONGOING RESEARCH AND EVALUATION

Based upon the experience and success of the five year SEAL pilot, a replication approach for bringing the model “to scale” was designed to maximize the most powerful aspects of SEAL in a systematic and efficient approach to implementation. This new phase of expansion coincided with major changes in state and federal assessment responding to a new generation of standards and new accountability climate. For these reasons, and because SEAL replication is now occurring in a wide variety of community and school contexts, the Sobrato Family Foundation is supporting additional research and evaluation.

An external evaluation of SEAL Replication began in Fall 2015 with a broad research agenda focusing on multiple aspects of SEAL as a systemic change initiative across 12 districts.

- This evaluation is focusing on the impacts of the SEAL Replication Model on **student** achievement, language development (both English and Spanish), active engagement/participation in the classroom, and closing the achievement gap using preLAS and LAS Links, CELDT/ELPAC and SBAC data.
- The evaluation includes studies of the impacts of the SEAL Replication Model on **teacher** instructional **practices** and curriculum design through the collection of observation data, self-assessment surveys, and a Depth of Implementation protocol.
- The evaluation also focuses on the impacts of the SEAL Replication Model on **district systems** of policies, curriculum, articulation and alignment across PK-3, English Learner program design, and consistency of practices across school sites, and collects lessons about **effective implementation**, replication, and scale-up in a variety of contexts.

Research partners are Loyola Marymount's Center for Equity and Excellence for English Learners (CEEL) headed by Dr. Magaly Lavadenz, and Wexford Associates headed by Dr. Sheila Cassidy.



## CONCLUSION

SEAL offers a model of intensive language development that builds a foundation for early language and literacy – beginning in preschool and continuing through the primary grades.

SEAL’s Four Pillars, High-Leverage Pedagogical Practices, and approach to instructional and curricular improvement and alignment offer a concrete framework to educators engaged in the urgent task of preventing students from becoming Long Term English Learners and crafting preschool and primary grade programs capable of closing the achievement gap for English Learners.

Closely aligned with the Common Core standards and using those new standards as a foundation for integrated thematic unit planning, SEAL demonstrates how the Common Core era of standards can be implemented in ways that embrace English Learners as full participants. The additional pay-off is in the benefits accrued to all students in SEAL classrooms— a 21st century, rigorous education that is interesting, joyful and affirming.



*SEAL demonstrates how the Common Core standards can be implemented in ways that embrace English Learners as full participants.*



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# SEAL

Sobrato Early Academic Language PreK-3 Model



Interested in partnering to bring this program to your school or district?

Contact:

**Patty Delaney**

**Director of District Partnerships**

[PDelaney@sobrato.org](mailto:PDelaney@sobrato.org)

For more information about the development of the SEAL Model

Contact:

**Laurie Olsen, Ph.D.**

**Director, SEAL**

[LOlsen@sobrato.org](mailto:LOlsen@sobrato.org)

Visit [sobrato.org](http://sobrato.org) to view “SEAL: An Introduction”  
[10 min video presenting the SEAL Model]

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10600 N. De Anza Blvd., Suite 200  
Cupertino, CA 95014  
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# BUILDING BRIDGES



Building Communities that Work  
Together to Create Change



*“If a child can’t learn the way we teach,  
MAYBE WE SHOULD TEACH  
THE WAY THEY LEARN.”*


IGNACIO ESTRADA  
GORDON & BETTY MOORE FOUNDATION





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A man with glasses and a lanyard is in a classroom, with his hand raised. In the foreground, the backs of several children's heads are visible, some with their hands raised. The background shows window blinds.

*“At Partners, we invest in the teachers and leaders tasked with the academic success of underserved students of color. Supporting these dedicated change agents means*

## **BUILDING A LASTING LEGACY OF ACHIEVEMENT.”**

DEREK S. MITCHELL, PH.D.  
CEO  
PARTNERS IN SCHOOL INNOVATION



## MESSAGE from the CEO

### *Dear Friends, Colleagues and Supporters:*

This is a challenging time in our country. Whether the problem is resurgent racism, climate change or increased political polarization, we at Partners in School Innovation firmly believe that education can build bridges of understanding across our many ideological chasms. Education enables young people to develop the tools needed to address these complex problems and education can provide us the chance to become a country in which all children reach their potential in communities that respect them for who they are.

Partners in School Innovation strengthens public education by helping teachers and leaders meet the educational needs of our society's most challenged students. Our children are battling poverty and racism, and in many cases have experienced severe trauma in their young lives. Our teachers are overwhelmed trying to support students who need extra or different supports and services. We enable educators to facilitate learning even under the most trying circumstances.

In the following pages, you will read stories of how we are helping institutions and individuals solve their most pressing challenges with the support of our coaching, facilitation, and professional development.

- In Grand Rapids, MI, elementary and middle school principals came together to form a learning community focused on strengthening their executive and instructional leadership.
- In Philadelphia, PA, teachers at Dr. Tanner G. Duckrey School are helping one another improve professional learning communities (PLCs). These PLCs are one of the critical supports that are enabling teachers at Duckrey to dramatically improve student outcomes.

- In San Francisco, CA, the principal of MLK Middle School has leveraged our support to establish systems that help him share leadership with teachers. As a result, teachers are deeply invested in the direction the school is heading and the improvements are visible in classrooms across the school.
- In Santa Clara County, CA, a series of professional development sessions for instructional coaches created a forum for the coaches to sharpen their skills and a community in which they work together to solve problems of practice.

These stories illustrate the tremendous capacity that exists within our public schools. We are privileged to be invited into sacred spaces to support educators who are willing to deeply examine and shift their practice in order to better serve their students and communities.

Even as we continue our efforts, we are aware that far more leaders and teachers need support than we ourselves can currently provide. For this reason, we are committed to widening the circle of change agents who can help the most challenged schools deliver for students and families. You will read about our efforts to build an ever-expanding corps of educators who will create positive change long after our direct touch with them has ended. These educators include former Partners employees who are creating change in communities nationwide.

This year, perhaps even more than most, I want to thank you for your continued support for Partners in School Innovation and our public schools. We hope that you will continue to join us to build strong communities of change agents making a high-quality public education available to every single American child.

Sincerely,

Derek S. Mitchell, Ph.D.  
Chief Executive Officer





## THE PROBLEM

*Our education system is struggling to serve all students well.*

For many years, well-intentioned reformers, politicians and scholars have worked hard to implement solutions that they believed had the promise to make our schools better. Even when those solutions have been rooted in a solid evidence base, many efforts have failed to achieve lasting or widespread impact.

In the process of trying to spread best practices in education, we have often relied on mandates and accountability and in so doing have communicated to teachers and leaders that their ideas, experience and knowledge of their students are not important. In many cases we have stripped them of their agency and dampened the spark that brought them into education.

We are asking our schools to produce critical thinkers, thoughtful collaborators, creative problem solvers and caring citizens. To accomplish this vision, our schools must be empowered to design and implement innovative solutions to the challenges they face. Teachers and leaders need time, tools and support to work with others to effect change and determine how research can best be applied to meet the needs of their context.



*“Bureaucratic solutions to problems of practice will always fail because effective teaching is not routine, students are not passive, and questions of practice are not simple, predictable, or standardized. Consequently, instructional decisions cannot be formulated on high then packaged and handed down to teachers.”*

LINDA DARLING-HAMMOND, PROFESSOR  
STANFORD GRADUATE SCHOOL OF EDUCATION



### Cultivate Results-Oriented Leadership

We support leaders to deepen their leadership skills and knowledge of instruction, adult learning, and change processes in order to lead transformation and accelerate student learning.



### Ensure Culturally and Linguistically Responsive Instruction

We guide teachers to develop greater cultural proficiency, enabling them to deepen their relationships with students, set clear goals around what students need to learn, and deliver deeply engaging instruction.



### Build and Implement Robust Systems for Teacher Learning and Development

We help schools design and provide “just in time” professional development, substantive opportunities for collaborative reflection and planning, as well as individualized coaching and feedback.



### Lead for Educational Equity and Improve Outcomes for Vulnerable Children of Color

We empower our partners to be cultural bridge-builders to meet the diverse needs of the communities they serve.



### Implement Distributed Leadership Practices

We systematically develop teacher leadership in ways proven to impact student learning and sustain results.



### Leverage Data to Drive Instructional and Organizational Improvement

We help our partners develop the skillful practice of using data to diagnose needs, inform goals, and monitor the impact of new strategies. Our proven data-analysis tools and improvement cycles empower leaders and teachers to use data to guide their daily practice.



### Create Welcoming and Inclusive Schools

We work with schools to engage families and implement strategies that strengthen the school community to ensure that every family, student, and staff member feels valued and respected.



### Empower Student Agency

We help schools integrate practices that have been shown to build students’ sense of agency and empowerment.

## OUR SOLUTION

*As we support school and district transformation, we build the capacity to serve each and every student at high levels. Our approach focuses on building the teaching and leadership capacity needed to disrupt persistent patterns of inequity and create high-performing, culturally and linguistically responsive schools.*



Our Results-Oriented Cycle of Inquiry (ROCI) guides schools to address their most pressing challenges using proven continuous improvement methods. This ongoing process involves five disciplined steps that support our partners to sharpen their focus on results and to develop the habits that fuel learning and improvement.

## IMPACT

*Our Theory of Impact states that with consistent, high-quality delivery of our approach we will build the capacity of teachers and leaders to transform low-performing public schools and districts, driving breakthrough student achievement results.*



### *Implementation*

Our staff are equipped with a toolkit that enables them to guide leaders and teachers through our Results-Oriented Cycle of Inquiry (ROCI) in a coherent and customized manner. Implementation of our approach is monitored closely and the results are compiled into monthly reports that allow us to adjust our coaching and support to ensure success. In addition, an annual client satisfaction survey helps us ensure

we are meeting our clients' greatest needs.

### *Transformation Capacity*

Our School and District Transformation Rubrics describe specific practices that effective schools use to continuously improve instruction and accelerate learning, particularly for students of color living in impoverished communities. The rubrics are organized into three domains:

- **RESULTS-ORIENTED LEADERSHIP:** The ability of school leaders to inspire and organize a school community (families, students and staff) to work systematically toward a common vision for teaching and learning.
- **PROFESSIONAL LEARNING SYSTEMS:** The quality of support provided to teachers to improve their practice--in-





cluding training, coaching, and collaboration opportunities.

- **INSTRUCTION:** The consistency with which teachers use instructional practices that have been proven most effective for students of color and English learners.

Annually, we conduct visits to each school and district to document changes in their systems and prac-

tice. Data collected through interviews, focus groups and classroom observations informs scoring on our six-stage rubric. At the highest level, “sustaining,” we expect to see that a practice is being implemented with a high degree of consistency and quality and that there are structures in place to maintain the practice over time. Our goal is for each of our schools and districts to achieve at least an “implementing” (level four) rating by the end of our partnerships.

### *Student Results*

We use an array of rigorous and Common Core-aligned student achievement measures to assess our impact. We set specific goals and hold ourselves accountable to accelerating achievement for students of color and English learners at a rate that exceeds state and district averages.

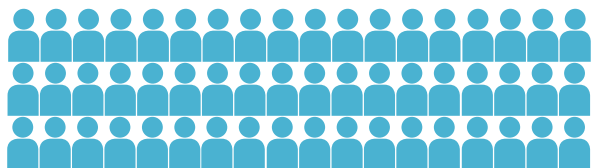
Teachers & Leaders



ultimately impacting

1,025

Students



## PARTNERSHIPS

### Grand Rapids, MI

This year marked our final year of partnership with Grand Rapids Public Schools. Since 2013-14, we were able to serve over 150 teachers and leaders and impact the educational experience of nearly 7,500 students. During our partnership, achievement in our partner schools **rose by 10 percentage points in reading and 5 percentage points in math**. As a result, each of the schools we supported intensively was able to exit the state's priority watch list.

↑ 10

### Battle Creek, MI

Our five-year partnership with Battle Creek Public Schools came to a successful close in the spring of 2017. The district has deeply embedded ROCI into their ways of working, created district transformation coaches to continue the work, and the results for students are demonstrable — particularly at Dudley STEM Elementary where student achievement **skyrocketed from only 15% of students proficient in reading in 2012 to 51% proficient in 2017. In math, student growth was even more impressive, moving from 11% proficient in 2012 to 54% proficient in 2017.**

11% 54%

### Philadelphia, PA

In our second year of intensive partnership in the School District of Philadelphia, we deepened our focus on culturally responsive teaching and learning and saw the quality of instruction soar. The impacts on student learning were most notable at Dr. Tanner G. Duckrey School, with the number of students scoring at proficient levels on the state's Common Core language arts assessment **growing by 5.9 percentage points.**

↑ 5.9

### San Jose, CA

In Oak Grove School District, our team supported teachers and leaders in three schools to create more engaging and rigorous instruction for their English learners. Teachers used ROCI to determine the best ways to leverage project-based learning and support students to develop greater proficiency in English. **At Christopher K-8 school, these efforts had significant positive impact on the school's English Learner students, with the number of students meeting/exceeding grade level English Language Arts standards increasing by 15 percentage points.**

↑ 15



↑ 11

### Oakland, CA

In 2016, Partners was selected to be a preferred partner, supporting five schools within the newly formed Elevation Network (a support system for underperforming schools) within Oakland Unified School District. *With our support, PLACE @ Prescott Elementary School made important gains for its African American students, increasing the number of students meeting English Language Arts standards by 11 percentage points.*

↑ 12

### San Francisco, CA

In our hometown of San Francisco, Partners supported two schools (Paul Revere PreK-8 School and Martin Luther King, Jr. Middle School) in their transformation efforts. *MLK Middle School saw its results soar, particularly for African American students - increasing the number of students meeting English Language by 12 percentage points.*

↑ 9

### San Jose, CA

Entering our fifth year of partnership with Franklin-McKinley School District, we focused on building systems that will enable the district to continue their transformation efforts long after our partnership. We worked with district leaders, instructional coaches and individual schools to deeply embed data-driven improvement into their systems and ways of working. *In a year in which math achievement in California remained static, two of our partner schools made significant progress with their students - Sylvandale (9 percentage point increase) and Windmill Springs (9 percentage point increase).*



## *Building a Community of Leaders in Grand Rapids, Michigan*

For a second year, Partners was able to support a network of school principals in Grand Rapids, Michigan. The 11 participating principals came from a family of elementary and middle schools whose students all feed into Ottawa Hills High School. The monthly professional learning sessions that Partners facilitated for this group were focused on enabling the principals to better prepare their students for success in high school and beyond by strengthening their academic leadership.

The sessions focused initially on helping the principals see themselves as much more than site managers

and compliance coordinators, and instead as leaders who guide and advocate for their schools. In addition, we supported principals to become instructional leaders who focus their time on curriculum, teaching, and assessment and ensuring that those program components fit the needs of their local community. In the course of their learning, school leaders came to see that their academic programs were not sufficiently rigorous to prepare students for success in college and career, and opted to dig deeper into how they might strengthen literacy instruction to increase students' college and career readiness.



“The network has given us the opportunity to collectively dive into complex issues that impact the children and communities we serve.”

NIKKI SCHELLENBERG, PRINCIPAL  
SOUTHEAST STUDENT SUCCESS CENTER

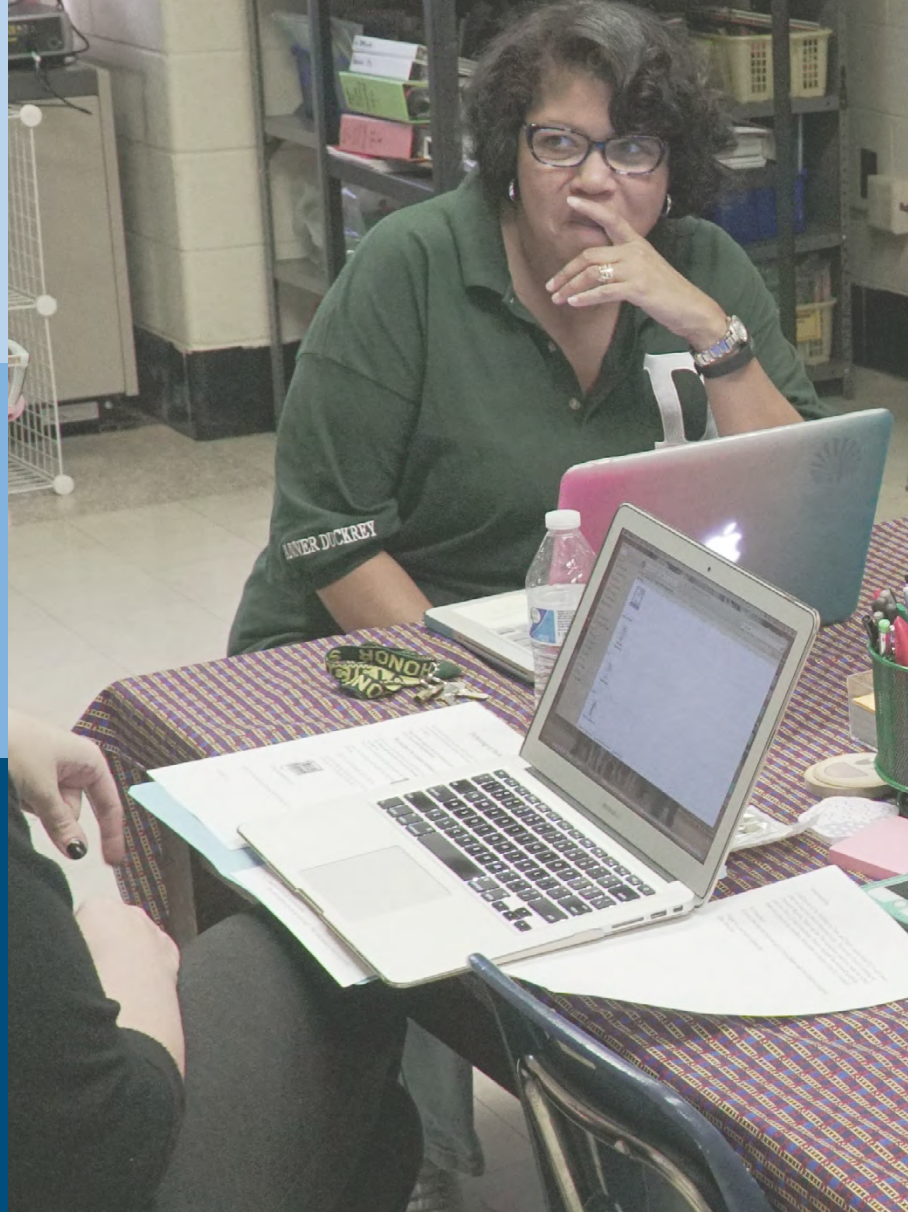
By bringing these school leaders together to learn with and from each other, we helped reduce the isolation of the job and supported the creation of a community of change agents. “The network has given us the opportunity to collectively dive into complex issues that impact the children and communities we serve,” says Nikki Schellenberg, Principal of Southeast Student Success Center. “This reflective work has allowed me to examine the practices we have instituted as a school and see how some practices have contributed to the opportunity gap, rather than helped to eradicate it.”





“*In one of the poorest school districts, in one of the poorest schools within the district, Partners has changed us. Come and look at us in five years and you’ll see a new place.*”

DAVID COHEN, PRINCIPAL  
SCHOOL DISTRICT OF PHILADELPHIA, PA



## *Building Professional Learning Communities in Philadelphia, Pennsylvania*

“Partners played a huge role in the improvement of our test scores last year,” says Jill Koch, 7th/8th-grade English Language Arts (ELA) teacher at Dr. Tanner G. Duckrey School in Philadelphia. Ms. Koch appreciates Partners’ facilitation of her small professional learning community (PLC), in which teachers work together to analyze data and improve their lessons. Ms. Koch works closely with teachers of 7th/8th-grade ELA and History. When teachers of different grades plan their curricula collaboratively, they help students succeed in the grade they’re in and the following one.

The strategy is beginning to pay off, as can be seen in

the achievement of Ms. Koch’s students. In 2016-17, 38% of her students scored proficient or advanced on state tests in ELA, a considerable increase from the 22% who scored at those levels in the prior year. Similarly, she had only three students score below basic in 2016-17, a substantial decrease from the 12 students who scored below basic in 2015-16.

Partners’ support is also helping Ms. Koch become an instructional leader who will keep the momentum going after our partnership ends. During a recent PLC meeting, Ms. Koch showed her colleagues a tool she had discovered for helping students sharpen their



text-analysis skills. The tool was successful and school leaders asked her to share it school-wide; Ms. Koch demonstrated the teaching strategies she had developed to the school's other PLCs.





## *Building Distributed Leadership in San Francisco, California*

Great principals do not transform schools alone; they need widespread support from the community and many willing hands to move the school in a new direction. At MLK Middle School in San Francisco, Partners has supported the school to design a distributed leadership system that leverages the unique talents and passions of its leaders and staff toward their vision for teaching and learning.

MLK has set clear goals for improvement and empowered specific teams of teachers and administrators to carry out the work needed to reach those goals. Teachers meet in grade-level teams to focus on individual

student needs. Department teams work together to deepen their content knowledge and plan instruction. An instructional leadership team (ILT) tracks progress toward student achievement goals and works together to plan and lead teacher professional development. And finally, to work on academic climate and student behavior issues, the assistant principal leads a team of teachers known as the “Culture Club.”

The principal, Michael Essien, supports the work of all of these teams; he attends meetings strategically and has convened a “Systems Team,” where the leaders of each team come together to review progress and



“Partners is more of a cultural transformation piece for education where it’s actually changing what teachers, students and administrators do in the building so that we can get it right with that one shot that we have.”

MICHAEL ESSIEN, PRINCIPAL  
SAN FRANCISCO UNIFIED SCHOOL  
DISTRICT, CA

ensure alignment.

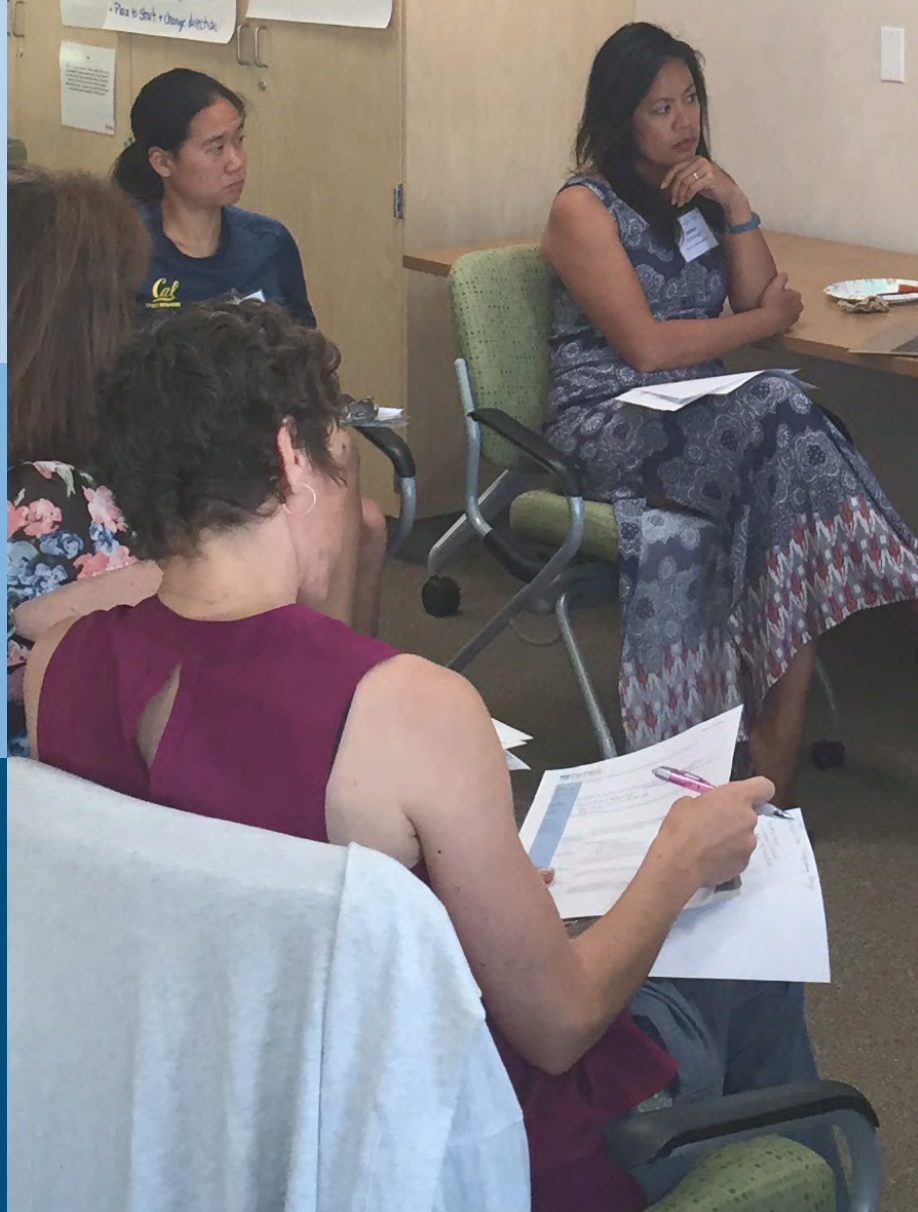
Teachers value MLK’s set of aligned systems. “It helps to make the school more unified, and I’ve noticed that various leaders within the school complement each other’s strengths,” says Jenny Founds, 8th grade Language Arts and Social Studies teacher. “I’ve seen that new teachers have had a much smoother transition into the school because the way we do things is clearer, thanks to the systems and structures that we’ve set up.”





*The sessions were a forum for coaches to talk with peers going through the same challenges and help each other solve problems.”*

DAVID KENNEDY, CALIFORNIA REGIONAL COORDINATOR OF DISTRICT AND SCHOOL SUPPORT, SANTA CLARA COUNTY OFFICE OF EDUCATION



## *Building Connections among Instructional Coaches in Santa Clara County, California*

In 2016-17, Partners facilitated a series of learning sessions for 25 instructional coaches in Santa Clara County in California. We began by building a shared definition and framework for coaching and then used a variety of hands-on learning formats--role-play, consultancies, and discussions of written material and videos to build the coaches' skill in supporting instructional improvement.

One exercise that participants found particularly engaging was a protocol on "probing questions," defined as questions that coaches do not have the answer to. In the exercise, one coach would describe a

challenge in his or her work, and the other participants would each ask a question to help the coach assess and address the issue. After the others had asked their questions, the coach facing the challenge would name which question pushed his or her thinking the most about the problem and the possible solutions.

Our partner agency, the Santa Clara County Office of Education (SCCOE), found the sessions highly valuable. David Kennedy, SCCOE's Coordinator for California's Regional System of District and School Support, states, "Every time the participants started to face a new challenge in their districts, there was a



network session on the horizon to help them. Through the various learning methods used in the sessions, the coaches could practice dealing with those situations.” The coaches became a community of change agents—each working to improve the quality of teaching and learning in their schools.



## GETTING the WORD OUT

*During the past year, we increased our efforts to disseminate the lessons learned from our partnerships with the broader education community. Our staff published articles in education journals and presented at local and national conferences on topics ranging from supporting culturally responsive teaching to best practices for evaluating new programs.*

### Presentations & Publications:

*Achieving Equitable Outcomes Through Reflective Practice and the Use of Equity Audits*  
Association of California School Administrators' Leadership Summit, November 2016

*Building Capacity to Transform Schools & Districts*  
California School Boards Association, December 2016

*Designing and Evaluating New Program Pilots*  
American Evaluation Association, October 2016

*Using Professional Learning Systems to Transform Underperforming Schools*  
Learning Forward, December, 2016

*Professional Learning Systems: A Key to Transforming Schools*  
Learning Forward, December 2016

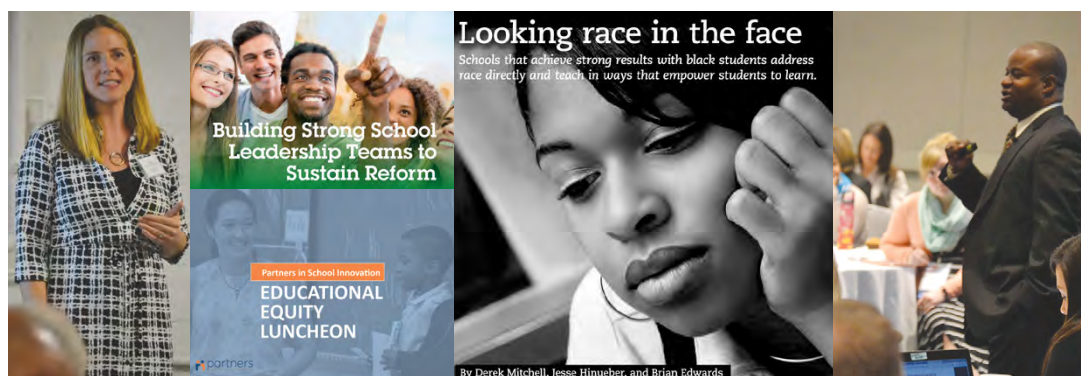
*Culturally Responsive Pedagogy: Fostering Success in Increasingly Diverse Schools*  
New Teacher Center Symposium, February 2017

*Bringing Research-based Practices to the Classroom--Highlights from the Success of a Dual-immersion School*  
National Association of Bilingual Education (NABE), March 2017

*An Equity-Based Approach to School Transformation*  
Carnegie Foundation Summit on Improvement in Education, March 2017

*Aligning District and School Systems to Support English Learners*  
California Association for Bilingual Education (CABE), March 2017

*Looking Race in the Face*  
Phi Delta Kappan, 2017  
Available at: <http://www.kappanonline.org/looking-race-face/>



## ACCOMPLISHMENTS

**ACSA EQUITY PARTNER:** Partners is proud to serve as an official Association of California School Administrators (ACSA) Equity Partner. In this role, we service school districts throughout the state by publishing articles and presenting at conferences to increase awareness of equity and diversity issues that impact historically underserved students. Also, Partners is providing relevant equity leadership training and support for leaders and ACSA members that focus on building capacity in cultural proficiency as well as all areas of equity and diversity.



**GRATITUDE NETWORK AWARDEE:** In the spring of 2017, Partners was selected to be a part of the 2017 Gratitude Network, a cohort of social entrepreneurs chosen based on their work solving some of the greatest problems for children and education, across the areas of health and well-being, learning systems and children's rights. These CEOs and their social enterprises demonstrate innovation, outstanding leadership, and potential for scale.



**STATE LEVEL STRATEGIC PARTNER IN NEVADA:** In early 2017, the State Department of Education in Nevada invited Partners to apply to become an approved provider for their next round of School Improvement Grants. Our application was successful, paving the way for promising new partnerships in Reno and Las Vegas.

**TECHNOLOGY INNOVATION:** As we aim to scale our impact, we have realized that technology can be invaluable in helping us bring our approach to new people and places. In collaboration with Leadership Public Schools, we prototyped and piloted a web-based coaching platform to help document and align coaching supports across large systems.



## OUR VISION

**We envision** a thriving system of urban public schools that fosters the growth of all of its students and eliminates the achievement gap by creating vibrant places to teach, learn, and grow with rigorous standards and an unwavering focus on results.



**Tiara Grayson, 2010-2015**

Currently: Associate Director, Professional Development and Instructional Effectiveness  
Aspire Public Schools  
Oakland, California

*"I learned so much at Partners about adult learning and systems change: how to design and facilitate high-quality professional development, how to present data and coach others to take action to interrupt inequitable practices, how to lead teams, and how to develop and monitor a program strategy."*



**Matt Kostecka, 2011-2015**

Currently: Assistant Principal  
Cascade Middle School  
Seattle, Washington

*"I earned a master's in education and an administrative credential from top-tier universities, but working at Partners was without question the best preparation I've undergone for being an assistant principal."*



**Poonam Singh, 2003-2010**

Currently: Founder  
Soulforce Leadership  
Mountain View, California

*"Partners taught me to apply a continuous-improvement method to my work and myself, and it provided a platform to increase my confidence and leadership skills. Being at Partners also allowed me to develop a network of passionate educators who have helped me tremendously as I have progressed in my career."*



**Viviana Garcia, 2008-2017**

Currently: Principal  
Dorsa Elementary School  
San Jose, California

*"At Partners, I supported the transformation of schools and districts so that students would have better educational experiences. I worked with teachers and leaders on grade level collaboration, backward mapping, instructional leadership teams, and a host of other strategies. Those experiences are helping me tremendously as a new principal."*



**Leroy Gaines, 2006-2009**

Currently: Principal  
Acorn Woodland Elementary School  
Oakland, California

*"One of several practices I took away from Partners is tapping the people around you as a resource. We have really bright educators here, and we ask them to lead each other in professional development. People grow from that—not just the ones receiving but also the ones leading the work."*

*Partners alumni are powerful change agents actively transforming education systems across the country. We have developed a strategy to create, in the next five years, 1,500 more change agents working toward our vision of thriving schools for ALL students.*



**Linda Ponce de Leon, 2010-2015**

Currently: Director of New Schools  
Erikson Institute  
Chicago, Illinois

*"Partners helped me get better at creating and nurturing relationships, which helped me build and lead highly effective teams. I also honed my ability to systematically work with data to set goals, articulate a theory of action, and support others in creating and implementing a theory of action."*



**Palak Patel, 2015-2017**

Currently: District Transformation Coach  
Battle Creek Public Schools  
Battle Creek, Michigan

*"Partners really helped me gain a deeper understanding of systems and how to implement systems effectively within a variety of contexts. I also became more culturally proficient through self-reflection and supporting other educators in discussions around race, class, culture, and power."*



**Bernie Vidales, 2006-2008**

Currently: Superintendent  
Jefferson Elementary School District  
Daly City, California

*"Coming to Partners really helped me crystallize my understanding of a results-orientation and develop a systematic process for supporting classroom teachers to adopt that orientation, plan in order to achieve results, and monitor progress toward their goals."*



**Ebony English, 2013-2017**

Currently: Director of Design, LEAP  
Leading Educators  
Washington, D.C.

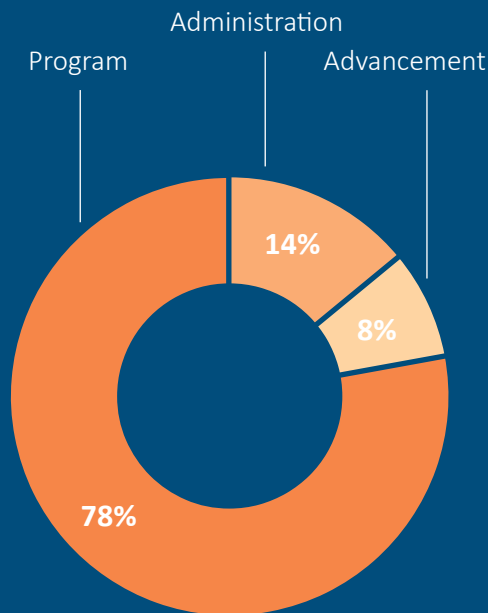
*"I developed many skills at Partners: how to build school and district strategies and execute them, how to support teachers and leaders in analyzing data and creating actionable next steps, and how to create a nurturing and open environment for a team to develop and thrive."*

## FINANCIALS

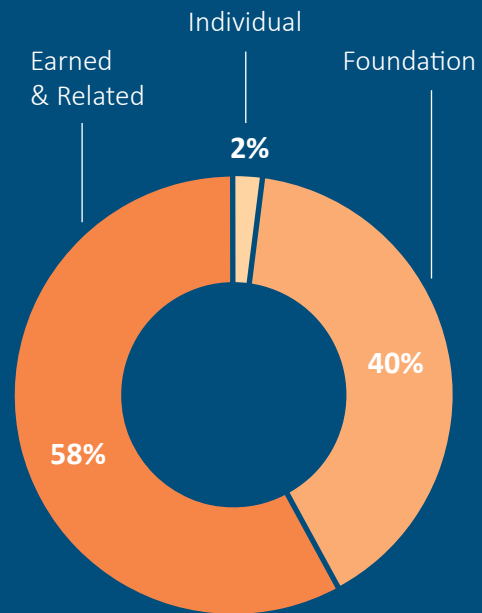
### *Revenues and Expenses*

IN FISCAL 2016-17, Partners dedicated \$0.78 of every dollar invested to direct program implementation, support, and assessment. We spent \$5.5 million on the work of accomplishing our mission and expanding impact. Partners ended the year with an estimated \$209K in unrestricted net assets and \$809K in net assets.

**Expenses \$5.5 Million**



**Revenue \$5.1 Million**



## SUPPORTERS

### *Philanthropist* (\$300,000+)

Applied Materials Foundation  
The William Penn Foundation  
W.K. Kellogg Foundation

### *Luminary* (\$100,000-\$299,999)

Stuart Foundation  
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Marvin Lynn  
Merck Foundation  
Michael Hornsby  
Susan Ramer and Mark Coleman

### *Friend* (up to \$100)

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Barbara Kriz and Steve Grayson  
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Mandy and Jeff K. Phillips  
Marie Kawase Huxley  
Maryalyce Burke  
Roger Rothenburger  
Zephyr Real Estate

### *In-Kind*

PricewaterhouseCoopers LLP  
Sobrato Family Foundation

\*Every effort has been made to acknowledge all donations received in this fiscal year. Please notify the Advancement department regarding any omissions at [info@partnersinschools.org](mailto:info@partnersinschools.org).

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Franklin-McKinley



1060 Tennessee Street, 2nd Floor  
San Francisco, CA 94107

[www.partnersinschools.org](http://www.partnersinschools.org)  
[info@partnersinschools.org](mailto:info@partnersinschools.org)



# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Ad Hoc Committee on First Responder Effectiveness Strategic Initiative

On behalf of the Ad Hoc Committee on First Responder Effectiveness Strategic Initiative, Chair Frank Hedley will report on the implementation of the Initiative and additional funding received to support expansion of the initiative. Secretary John McGlothlin and Treasurer Tim Ross also serve on the Committee

#### 1. Updates on Three Core Projects

At the March 7, 2018, Board meeting, the Board approved a strategic grant in an amount not to exceed \$160,723 to the City of San Bruno, to bolster the effectiveness of San Bruno's first responders, both in their daily interactions with the community and in the event of a serious disaster like the 2010 gas pipeline explosion that led to the Foundation's creation. The Initiative includes three core projects to bolster the effectiveness of the Police and Fire Departments in fundamental and meaningful ways:

- Emergency shelter supplies (led by the Fire Department)
- Critical facilities site assessments, incident action plans, and joint public safety training (collaboration of the Police and Fire Departments)
- Police officer mindfulness, compassion, and resiliency training

Implementation of the three projects is underway but, not surprisingly, at a slower pace than originally expected as the Police and Fire Departments deal with the aftermath of the April 3, 2018, shooting at YouTube's San Bruno headquarters. The Fire Department is moving forward with its plans to purchase the emergency shelter supplies and intends to present a proposal to the City Council at an upcoming Council meeting. With regard to the site assessments project, police personnel has met with FTF Tactics, the consulting firm it plans to engage on this project, to begin planning for the project. Both the Police Department and FTF Tactics believe that the site assessments should incorporate lessons learned as a result of the YouTube incident, which may extend the timeline. With regard to the police mindfulness training, SBPD staff is working



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with the Mindful Badge Initiative to secure a venue for the training. Venues that can accommodate the specific needs of the training tend to book well in advance, so staff is looking at dates in late 2018. Staff has also started planning for department orientation visits by the Mindful Badge Initiative.

#### **2. Google/YouTube Donations to First Responder Effectiveness Strategic Initiative**

As the Board knows, Google/YouTube staff reached out to the Foundation immediately following the April 3 shooting at the YouTube headquarters. In response to the brave work of San Bruno's first responders who supported YouTube during the incident, Google.org announced it would donate \$100,000 to the Foundation and match Google and YouTube employee donations. The funds have been designated to support first responder effectiveness training and other related programs in partnership with the San Bruno Police and Fire Departments, building upon the First Responder Effectiveness Strategic Initiative.

We currently expect total donations from Google.org and Google and YouTube employees to reach at least \$290,000. The Foundation has thus far received \$271,255 in donations.

The Foundation has been in discussions with the City about additional projects intended to enhance the preparedness of the San Bruno Police and Fire Departments in dealing with major public safety incidents as well as their day-to-day responsibilities through advance planning and training, which could be supported by the Google/YouTube donations. The City is in the process of researching several ideas, including upgrades to its emergency operations center communications technology. The Committee hopes to be able to bring a proposal for a second first responder strategic grant to the City to the Board for consideration this fall.

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### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Ad Hoc Committee on Recreation and Aquatics Center Project and Adopt Resolution Authorizing Executive Director to Receive Donation from El Crystal PTA Related to Recreation and Aquatics Center Project

In March, the Board created the Ad Hoc Committee on Recreation and Aquatics Center Project to serve as the Foundation's liaison to the City of San Bruno in the design and construction of a new recreation and aquatics center in San Bruno City Park, to be funded by \$50 million in strategic grants from the Foundation. As chair, President Nancy Kraus will provide an update on the Recreation and Aquatics Center Project at the June 6, 2018, Board meeting. Vice President Frank Hedley also sits on the Committee.

#### **1. Update on Recreation and Aquatics Center Project**

As you know, on March 1, 2017, the Board approved a resolution supporting the concept of a \$50 million strategic grant to the City for the design and construction of a new recreation center-swimming pool joint facility and directing the Executive Director to proceed with negotiating such a grant arrangement with the City. In November, I explained that the Foundation will be taking a multi-stage approach in its funding relationship with the City on this project, and the Board approved a grant of up to \$550,000 to the City for the conceptual design stage. In mid-December, the City Manager and I executed the grant agreement for the grant supporting the conceptual design stage, which is expected to conclude by July.

After issuing a request for qualifications and proposals (RFQ/P) for the conceptual design work, reviewing the responses, and interviewing finalists, City staff recommended to the City Council the selection of Group 4 Architecture, Research + Planning, a South San Francisco-based full-service architectural firm with a wealth of experience on municipal community facilities projects. On December 12, 2017, the City Council approved the selection of Group 4 to lead the conceptual design stage.

To assist Group 4, the City has assembled an Advisory Committee for the conceptual design stage. President Kraus, Vice President Hedley, and I are representing the Foundation on the

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Advisory Committee, which also includes City staff, Mayor Rico Medina, Vice Mayor Laura Davis, and the chair and vice chair of the Parks and Recreation Commission.

The first part of the conceptual design stage focused on program options, site and building diagram options, and design values prioritization. The City and Group 4 held the first round of community engagement in March and April, soliciting input at an open house, a community meeting, the annual pancake breakfast and Easter egg hunt, and through an online survey. More than 1,100 community members participated in this round of outreach. Group 4 presented its findings and recommendations regarding program and site options to the City Council on April 24 (download the Group 4's presentation slides at [https://www.sanbruno.ca.gov/community/recreation\\_and\\_aquatics\\_center\\_project.htm](https://www.sanbruno.ca.gov/community/recreation_and_aquatics_center_project.htm)). The Council endorsed the recommendations of Group 4 and the Advisory Committee, including the base program components (lobby/lounge, gymnasium, fitness and wellness center, aquatics center with indoor and outdoor pools and party rooms, an assortment of classrooms and conference rooms), program add-ons (community room, game room, and aquatics spectator area), and facility site (all-new facility located at the "hill alternative," roughly the same site as the existing Veterans Memorial Recreation Center).

The conceptual design process is now in its second phase, focusing on an evaluation of specific design strategies, exterior material palettes, and landscape design values. The City and Group 4 held an open house and community meeting in mid-May and will continue to gather community input at Community Day on June 3 and through a second online survey (which is available at <http://bit.ly/SBRACsurvey02>). (The presentation from the community meeting can also be downloaded at [https://www.sanbruno.ca.gov/community/recreation\\_and\\_aquatics\\_center\\_project.htm](https://www.sanbruno.ca.gov/community/recreation_and_aquatics_center_project.htm).)

Group 4 plans to present its final recommendations to the City Council on June 26.

## **2. Resolution Authorizing Executive Director to Receive Donation from the El Crystal Elementary School PTA Related to the Recreation and Aquatics Center Project**

The San Bruno Park School District is undergoing an elementary school consolidation process. As part of the consolidation, El Crystal Elementary School, which sits directly adjacent to San Bruno City Park, will close later this month at the end of the current (2017-2018) school year. The El Crystal PTA would like to make a donation to the City for a memorial bench in San Bruno City Park commemorating El Crystal's 70 years as a beloved San Bruno elementary school. There are currently no memorial bench opportunities in San Bruno City Park, but there will likely be an opportunity to underwrite a memorial bench or other park amenity at the new Recreation and Aquatics Center.

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Because the El Crystal PTA must disburse its funds and close its bank account by June 30, 2018, PTA President Erica Woliczko approached the Foundation to inquire whether it would be willing to receive a \$1,200 donation from the El Crystal PTA to be used to underwrite a memorial bench or other park amenity to be located at the new Recreation and Aquatics Center.

I have spoken with Community Services Superintendent Danielle Brewer, who confirms that the fee to sponsor a commemorative park bench is \$1,200, and that the next memorial bench opportunity in San Bruno City Park is likely to be at the time the new Recreation and Aquatics Center is built. I have also spoken with the Foundation's outside counsel at NEO Law Group, who suggested that we execute, at the time of the El Crystal PTA's donation (which is effectively a grant to the Foundation), a short agreement outlining the PTA's intentions for the donation (the grant purposes) to ensure a clear understanding by both the Foundation and the PTA of how the funds are to be used.

Receiving this donation and holding it for use in connection with the construction of the Recreation and Aquatics Center seem to be an appropriate function for the Foundation to serve. The intended use of the funds is directly related to a strategic initiative the Foundation is already funding and is consistent with the Foundation's mission and charitable purposes. It also makes sense for the Foundation to be a resource for a community organization in such a situation.

As a result, I recommend that the Board approve the attached resolution authorizing the Executive Director to receive a donation from the El Crystal PTA related to the Recreation and Aquatics Center Project.

Attachment:

1. Resolution Authorizing Executive Director to Receive Donation from the El Crystal PTA Related to the Recreation and Aquatics Center Project

**RESOLUTION NO. 2018-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION AUTHORIZING EXECUTIVE DIRECTOR TO RECEIVE DONATION FROM THE EL CRYSTAL ELEMENTARY SCHOOL PTA RELATED TO THE RECREATION AND AQUATICS CENTER PROJECT**

**WHEREAS**, on March 1, 2017, the Board of Directors approved a resolution supporting the concept of a \$50 million strategic grant to the City of San Bruno for the design and construction of a new recreation and aquatics center in San Bruno City Park;

**WHEREAS**, on November 1, 2017, the Board approved a grant of up to \$550,000 to the City for the conceptual design stage of the recreation and aquatics center project;

**WHEREAS**, the San Bruno Park School District will close El Crystal Elementary School, which sits directly adjacent to San Bruno City Park, at the end of the 2017-2018 school year;

**WHEREAS**, the El Crystal Elementary School PTA seeks to commemorate El Crystal's 70 years as one of San Bruno's beloved elementary schools with a memorial bench or other park amenity in connection with the new recreation and aquatics center project; and

**WHEREAS**, the El Crystal Elementary School PTA has requested that the Foundation receive a donation of \$1,200 to be used for such purpose at the appropriate time in the construction of the new recreation and aquatics center.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors authorizes the Executive Director to receive a donation from the El Crystal Elementary School PTA to be used to sponsor a memorial bench or other park amenity commemorating El Crystal's 70 years of service to San Bruno schoolchildren in connection with the recreation and aquatics center project.

Dated: June 6, 2018

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2018-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 6<sup>th</sup> day of June, 2018, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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## Community Foundation

### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Other Strategic Initiatives with the City of San Bruno

At the June 6, 2018, Board meeting, I will provide an update on several strategic grantmaking initiatives the Foundation has undertaken with the City of San Bruno.

#### **1. Pedestrian Safety Improvements**

As you know, the Foundation continues to partner with the City on a package of efforts to enhance pedestrian safety in San Bruno. On June 7, 2017, the Board authorized increasing the allocation for the pedestrian safety improvements to \$263,952 (from \$170,000), using the balance of funds left over from the Community Facilities Vision Plan project, to fund flashing beacons at a minimum of five unsignalized or mid-block crosswalks in San Bruno (three at sites near San Bruno public schools and two in the downtown area) and related planning studies. YouTube has contributed \$126,000 toward this project, so that the Foundation's contribution will be \$137,952. In December 2017, the City Manager and I executed the grant agreement for this project, including language requiring plaques recognizing the partnership between the Foundation, YouTube, and the City at each set of flashing beacon.

As reported at the last Board meeting, installation of the flashing beacons at the school sites (two at Parkside Intermediate School and one at Portola Elementary School) was completed in February. The two schools report that students and parents are using the flashing beacons, which have helped with traffic flow near the schools and increased safety for students crossing the streets.

Installation of the downtown sites will take place at the conclusion of the City's sewer and water replacement project along San Mateo Avenue this summer.

#### **2. Florida Avenue Park**

As you know, the Foundation committed \$200,000 to the City's plans to build a new neighborhood park on Florida Avenue on the east side of San Bruno. As reported previously, an unanticipated issue with the landscape construction drawings has delayed commencement of

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the park's construction (which was to have started last fall), and the City continues to work with the park design firm to resolve the issue. Construction likely will begin in the fall, after the construction drawings have been revised, with completion of the park construction in early 2019.

### **3. Community Day**

At the December 6, 2017, Board meeting, the Board approved a resolution committing to a strategic grant of up to \$30,000 to the City to help fund Community Day 2018 and authorizing staff to again receive donations earmarked for Community Day from corporate and other donors. The City Manager and I executed the grant agreement for this strategic grant in mid-December.

The Foundation approached the community partners that supported Community Day 2017 as well as potential sponsors. This year we have secured sponsorships totaling \$26,250: Sammut Family Foundation (\$10,000), YouTube (\$5,000), Skyline College (\$5,000), PG&E (\$5,000), Recology San Bruno (\$1,000), and Jack's Restaurant and Bar (\$250). The Foundation has already received the Sammut and Recology donations and expects to receive the YouTube and PG&E donations by the end of the fiscal year. Skyline College and Jack's are providing their sponsorships directly to the City. The City has recognized sponsors at the \$5,000 level and above in its event marketing materials. Sponsors at the \$1,000 level and above will also be listed in signs to be posted in the park during Community Day.

This year's Community Day will be held on Sunday, June 3, 2018, from 12:00 to 5:00 p.m. at San Bruno City Park immediately following the San Bruno Lions Club's Posy Parade, which begins at 11:00 a.m. Community Day will have similar activities (music, rides, games, food booths, and informational tables) and a similar layout to last year's event.

With the closing of El Crystal Elementary School scheduled for the end of June, El Crystal alumni have planned a 70-year celebration during Community Day at picnic area #8 in San Bruno City Park.



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## Community Foundation

### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Other Programs (Community Grants Fund and Music Education Strategic Initiative)

At the June 6, 2018, Board meeting, Program Consultant Stephanie Rutgers and I will give an update on the Community Grants Fund and the Music Education Strategic Initiative.

#### 1. Community Grants Fund

##### a. 2017-2018 Grant Cycle

We have executed grant agreements for all 23 Community Grants approved for the 2017-2018 grant cycle. We have also personally delivered grant checks to 22 grantees (the final grant is for a construction project and therefore the funds will not be transferred until the grantee secures all necessary permits and approvals and confirms in writing that the renovations have begun). Photos of many of the check presentations are on the [sbcf.org](http://sbcf.org) website and are being posted on the SBCF Facebook page.

##### b. 2018-2019 Grant Cycle

Following our usual schedule, we plan to launch the 2018-2019 cycle of the Community Grants Fund at the beginning of July. Based on feedback we received in the last grant cycle, we are not making any substantive changes to the program guidelines. The one change on the application materials we are making is to ask applicants whose projects serve a broader footprint than just San Bruno to more clearly outline in their project budgets how the requested funds would be used to support their efforts benefiting the San Bruno community specifically.

We are in the process of updating the marketing materials (flyers (in both English and Spanish), posters, and website), as well as the online application and supporting documentation. We will distribute the materials throughout San Bruno starting in early July; we may seek Board member assistance in our outreach efforts.

Key dates for the 2018-2019 grant cycle include:

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- July 2, 2018: Program launches; application available online; begin distribution of marketing materials
- July 16, 2018, 6:00 p.m.: Grant Workshop, City Hall, Room 115
- August 14, 2018, 6:00 p.m.: Grant Workshop, City Hall, Room 115
- September 10, 2018, 6:00 p.m.: Grant Workshop, City Hall, Room 115
- September 26, 2018, 5:00 p.m.: Application deadline
- December 5, 2018: Board consideration of grant awards

The fiscal year 2018-2019 budget that the Board will consider at the June 6 meeting includes a \$200,000 program disbursement allocation for the Community Grants Fund.

#### **2. Music Education Strategic Initiative**

In May 2017, the Board approved strategic grants to the San Bruno Education Foundation and the Capuchino High School Alumni Association totaling \$495,000 to support implementation of the Music Education Strategic Initiative, with the goal of making music education a hallmark of San Bruno's public schools. In June 2017, per the terms of the two grant agreements, the Foundation made the first year installments of the strategic grants to the San Bruno Education Foundation (SBEF) (\$201,618) and the Capuchino High School Alumni Association (CHSAA) (\$90,820).

SBEF and CHSAA submitted their first annual reports, per the grant agreements, in March, and SBEF provided a follow-up letter earlier this month.

For CHSAA, key highlights of the annual report include:

- CHSAA has spent all \$90,820. The bulk of the funds (\$77,296) went to the purchase of new marching band uniforms, which were publicly unveiled at a parade in San Mateo in late March.
- SBCF support enabled the Capuchino music department to participate in 10 off-campus events and competitions, including the Del Mar Band Review (San Jose), the Santa Cruz Band Review, Foothill Band Review (Pleasanton), Vintage Band Review (Napa), CSM Jazz Review, Mercy High School San Francisco (choir), CMEA Jazz Festival, Parkside recruitment visit, and Adopt-a-Troop Parade (San Mateo).
- The music program is bringing pride to the Capuchino campus. Enrollment numbers in all categories of music have increased, with the total number of participants increasing from 108 to 139 students. Program participants have received numerous awards at the various parades and competitions at which they have performed.

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For SBEF, key highlights in 2017-2018 include:

- SBEF contracted with Music for Minors, a nonprofit music education organization to implement the Music for Minors Professional Educator Program in all six elementary schools in the San Bruno Park School District (SBPSD). This school year 1,876 students received music education through this program. SBEF has built a strong relationship with Music for Minors and its leadership. Music for Minors included the school district in a major strategic assessment of Bay Area public music education funding opportunities resulting in a report that includes a targeted assessment report for SBPSD.
- At the middle school level, SBEF has used SBCF funds to purchase much needed equipment and supplies, including instruments. Using SBCF funding, specialty music groups for jazz, ensemble, rock band, and drum club were formed in October 2017, but due to conflicts over scheduling and the compensation process, the specialty music groups were terminated after a short period.
- Under the leadership of SBEF Vice President Bryan Vander Lugt, SBEF successfully formed a Music Education Strategic Initiative Steering Committee, comprised of parents, teachers, administrators, and support organization representatives (including SBCF).
- The Steering Committee helped create the vision for a community-wide celebration of music and art, "Music in the Air." A subgroup of the Steering Committee has formed a "Music in the Air" Planning Work Group, which is supported by an Advisory Panel made up of civic and business leaders.
- SBEF has engaged with a grant writer, strategic consultant, graphic designer, and event planner to develop the fundraising strategy to sustain the music programs once SBCF funding sunsets and to spearhead planning for "Music in the Air."
- The inaugural "Music in the Air" is scheduled for the fall of 2018. It will be a community-wide celebration showcasing the schools' music programs to the community as well as an opportunity to solicit business sponsorships to support the music programs. An Honorary Host Committee consisting of local dignitaries has been formed, and plans are underway for the concert celebration.
- SBEF has expended all of the funds targeted for Music for Minors and the middle school equipment and supply priority needs. SBEF is requesting that nearly \$13,000 in funds originally designated for the middle school specialty groups be redirected to priority instrument, equipment, and supplies in the 2018-2019 program year. It is also requesting that more than \$18,000 in funds targeted to fund development and consulting be rolled over to the 2018-2019 program year, when it will incur costs related to the first "Music in the Air" event (which was originally envisioned to take place this school year). SBEF plans to use a portion of these funds to hire a videographer to create and produce an impact video highlighting San Bruno music programs. This will be used

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to promote “Music in the Air” and encourage community financial support of the programs. SBEF will use remaining funds to support school PTA/PTO fundraising efforts, as financial support from the local school communities will be a component of sustaining the music programs.

As SBEF’s requests to redirect and roll over the remaining 2017-2018 funds are consistent with the original strategy behind the Music Education Strategic Initiative, I intend to approve the requests.

Per the terms of the two grant agreements, the second year installments of the strategic grants are due in mid-June (\$97,480 to SBEF and \$16,860 to CHSAA).

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** SBCF Budget, Quasi-Endowment Payout, and Transfers from the Strategic Pool Account to the Liquidity Pool Account for Fiscal Year 2018-2019

Under our Bylaws, the Foundation's fiscal year runs from July 1 to June 30, and its annual budget must be approved by the San Bruno City Council. As we approach the end of the 2017-2018 fiscal year, I will present the 2018-2019 budget to the Board for approval at the June 6 Board meeting. If approved, the budget will be submitted to the City Council for consideration at its June 26 meeting.

In developing this budget, I am guided by the principles of transparency and economy. As prudent stewards of the restitution funds, we want to communicate our decisions and activities with the community and have accordingly provided ample budget to do so. At the same time, we will be cost-conscious in all categories of expenses.

It is important to note that this budget results in what looks to be a deficit: Expenses exceed Funds Available for Operations. This is because we record grant commitments as expenses at the time the grant agreement is executed, but sometimes grant payments are made in a later fiscal year. On a similar note, the full amount of Crestmoor Scholarships is recorded when the scholarships are awarded, but they are paid out over two or four years. As a result, the Foundation's cash needs in 2018-2019 are lower than the expenses it will be incurring. Budgeted "income" almost exclusively comes from transfers from either the Quasi-Endowment or the Strategic Pool, and those transfers are based on projected cash needs during the fiscal year to cover operating expenses plus program obligations.

As I have mentioned before, most nonprofit budgets are income-driven because the nonprofit is able to spend only the funds it expects to bring in that year. In contrast, the Foundation's budget is expense-driven. As a result, I will discuss the expense lines first.

#### 1. Expenses

We have three categories of Expenses: Direct Program Expenses (Crestmoor Scholarships, Community Grants Fund, and Strategic Grants), Personnel Expenses, and Non-Personnel Support Costs. We are currently projecting expenses of \$5,279,716.

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#### Direct Program Expenses

- Crestmoor Scholarships: This line keeps the budget for the 2019 Crestmoor Neighborhood Memorial Scholarships at the same level as in 2017 and 2018 (\$120,000). At this time, I recommend keeping the program essentially the same in format and total scholarship amount awarded for 2019. We may tweak the program guidelines to allow for awards to San Bruno residents who have taken time off after high school graduation and now seek to pursue post-secondary education, but we do not expect any increase in the total amount of scholarship funding awarded.
- Community Grants Fund: This line keeps the Foundation's contribution to the Community Grants Fund at the same level as in the first two years of the program (\$200,000). This line does not assume that Google.org will contribute funds to support this program again in 2018-2019 (it contributed \$100,000 to this program in 2017-2018).
- Strategic Grants: This line accounts for three strategic grants that are currently anticipated for 2018-2019: (a) \$4 million for the second stage (construction documents) of the recreation and aquatics center project, based on the architect's rough estimates, (b) \$290,000 for a second grant to the City to support first responder programs, funded by donations from Google/YouTube and their employees, (c) \$30,000 to sponsor the City of San Bruno's 2019 Community Day, and (d) \$250,000 for a possible grant to the San Bruno Education Foundation to support the district's transformation efforts (being considered separately on June 6; the expectation is that the grant agreement won't be executed until the new fiscal year). All four strategic grants require specific Board approval, but the budget allotment allows for all four.

#### Direct Personnel Expenses

- Salaries & Wages: This line reflects the Executive Director's current salary. To the extent that additional staffing is needed, I anticipate utilizing consultants rather than employees and therefore have not increased this line to cover additional staff.
- Payroll Taxes & Benefits: This line reflects payroll taxes, Workers Compensation insurance premiums, and benefits for the Executive Director. Benefits include retirement plan contribution, life insurance, and vacation accruals.

#### Non-Personnel Support Costs

- Occupancy: This line reflects the total expected rent the Foundation will pay in 2018-2019 under the current office lease, which runs through March 2020. We will pay a monthly rate

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of \$1,206.61 from July through December 2018, a monthly rate of \$1,218.22 for January through April 2019, and a monthly rate of \$1,254.22 from April through June 2019.

- Insurance: This line is based on the Foundation's current commercial general liability, property, auto, and directors and officers liability insurance policies (\$14,592), which have an annual renewal date of March 21. It also includes the Foundation's crime insurance policy (\$2,901), which has an annual renewal date of May 27.
- Telecommunications: This line includes continuation of the Executive Director's cell phone expenses (\$768), broadband Internet access for the office, and the office landline (\$1,056 for Internet and landline through San Bruno Cable combined).
- Postage & Shipping: This line includes office postage (\$500) as well as the projected postage required for the fall Annual Report mailing (nonprofit rate) to all San Bruno addresses (\$1,500).
- Marketing & Communications: This line covers the projected printing costs associated with the Annual Report (\$10,000). It also includes funds for graphic design services (\$1,800), flyer/poster printing for the Community Grants Fund (\$800), flyer/poster printing for the Crestmoor Scholarships (\$800), other printing (such as holiday cards, business cards, and banners - \$200), website and e-newsletter costs (\$860), and costs associated with online grant and scholarship applications (\$1,158). The website and e-newsletter costs are about \$600 higher than in past years in order to secure a more economical (over the long term) package deal for domain name registration for the three URLs the Foundation owns, private registration, and domain name forwarding services for the next 9-10 years. Typically, actual expenses end up being lower than the budgeted amount (this year we expect to come in about \$5,000 under budget), as I allow a generous cushion for Annual Report and program flyer/poster printing costs.
- Office Supplies and Equipment: This line estimates \$200 monthly office supply expenses, includes computer backup expenses and QuickBooks accounting software fees, and allows for miscellaneous office equipment expenses (such as repairing or replacing the printer). It also includes \$2,000 for a new laptop and related software. My laptop is now over three years old, and while it is working properly now, by the end of the next fiscal year it may be time to invest in a new laptop if the current laptop begins to falter.
- Legal Fees: Based on this year's expenses, I have budgeted outside nonprofit counsel costs of \$1,000 month. This line also includes reimbursement of 5% of the 2018-2019 City Attorney's cost, which is projected at \$16,786.40 for the year. An additional \$8,000 has also been added for specialized legal advice as may be needed in the development of the next two grant agreements related to the recreation and aquatics center project.

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- Accounting & Payroll Fees: The payroll fees (\$1,000) are based on our current arrangement with our payroll vendor (Intuit). We have budgeted \$9,000 for audit and tax preparation services, per the Foundation's contract with Novogradac & Company, and \$21,000 for the accounting consultant/full charge bookkeeper, per the terms of our professional services agreement with him.
- Other Consultants: This line includes \$37,800 (\$3,150 per month) for the program consultant, \$11,500 for the IT consultant, \$500 for 403(b) retirement plan consultant (in case assistance is needed for annual filing), and \$250 for translation services. I have increased the budget for both the program consultant and the IT consultant. As explained in the staff memo for the Consent Calendar, I am increasing the estimated monthly hours for the program consultant based on an increased workload this past year and because her workload is in part dependent on the number of scholarship and grant applications we receive, which has been trending upward and over which we have little control. Similarly, the IT consultant's workload is partially dependent on how many applications we receive, as they help us prepare and package them for review by the selection panels. In addition, we are working with the IT consultant to build out our Salesforce database to capture Scholarship "alumni" information, which will require some additional work on the consultant's end.
- Travel, Meetings & Conferences: This line includes \$3,030 for regular Board meeting room rental and audio recording expenses (budgeted for six meetings, although we may have only five), \$100 for miscellaneous meeting room rentals, \$500 for meeting related refreshments, and \$500 for miscellaneous conference, training, and meeting expenses.
- Miscellaneous: We have budgeted \$2,000 for miscellaneous expenses that may arise. This line covers such items as professional organization membership fees (such as the San Bruno Chamber of Commerce, Thrive: Alliance of Nonprofits, and CalNonprofits), bank fees, and government/agency taxes and fees.

This budget presents a realistic view of the Foundation's projected expenses for 2018-2019. For purposes of comparison, this budget includes the revised budget and year-end projected actuals for the 2017-2018 fiscal year. Support Costs increase 5% from the 2017-2018 year-end projection to the 2018-2019 budgeted amount. Direct Personnel Expenses will decrease slightly from the projected level for 2017-2018 (due to a one-time retirement plan benefit in February 2018). Non-Personnel Support Costs will increase \$23,438, which is primarily accounted for by the increased allowances for the program and IT consultants, allowance for a new laptop computer, and cushion for marketing costs, meetings, and legal fees. Many of the expense lines are conservative estimates, and actual costs may be lower than the budget



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projections. In 2017-2018, projected non-personnel costs are \$17,688 less than the budget amount.

#### 2. Funds Available for Operations

As mentioned above, we are not seeking a balanced budget, where income equals expenses in this budget. Instead, the Funds Available for Operations are determined by analyzing the Foundation's cash needs for the fiscal year. Our assumption is that all Personnel Expenses and Non-Personnel Support Costs will need to be paid out during the fiscal year (\$389,716). Projected cash needs for Program Disbursements (total of \$4,637,396) are as follows:

<b>Crestmoor Scholarship</b>	
2016 Scholars	\$20,000
2017 Scholars	\$20,000
2018 Scholars	\$40,000
2019 Scholars	\$40,000
<b>Total Crestmoor Scholarship</b>	<b>\$120,000</b>
<b>Community Grants Fund</b>	
Yet-to-be-paid grants awarded in 2016-17 and 2017-18	\$45,000
Grants awarded in Dec 2018	\$200,000
<b>Total Community Grants Fund</b>	<b>\$245,000</b>
<b>Strategic Grants</b>	
Music Education Strategic Initiative	\$88,221
Community Day 2018	\$51,000
Pedestrian Safety Strategic Initiative	\$263,952
First Responder Effectiveness Strategic Initiative	\$450,723
Recreation & Aquatics Center – Conceptual Design	\$168,500
Recreation & Aquatics Center – Construction Documents	\$3,000,000
School District Transformation	\$250,000
<b>Total Strategic Grants</b>	<b>\$4,272,396</b>

Total cash needs for 2018-2019 are estimated at \$5,027,112. This figure, after adjustment for residual 2017-2018 cash balance, will drive the Foundation's Funds Available for Operations in 2018-2019.

We have two categories of Funds Available for Operations: Operating Income and Transfers from Net Assets.

# SAN BRUNO

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#### **Operating Income**

At this time, the Foundation's Operating Income is negligible (\$8,000):

- Interest Income: This line includes estimated investment income from the Fidelity Liquidity Pool account attributable to the Transfer from the Strategic Pool designated for the operating budget and interest earned on the Wells Fargo operating bank accounts.
- Restricted Donations: There are no firm commitments for donations earmarked to specific projects (such as Community Day), but we may receive such restricted donations during the year.

#### **Transfers from Net Assets**

Consequently, the Foundation's available funds come almost entirely from transfers from the Quasi-Endowment and the Strategic Pool. (These investment accounts represent most of the organization's Net Assets.) The question in developing this budget is what portion of the needed funds comes from each pool. In answering this question, it is important to think back to the original purpose of each pool of funds. In responding to the results of the Community Listening Campaign, the Board decided to designate about \$54 million of the restitution funds to establish the Strategic Pool to be spent outright on strategic initiatives. The idea was that a pool that size was necessary to enable the funding of at least one major community facility project and other one-time strategic projects. The Board has indicated its support for the concept of a \$50 million recreation and aquatics center for San Bruno and funded the first stage of the project (conceptual design) with a \$550,000 grant.

The Board also created the Quasi-Endowment with \$15 million of the restitution funds. The idea behind the Quasi-Endowment has been to follow a long-term endowment investment strategy, so that only a portion of the investment income would be used as operating funds, and that once the Strategic Pool had been depleted, a scaled-back version of the Foundation could continue to operate – possibly in perpetuity – funding the Crestmoor Scholarships, the Community Grants Fund, and potentially some smaller strategic projects on an ongoing basis. In creating the Investment Operating Plan in 2016, the Board decided not to take any Quasi-Endowment payout in the first year of possessing the restitution funds (2016-2017) to enable the Quasi-Endowment to grow. Last year, the Board approved a 2.25% Quasi-Endowment payout rate to cover cash needs for the Crestmoor Scholarships and the Community Grants Fund. This was consistent with the vision behind the Quasi-Endowment and allowed the Quasi-Endowment to continue to grow while the Foundation still has funds in the Strategic Pool to cover expenses.

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Cash on hand as of June 30, 2018, is projected to be \$755,428. Of that amount, \$45,000 is Quasi-Endowment payout intended for two grants that were expected to be paid out in fiscal year 2017-2018 but will now be paid out in fiscal year 2018-2019. As a result, of the projected June 30 cash on hand, \$45,000 will be designated for Community Grants and Crestmoor Scholarship cash needs, and the balance (\$710,428) will be designated for Strategic Grants and operating expenses.

- **Quasi-Endowment Payout:** The cash flow needs of the Crestmoor Scholarships and Community Grants Fund are expected to be \$365,000 for fiscal year 2018-2019. As mentioned above, \$45,000 of the cash on hand at the end of the 2017-2018 fiscal year will go toward meeting these cash needs, leaving a balance of \$320,000 to be funded by new Quasi-Endowment payout. At the June 6 meeting, the Board will consider a proposal from the Investment Committee to set the fiscal year 2018-2019 payout rate for the Quasi-Endowment at 1.95%, which would cover the balance of the cash flow needs of the Crestmoor Scholarships and Community Grants Fund. The 1.95% payout rate will result in \$319,980.
- **Strategic Pool:** The transfer from the Strategic Pool is budgeted at \$4,043,704. This amount will cover total cash needs minus the Quasi-Endowment payout and minus the \$755,428 in residual cash carried forward at the end of the 2017-2018 fiscal year. Similar to this past year, the Investment Committee recommends that the Executive Director have the discretion to divide the transfer into smaller increments and set the timing of the transfer of those increments based on the Foundation's cash flow needs.

### **3. Additional Transfer from the Strategic Pool to the Liquidity Pool in Fiscal Year 2018-2019**

As explained in the staff memo related to the Investment Committee's Report, the Committee is recommending to the Board a one-time transfer of \$10 million – in addition to the \$4,043,704 to cover cash needs in fiscal year 2018-2019 – from the Strategic Pool to the Liquidity Pool at the beginning of fiscal year 2018-2019. The purpose of this transfer is to reduce market volatility risk for a portion of the funds that will be used to fund the recreation and aquatics center project. The \$10 million figure is based in part on the project architect's rough projection of 2019-2020 cash flow needs for the project – which is about \$12.7 million. This transfer will be consistent with the structure of the Liquidity Pool, which is intended to hold funds to be disbursed over the next 24 months.

This transfer will not appear in the fiscal year 2018-2019 budget, as it is not intended to be used in 2018-2019. On the monthly balance sheet under "Assets," "Cash, Fidelity Liquidity Pool" will be broken into two sub-lines: (a) hold for the recreation and aquatics center, and (b) operating cash. Interest and dividends will be allocated between the two sub-lines, so that the \$10

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million will increase by the income it earns. In addition, the summary at the end of the monthly budget report narrative will include a short description of the Liquidity funds breakdown.

The attached resolution, which I recommend the Board adopt, takes action on three issues: It (a) approves the fiscal year 2018-2019 budget, (b) sets the Quasi-Endowment payout rate for fiscal year 2018-2019, and (c) approves two transfers from the Strategic Pool to the Liquidity Pool (\$4,043,704 to support the 2018-2019 operating budget and \$10 million on hold for the recreation and aquatics center).

#### Attachments:

1. Resolution Approving Fiscal Year 2018-2019 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2018-2019, and Approving Transfers from the Strategic Pool Investment Account to the Liquidity Pool Account for Fiscal Year 2018-2019
2. Exhibit A: 2018-2019 Proposed Budget

**RESOLUTION NO. 2018-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
APPROVING FISCAL YEAR 2018-2019 BUDGET, SETTING THE QUASI-ENDOWMENT PAYOUT  
RATE FOR FISCAL YEAR 2018-2019, AND APPROVING TRANSFERS FROM THE STRATEGIC POOL  
INVESTMENT ACCOUNT TO THE LIQUIDITY POOL ACCOUNT FOR FISCAL YEAR 2018-2019**

**WHEREAS**, the San Bruno Community Foundation's next fiscal year will begin on July 1, 2018, and prudent financial management of the Foundation's finances requires the creation of an annual budget prior to the start of the fiscal year;

**WHEREAS**, Article XVI(c) of the Foundation's Bylaws require that the Foundation's annual budget be approved by the San Bruno City Council;

**WHEREAS**, the proposed fiscal year 2018-2019 budget as attached in Exhibit A reflects decisions about program initiatives and investment strategy that the Foundation's Board of Directors has made;

**WHEREAS**, the Board of Directors, upon receipt from the City of San Bruno in May 2016 of the restitution funds resulting from the City's settlement with Pacific Gas & Electric Company following the 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, established three Fidelity brokerage accounts to hold the Foundation's funds: Quasi-Endowment Pool account, Strategic Pool account, and Liquidity Pool account.

**WHEREAS**, Section VII.1 of the Foundation's Investment Policy Statement states:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

**WHEREAS**, Section VI.1.d.i of the Foundation's Investment Operating Plan with investment adviser Sand Hill Global Advisors (SHGA), which provides pool-specific operating guidelines for payout or other withdrawals, states:

Payout amount [for the Quasi-Endowment Pool] will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017,

the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

**WHEREAS**, a Quasi-Endowment payout rate of 1.95% for fiscal year 2018-2019 would provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund, consistent with the original long-term vision for the Quasi-Endowment, and allow the Quasi-Endowment the opportunity to continue to grow;

**WHEREAS**, the Investment Committee, on May 16, 2018, passed a resolution recommending that the Board of Directors set the Quasi-Endowment payout rate for fiscal year 2018-2019 at 1.95%, resulting in a payout of \$319,980;

**WHEREAS**, the Investment Committee and Board have expressed a desire to give the Executive Director and Treasurer discretion in the timing of moving the approved payout from the Quasi-Endowment account to the Liquidity Pool account, depending on the timing of cash-flow needs and a desire to keep funds in the Quasi-Endowment account for as long as possible;

**WHEREAS**, the Section VII.2 of the Foundation's Investment Policy Statement states:

The Strategic Pool has been earmarked by the Board to fund strategic projects, including but not limited to capital improvement projects of community facilities, that benefit the San Bruno community. As such, withdrawals will be determined by the timing of project expenditures, as well as guidance from the SBCF Board. The Investment Committee and SBCF staff will provide direction to the Investment Manager regarding liquidation of investments to fund the withdrawals. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

**WHEREAS**, Section VI.1.d.ii of the Foundation's Investment Operating Plan states:

Withdrawals [from the Strategic Pool] will be determined by the timing of project expenditures, per guidance from the SBCF Board. SBCF will provide a schedule of likely withdrawals to SHGA at the time of the annual budget planning process. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

**WHEREAS**, a transfer of \$4,043,704 from the Strategic Pool is needed to cover the Foundation's operating expenses and strategic grant obligations for the 2018-2019 fiscal year;

**WHEREAS**, concluding that a new recreation center/pool facility would be a meaningful investment benefiting the entire San Bruno community for years to come and a tangible tribute to the Crestmoor neighborhood and those residents who most directly experienced the devastation of the 2010 gas pipeline explosion, on March 1, 2017, the Board of Directors approved a resolution expressing its support for the concept of the Foundation making a strategic grant to the City of San Bruno for the planning, design, and construction of a new recreation and aquatics center in an amount not to exceed \$50 million and directing the

Executive Director to proceed with negotiating and proposing the terms of such grant arrangement with the City;

**WHEREAS**, on November 1, 2018, the Board of Directors approved a strategic grant, in an amount not to exceed \$550,000, to the City of San Bruno to cover expenses in connection with the conceptual design of a community recreation center and aquatic center for the benefit of the public.

**WHEREAS**, the City of San Bruno will soon complete the conceptual design stage of its recreation and aquatics center project, and the project's architects have provided a preliminary process and cash-flow timeline for the remaining two stages of the project (construction documents and construction), which estimates approximately \$12.7 million to be paid out in fiscal year 2019-2010 for the project; and

**WHEREAS**, on May 16 2018, the Investment Committee voted to recommend to the Board a transfer, at the beginning of fiscal year 2018-2019, of \$10 million from the Strategic Pool to the Liquidity Pool to be held for the recreation and aquatics center project for disbursement in the 2019-2010 fiscal year.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors approves the fiscal year 2018-2019 Foundation budget attached as Exhibit A.

**FURTHER BE IT RESOLVED** that the Board of Directors sets the Quasi-Endowment payout rate for fiscal year 2018-2019 at 1.95%, resulting in a transfer from the Quasi-Endowment account to the Liquidity Pool account of \$319,980, to be used to meet the cash needs of the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in the 2018-2019 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments and set the timing of the transfer of those increments based on the Foundation's cash flow needs.

**FURTHER BE IT RESOLVED** that the Board of Directors approves a transfer from the Strategic Pool account to the Liquidity Pool account of \$4,043,704 to cover remaining operating expenses and strategic grant obligations for the 2018-2019 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments and set the timing of the transfer of those increments based on the Foundation's cash flow needs.

**FURTHER BE IT RESOLVED** that the Board of Directors approves a one-time transfer from the Strategic Pool account to the Liquidity Pool account of \$10,000,000, to be held for the recreation and aquatics center project for disbursement in the 2019-2010 fiscal year, and directs the Executive Director to execute the transfer in July 2018 (the first month of the 2018-2019 fiscal year).

**FURTHER BE IT RESOLVED** that the Board of Directors directs the Executive Director to submit the fiscal year 2018-2019 budget to the San Bruno City Council for consideration and approval.

Dated: June 6, 2018

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2018-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 6<sup>th</sup> day of June, 2018, by the following vote:

AYES:        Board members:

NOES:        Board members:

ABSENT:     Board members:



EXHIBIT A  
June 1, 2018

**SAN BRUNO**  
Community Foundation

**2018-2019 Proposed Budget**

	<u>2017-18 Budget</u>	<u>April 2018 Actual</u>	<u>May-Jun 18 Projected</u>	<u>Projected 2017-18</u>	<u>Proposed 2018-19 Budget</u>	<u>Change vs. 2017-18 Actual</u>
<b>INCOME</b>						
1 Interest Income	\$ 8,000	\$ 6,162	\$ 1,200	\$ 7,362	\$ 8,000	\$ 638
2 Restricted Donations	-	237,100	300,000	537,100	-	(537,100)
3 Miscellaneous Income	-	2,000	-	2,000	-	(2,000)
<b>4 Subtotal Operating Income</b>	<b>8,000</b>	<b>245,262</b>	<b>301,200</b>	<b>546,462</b>	<b>8,000</b>	<b>(536,462)</b>
5 Transfers from Quasi Endowment	352,921	352,921	-	352,921	319,980	(32,941)
3 Transfers from Strategic Pool	1,071,764	1,071,914	-	1,071,914	4,043,704	2,971,790
<b>7 Subtotal Transfers from Net Assets</b>	<b>1,424,685</b>	<b>1,424,835</b>	<b>-</b>	<b>1,424,835</b>	<b>4,363,684</b>	<b>2,938,849</b>
<b>8 FUNDS AVAILABLE FOR OPERATIONS</b>	<b>1,432,685</b>	<b>1,670,097</b>	<b>301,200</b>	<b>1,971,297</b>	<b>4,371,684</b>	<b>2,402,387</b>
<b>EXPENSES</b>						
9 Crestmoor Scholarships	120,000	120,000	-	120,000	120,000	-
10 Community Grants Fund	200,000	280,000	20,000	300,000	200,000	(100,000)
11 Strategic Grants	50,293,952	1,015,675	10,000	1,025,675	4,570,000	3,544,325
<b>12 Subtotal Direct Program Expenses</b>	<b>50,613,952</b>	<b>1,415,675</b>	<b>30,000</b>	<b>1,445,675</b>	<b>4,890,000</b>	<b>3,444,325</b>
12 Salaries & Wages	181,125	152,296	31,093	183,389	186,559	3,170
13 Payroll Taxes & Benefits	22,594	26,307	4,873	31,180	22,284	(8,896)
<b>14 Subtotal Direct Personnel Expenses</b>	<b>203,719</b>	<b>178,603</b>	<b>35,966</b>	<b>214,569</b>	<b>208,843</b>	<b>(5,726)</b>
15 Occupancy	14,104	11,690	2,414	14,104	14,657	553
16 Insurance	17,851	14,900	2,951	17,851	17,493	(358)
17 Telecommunications	1,800	1,513	303	1,816	1,920	104
18 Postage & Shipping	2,000	1,733	103	1,836	2,000	164
19 Marketing & Communications	15,158	9,230	986	10,216	15,618	5,402
20 Office Supplies and Equipment	3,490	1,599	210	1,809	5,219	3,410
21 Legal Fees	37,917	24,713	5,324	30,037	36,786	6,749
22 Accounting & Payroll Fees	31,733	26,187	3,022	29,209	31,000	1,791
23 Other Consultants	44,350	40,458	6,084	46,542	50,050	3,508
24 Travel, Meetings & Conferences	4,720	2,097	529	2,626	4,130	1,504
25 Miscellaneous	2,000	1,270	119	1,389	2,000	611
<b>26 Subtotal Non-Personnel Support Costs</b>	<b>175,123</b>	<b>135,390</b>	<b>22,045</b>	<b>157,435</b>	<b>180,873</b>	<b>23,438</b>
<b>27 TOTAL EXPENSES</b>	<b>50,992,794</b>	<b>1,729,668</b>	<b>88,011</b>	<b>1,817,679</b>	<b>5,279,716</b>	<b>3,462,037</b>
<b>28 NET SURPLUS</b>	<b>\$ (49,560,109)</b>	<b>\$ (59,571)</b>	<b>\$ 213,189</b>	<b>\$ 153,618</b>	<b>\$ (908,032)</b>	<b>\$ (1,059,650)</b>

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** June 1, 2018

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Ad Hoc Committee on Board Development

In March, the Board created the Ad Hoc Committee on Board Development, with Board Member Regina Stanback Stroud serving as chair and Secretary John McGlothlin as committee member. In Chair Stanback Stroud's absence, Committee Member McGlothlin will provide an update on the Committee's activities at the June 6, 2018, Board meeting.

The Committee met on May 22, 2018, developing the following charge for the Committee:

The purpose of the Ad Hoc Committee on Board Development is to make recommendations and propose strategies for improving the effectiveness of the Foundation's Board of Directors, including training for Board members, development of an orientation plan for new Board members, identification of experience and expertise needed on the Board, and enhancement of processes to bolster the Board's effectiveness.

To achieve this end, the Committee aims to achieve the following goals:

- Identifying experience, expertise, and other qualities from which the Board would benefit, to be sought in new Board members
- Developing substantive orientation for new Board members, including the Foundation's history, structure, programs, and finances
- Developing Board development training for new Board members, including the role of the Board and individual Board members, Board operational norms, the Brown Act, and ethics

The Committee expressed particular interest in pursuing these goals in preparation for the Board transition that will take place at the end of 2019, when three current Board members will be termed out and the City Council will appoint three new Board members.

The Committee then discussed the need to prepare now for an orientation for new Board members to take place at the end of 2019 or in early 2020, which could take the form of a full

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Board retreat in order to ensure that continuing as well as new Board members share a common understanding of the Foundation (mission, goals, operations, programs, and finances) and the role of the Board. Topics to be covered at such a retreat/orientation could include:

- Overview of the Foundation's history and origins, mission, program strategy, finances, and investment strategy
- Training on the role of a nonprofit Board, how the Board can effectively support the Executive Director, and operational norms for the Board
- An overview of key finance and investment concepts, as they pertain to the Foundation's investment strategy
- Brown Act training
- Ethics and conflict of interest training
- An overview of the City of San Bruno, including an understanding of the City Council, City Manager, City departments, and their decision-making processes
- Overview of the Crestmoor Scholarship and Community Grants Fund review panel processes
- Overview of process for bringing forth items for the Board to discuss

The terms of three current Board members will expire at the end of 2019. Under the Bylaws, the City Council makes all Board appointments. The Committee discussed the desire of the Board to provide guidance to the City Council in terms of Board member experience/expertise/skills/perspectives needs and suggested doing a survey of the experience/expertise/skills/perspectives that current Board members bring to the Board, what the Board will lose when the three members retire from the Board, and what experience/expertise/skills/perspectives of new Board members would benefit the Board moving forward ("gap analysis"). The Committee suggest that the Board begin conducting the gap analysis at the September Board meeting, so that it can provide its insights related to the appointments process to the City Council in the fall.