



Orangewood Foundation Board of Directors

Brown Act Meeting

June 14, 2022

8:00 – 8:15 a.m.

1575 E. 17<sup>th</sup> Street, Santa Ana, CA 92705

<https://orangewoodfoundation-org.zoom.us/j/87816664824?pwd=UjBYRUNzQ1NSenJjbXNlU1hYaENzdz09>

**AGENDA**

		Page No.
<b>SAMUELI ACADEMY REPORT</b>	<b>GREG DUNLAP</b>	
1. Call to Order		
2. Approval of June 8, 2021 Minutes	<i>Item for Approval</i>	2
3. Public Comment		
4. Board member renewal – Susan Barua	<i>Item for Approval</i>	4
5. OF/SA Management Services Agreement	<i>Item for Approval</i>	5
6. OF/SA Lease Agreement	<i>Item for Approval</i>	15
7. 22-23 Samueli Academy Budget		18
8. Samueli Academy Update	Anthony Saba	26
- Graduation		
- Summer programs		
- Plans for Fall		
9. Other Business		
10. Adjournment		



BOARD OF DIRECTORS BROWN ACT MEETING MINUTES

Held Tuesday, June 8, 2021; 3:30 p.m.

Zoom Meeting

ROLL CALL

**Directors Present:** Marissa Barth, Dennis Berlien, Stuart Bernstein, Alan Clifton, Cindy Dillion, Keith Duggan, Greg Dunlap, Bruce Fetter, Rich Dutch, Daniel Houck, Bob Istwan, Sandi Jackson, Mitch Junkins, Steve Keefer, Harry Langenberg, Renee Pepys-Lowe, Neena Master, Vikki Murphy, Lauren Peterson, Andy Phillips, Jeff Roos, Sona Shah, Rick Sherburne, Kasey Suryan, Kris Theiler, Paul Tobin, Piero Wemyss and Casandra Williams.

**Directors Absent:** Bob Bartholomew, Adam Horowitz, David Dunn, Bob Istwan, Chris Jones, Kimberly Kirksey, Joe Lozowski, Vic Merjanian, Mohit Mittal, Ken Parker, Tim Ryan, Susan Samuelli, John Stratman, John Stumpf and Shannon Tarnutzer.

**Staff Present:** Lupita Gutierrez, John Luker, Kendra Puryear, Anthony Saba, Pam Shambra, Chris Simonsen and Shay Sorrells.

MEETING INTRODUCTION

Greg Dunlap called the June 8, 2021 Orangewood Foundation Board of Directors Brown Act Meeting to order at 3:30 pm. He reminded the Board of the legislative changes that require this meeting to be a public meeting.

PUBLIC COMMENT

Greg opened the floor for public comment. No public comment was made.

GOVERNANCE

John presented the Shared Services Agreement between Orangewood Foundation and Samuelli Academy. He shared that the main change in the agreement has been a change to a position that previously a Samuelli Academy staff person. He shared that this was a programmatic change for enhanced supervision. He reminded the Board that this is an agreement to reimburse Orangewood for the various support services we provide Samuelli Academy. He explained that every year this is reviewed by the audit firm to review the time allocation and that the billing rates are at or below market rate. He shared that this agreement has been approved by the Samuelli Academy Board of Trustees.

A motion was made by Greg Dunlap, seconded by Steve Keefer and approved by all to approve the Shared Services Agreement between Orangewood Foundation and Samuelli Academy.

**Orangewood Foundation Board of Directors- Brown Act Meeting**

Tuesday, June 9, 2021

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EXECUTIVE DIRECTOR

Anthony thanked the Board for their attendance and their outstanding commitment and support to the Samueli Academy Board of Trustees, staff and students. He provide an update on the current state of the school. He shared that we are incredibly excited to have recently held another successful graduation with a 99% graduation rate. He explained that the graduation was held in person at Mariners church and thanked all who attended. He shared that we will be working through the summer to ensure our students make up the classes they failed

Anthony stated that due to the circumstances of the past year, many students must attend summer school to make up credits for classes they failed. As such, Samueli Academy is providing a very robust academic summer school program to ensure our students are ready for next year and on track to graduate. Greg thanked Anthony for the consistency throughout the year and making it a successful one despite the difficulties the world has faced.

OTHER BUSINESS

Greg opened the floor for other business. No new business was brought forth.

ADJOURNMENT

A motion was made by Greg Dunlap, seconded by Steve Keefer and carried by all adjourn the Orangewood Foundation Board of Directors Brown Act meeting at 3:45 p.m. The next meeting date will be set as needed.

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**CINDY DILLION, SECRETARY**

## **Susamma (Susan) Barua, Ph.D. *Trustee***

Dr. Susan Barua is the Dean of the College of Engineering and Computer Science at California State University, Fullerton (CSUF). She received her Ph.D. degree in Computer Engineering from the University of Cincinnati and joined CSUF faculty in 1988. Dr. Barua – a Professor of Computer Science and Computer Engineering – served as the ECS Interim Dean from July 2016 to May 2018 and as Associate Dean for eight years from 2008 to 2016.

Under Dr. Barua's leadership, the College put into practice initiatives to improve the academic preparation of first-time freshmen, increase student retention and graduation rates, reduce time to degree, and close the opportunity gap among underrepresented and first-generation students. She guided the development and implementation of proactive strategies aimed at increasing the diversity and inclusiveness of engineering and computer science students at Cal State Fullerton.

Dr. Barua has authored numerous technical articles. She is the recipient of several STEM related grants from National Science Foundation, Department of Education and Department of Labor. A recipient of Outstanding Service and Outstanding Teacher/Scholar awards several times, Dr. Barua is a leader in engineering educational reform and is an experienced developer of innovative education programs. She has been actively involved in mentoring female and underrepresented students in computing for most of her career.



**BOARD OF TRUSTEES  
AGENDA ITEM COVER SHEET**

Agenda Item #: \_\_\_\_\_

Agenda Item: 22-23 Shared Services Agreement

Submitted by: John Luker

- Purpose:
- For your information
  - To get your perspective
  - For board action
  - Recommendation
  - X Vote

**Background:**

Attached is an updated redline 22-23 Shared Services Agreement. This includes an updated estimate of time service by Orangewood staff on Samueli Academy business. The agreement increases from \$664,773 to \$750,000. The increase is primarily due to increased salary and benefits and additional support for facilities. This has been reviewed by Orangewood and Samueli Academy leadership.

**Recommendation:**

Management recommends approval of the 22-23 Shared Services Agreement.

## SERVICES AGREEMENT

This Services Agreement (“Agreement”) is made on this day ~~May 21, 2021~~ April 26, 2022, executed by and between Samueli Academy, a California nonprofit public benefit corporation operating a public charter school, and Orangewood Foundation (“Orangewood”), a California nonprofit public benefit corporation.

### RECITALS:

**WHEREAS**, Orangewood has the knowledge, experience, and expertise necessary with respect to finance and accounting, information technology, fundraising, development, and human resources; and

**WHEREAS**, Samueli Academy operates a public charter school under a charter granted by the Orange County Board of Education (“Authorizers”) pursuant to the Charter Schools Act of 1992 (Section 47600 *et seq.* of the California Education Code); and

**WHEREAS**, Samueli Academy Board of Trustees (“Board”) may carry out any act and ensure the performance of any function by Samueli Academy and its charter that is in compliance with the California Constitution; the Education Code; other federal, state or local statutes and regulations, orders and rulings applicable to California charter schools; any operational Memoranda of Understanding between Samueli Academy and its Authorizer; and the charter (collectively “Applicable Law”); and

**WHEREAS**, Samueli Academy Board has determined that it is in Samueli Academy’s best interests to enter into this Agreement with Orangewood in order to obtain the services of Orangewood at their cost, and for a stated time period; and

**WHEREAS**, this Agreement is intended to outline the mutual understanding between Samueli Academy and Orangewood governing their respective fiscal and administrative responsibilities and their legal relationship.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt, sufficiency and reasonableness of which are hereby acknowledged, the parties agree as follows:

### AGREEMENTS:

- I. Term of Agreement. The Agreement shall begin on July 1, 202~~1~~<sup>2</sup>, and run through June 30, 202~~2~~<sup>3</sup>, or until terminated as provided under Section III. Thereafter, the Agreement shall automatically renew for one year periods (July 1 – June 30) unless notice of nonrenewal is given with thirty (30) days advance written notice.
- II. Modification. Any modification of this Agreement must be in writing and executed by duly authorized representatives of both parties and indicate and intend to modify this Agreement. The duly authorized representative of Samueli Academy is the Chairman of the Board of Trustees. The duly authorized representative of the Orangewood is the Chairman of the Orangewood Board of Directors.

- III. Termination. Either party may terminate this Agreement at any time, with or without cause, with one hundred twenty (120) days advance written notice. In addition, this agreement may be deemed terminated automatically in the event the charter is revoked, or the charter school closed or the charter abandoned.
- IV. Services to be provided by Orangewood. Orangewood agrees to perform the Scope of Work outlined in **Attachment A**, attached here and incorporated by reference, and perform all deliverables, for which Samueli Academy will be charged fair and reasonable market rates.
- V. Payment and Terms. Samueli Academy will reimburse Orangewood at its cost for services as outlined in **Attachment A**.
- VI. Liability. Neither Party shall be liable for any errors, omissions, debts or obligations made or entered into by prior to the date of execution of this Agreement. It is the intent of the parties that Samueli Academy be responsible for its own debts and obligations. Nothing in this Agreement shall be construed as imposing on Orangewood any liability arising out of the operations of Samueli Academy or its charter school, except as such liability may result from the provision of services by Orangewood to Samueli Academy. It is the intent of the parties that Orangewood be responsible for its own debts and obligations. Nothing in this Agreement shall be construed as imposing on Samueli Academy any liability arising out of the operations of Orangewood, except as such liability may result from the provision of services to Samueli Academy.
- VII. Indemnification. Samueli Academy agrees to defend, indemnify and hold Orangewood, its employees, officers, directors and agents, free and harmless against any liability, loss, claims, demands, damages, expenses and costs (including attorney's fees and other costs of litigation or other proceedings) of every kind or nature arising in any manner out of the performance by Orangewood of its obligations under this Agreement, except such loss or damage caused solely by the negligence or willful misconduct of Orangewood.
- Orangewood agrees to defend, indemnify and hold Samueli Academy, its employees, officers, directors and agents, free and harmless against any liability, loss, claims, demands, damages, expenses and costs (including attorney's fees and other costs of litigation or other proceedings) of every kind or nature arising in any manner out of the performance by Samueli Academy of its obligations under this Agreement, except such loss or damage caused solely by the negligence or willful misconduct of Samueli Academy.
- VIII. Confidentiality. Orangewood shall keep all confidential information made available to it under this Agreement confidential to the extent required by law; provided that nothing in this Agreement shall be construed as restricting Orangewood in performing the services, which require routine disclosure of such information to auditors, regulatory agencies, insurance carriers, and providers. With Samueli Academy's consent, Orangewood will provide financial references upon request to certification organizations, financial institutions, and potential grantors.

IX. Legal Relationship. The parties recognize that each is a separate legal entity. Samuelli Academy shall have no authority to enter into a contract that would bind Orangewood, nor extend the credit of Orangewood to any third person or party. Orangewood shall have no authority to enter into a contract that would bind Samuelli Academy, absent prior written authorization by Samuelli Academy’s Board.

Samuelli Academy affirms that Samuelli Academy and its charter school shall remain solely liable for all debts incurred by Samuelli Academy and that no action taken by Orangewood shall render Orangewood liable in any way for the debts of Samuelli Academy. Orangewood affirms that Orangewood shall remain solely liable for all debts incurred by Orangewood and that no action taken by Samuelli Academy shall render Samuelli Academy liable in any way for the debts of Orangewood.

X. Non-Assignment. Neither party shall assign its rights, duties or privileges under this Agreement, nor shall either party attempt to confer any of its rights, duties or privileges under this Agreement on any third party, without the written consent of the other.

XI. Severability. If any provision or any part of this Agreement is for any reason held to be invalid or unenforceable or contrary to public policy, law or statute and/or ordinance, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

XII. Communications. Samuelli Academy shall respond promptly to any Orangewood request for information, and Orangewood shall respond promptly to any request of Samuelli Academy for information. Samuelli Academy shall also respond promptly to any Orangewood request for clarification of any of Samuelli Academy’s fiscal reporting obligations under this Agreement and/or the charter. Samuelli Academy and Orangewood will endeavor to resolve disputed issues amicably through frequent and frank communication, and in accordance with the dispute resolution procedures outlined in Section XIII.

Any notice or communication required by, or permitted to be made by or given to either party pursuant to this Agreement, shall be sent to:

Samuelli Academy:	Orangewood Foundation:
Anthony Saba, Executive Director	Chris Simonsen, CEO
1901 N. Fairview Street	1575 E. 17 <sup>th</sup> Street
Santa Ana, CA 92706	Santa Ana, CA 92705
714-619-0215	714-796-0203



- XIII. Dispute Resolution. Samueli Academy and Orangewood will resolve disputed issues amicably through frequent and frank communication. If a dispute arises out of or relates to this Agreement, or any alleged breach of this Agreement that cannot be settled through informal communication, the Parties agree to the following process:
- A. The disputing party must provide a brief written statement/summary (“Statement”) of the issue(s) in dispute. Within fourteen (14) days of receipt of the Statement, the Executive Director and CEO of the parties shall have an in-person meeting to discuss and attempt to resolve the issues.
  - B. If the dispute cannot be settled by good faith negotiation between the Executive Director and CEO, a meeting of the Board Chairs of Samueli Academy and Orangewood will take place. This meeting will occur within thirty (30) days’ receipt of the Statement.
  - C. If the dispute cannot be settled by formal meeting of the respective Board Chairs, the parties will submit the dispute to non-binding mediation in Orange County, California. If complete agreement cannot be reached within thirty (30) days of submission to mediation by a mutually agreed upon mediator, any remaining issues will be resolved by binding arbitration
- XIV. Attorneys’ Fees and Costs. In the event that an action or proceeding is instituted to enforce any provision of this Agreement, the prevailing party shall be entitled to its court costs, interest and reasonable attorneys’ fees as fixed by the court.
- XV. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

Dated: \_\_\_\_\_  
 Sandi Jackson, Chairman of the Board of  
 Samueli Academy Charter School

Dated: \_\_\_\_\_  
 Greg Dunlap, Chairman of the Board  
 Orangewood Foundation

## ATTACHMENT A

### SCOPE OF WORK

#### FINANCE, AUDIT & RISK MANAGEMENT

##### A. Financial/Audit support

- Orangewood Finance staff will partner with ExED, a third party consultant, to prepare a monthly financial dashboard, regular Federal and State reports, El Dorado SELPA reports, materials for Board meetings and the annual budget, and OCDE finance related compliance materials.
- Orangewood will provide monthly financial statements, budgets, accounts payable and treasury functions including reconciling deposits, cash reconciliations, credit management and positive pay.
- Orangewood prepares financial documents for the auditors and works side-by-side with the auditors to help ensure a smooth and timely audit process.
- Audit compliance training - Orangewood assists in developing financial policies designed to meet the requirements and help protect Samueli Academy from financial mismanagement. These policies and procedures will be updated annually.
- Orangewood Finance staff will partner with School Food Solutions, a third party consultant, to prepare monthly School Food Authority (SFA) invoices and annual reports and complete any Statewide audits.
- Orangewood Finance staff will prepare the meeting materials for the monthly Finance meeting and prepare Finance Committee minutes in compliance with the BROWN Act and post appropriately all meetings for the public and all minutes to the website as required.
- Orangewood Finance staff will prepare the meeting materials for any Audit committee meeting and prepare Audit Committee minutes in compliance with the BROWN Act and post appropriately all meetings for the public and all minutes to the website as required.
- Orangewood Finance staff will provide ad-hoc reports as requested by the Board and its committees for use in planning for the future. This could include -teacher compensation, OCDE requests, WASC accreditation or other considerations.
- IRS Form 990 Support (and the corresponding State Franchise Tax Board Form 199) - Orangewood supports Samueli Academy and auditor in preparing Form 990 tax-exempt organization annual filing.
- Orangewood Finance staff will complete monthly accounting of Samueli Academy investments in the Orangewood Foundation endowment that are restricted for Samueli Academy use. This includes quarterly review of investment performance with the investment committee and annual compliance certification from the Trust company that all investments meet investment guidelines.

## **B. Risk Management/Corporate Insurance/Legal**

- Orangewood will secure corporate insurance policies for Samueli Academy and its Board of Trustees. Policies would include items such as General Liability, Property, Workers Compensation and Directors & Officers.
- Orangewood will coordinate with Samueli Academy on any potential property or general liability claim and ensure that an incident report is filled out.
- The Orangewood pro bono law firm will occasionally provide management and support of general legal services.

## **INFORMATION TECHNOLOGY**

### **A. Information Technology/Data and Communication Services**

- Orangewood will provide and support a comprehensive technology-rich environment including IT infrastructure, wireless network, desktop/laptop support, printers, telecommunications, audio visual and security systems.
- Samueli Academy will be required to satisfy Orangewood standards for hardware, software, and maintenance as established from time to time. The network design and profile will be coordinated through Orangewood.
- The Orangewood IT Department will be responsible for the set-up, moving, maintenance and repair of any IT related issue or piece of equipment at the school.
- The Orangewood IT Department will respond to service issues within 24 hours. Issues to be resolved, escalated, or parts ordered within a 3-day period.
- Orangewood will oversee the implementation and management of the Avigilon security platform.

## **HUMAN RESOURCES / PERSONNEL**

### **A. Personnel Management**

- Job postings, interviews, and hiring decisions will be managed by school personnel. Orangewood HR will process new hires in a timely manner to ensure that positions are filled as needed. HR Department staff will meet with Samueli Academy new hires to review the various screenings they will need to complete. Once the new hire has passed all of the screenings, they will meet again to review benefits, the payroll system and organizational policies and procedures.
- Samueli Academy management will complete any necessary paperwork for the Verbal or Written Counseling Notices and then collaborate with their HR Department designated personnel to ensure compliance to labor regulations.
- Orangewood personnel will assist Samueli Academy staff in processing necessary paperwork for any employee termination along with being available for meeting with said employee for termination meeting.

### **B. Payroll & Workers' Compensation**

- Orangewood will process the Samueli Academy payroll using the Paycom system, a third-party payroll processing firm, and complete the upload of the general ledger detail into the accounting system.
- Worker's compensation practices will be managed locally at Samueli Academy.
- Orangewood will process any paperwork and attend any hearings relating to Workers' Compensation claims of Samueli Academy employees.

### **C. Personnel Records Management**

- Orangewood will assist with the setup of employee files and provides procedures to help ensure compliance with state and federal requirements regarding Live Scan procedures, TB Test information, and/or credential verification information.
- Orangewood will set up a system to keep track of expiration dates of First Aid/CPR, Professional Licenses/Credentials, and Substitute Credential, TB test, driver's license and proof of insurance.
- Samueli Academy shall abide by all state, federal and local requirements.

### **D. Compensation and Benefits**

- Health benefits administration – Orangewood will lead the process to secure employee benefits for Samueli Academy employees on an annual basis.
- Samueli Academy and Orangewood will gather and evaluate compensation data in the relevant educational market for Samueli Academy to determine changes in compensation for Samueli Academy employees.
- Retirement plans and policies will be administered centrally by Orangewood for cost efficiency.
- Orangewood Foundation will manage STRS reporting to Orange County Department of Education and the reconciliation of the reporting to actual amounts collected through Paycom.
- Orangewood shall obtain long-term disability insurance ("LTD") and manage any claims related thereto, but Samueli Academy may incorporate state and local needs into their sick leave practice.
- COBRA benefits will be administered centrally by Orangewood for cost efficiency.

## **DEVELOPMENT / FUNDRAISING**

### **A. Development/Fundraising**

- Orangewood will conduct Samueli Academy site visits as needed and work with Samueli Academy teachers and staff to compile information and tangible outcomes that can be used to engage individual and corporate donors in order to meet the annual fundraising goal to support the school operations.
- Orangewood will research, write and submit foundation grants for Samueli Academy

operations.

- Orangewood is responsible for helping to secure the necessary individuals and corporations to participate in the school's robust Work-Based Learning programs.
- Orangewood will provide operational support for special event fundraisers, as needed, for the benefit of Samueli Academy operational support.
- Orangewood will provide oversight and management of volunteer groups such as the ~~PALS auxiliary and the~~ Junior League of Orange County, CA that wish to participate in activities for Samueli Academy.

## **B. Marketing**

- Orangewood will assist with advertising and promotional activities as needed
- Orangewood will participate in public relations activities.
- Orangewood will assist in the development of printed promotional materials such as brochures, flyers, newsletters etc. as needed
- Orangewood will provide support for the website including new content if/when needed

## **Executive Office**

### **A. Representation**

- Orangewood will represent Samueli Academy in collaboration with the Executive Director as required with Orange County Department of Education, major donors, corporate partnerships, parent meetings and other third parties.
- The Orangewood CEO will work closely with the Executive Director and Board of Trustees to ensure the needs of the school are being met and will provide assistance when needed.

### **B. Governance**

- Orangewood attends Governance committee meetings and Board of Trustees meetings and other committee meetings as needed.

## **Facilities**

- The Orangewood Director of Facilities & Construction will complete a monthly operational review with Samueli Academy leadership to review outstanding facilities tickets, security issues and other facility related projects.
- The Orangewood Campus Facilities Supervisor and Campus Facilities Coordinator will be responsible for adhering to and updating the maintenance plan of the campus as outlined in the Operations manual approved by the Board.
- The Orangewood Facilities team will maintain the campus in a manner that provides a safe learning environment for the students and staff.

## COST FOR SERVICES

### **A. Compensation.**

- The amount charged under this agreement is based on the estimated FTE percentage spent by each individual Orangewood Foundation employee supporting the school at their hourly/salary rate plus the cost of benefits. Time spent by these employees supporting Orangewood Foundation, ~~the Capital Campaign~~ or the Orangewood Residential operations are excluded and not charged to the school.
- The total amount charged for the services provided by Orangewood Foundation for the ~~20221-20232~~ school year is ~~\$664,773,750,000~~ payable in monthly installments of ~~\$62,500.0055,397.75~~ which is at or below actual Orangewood cost and current market rates for these services. The actual cost of these services incurred by Orangewood Foundation is estimated at ~~\$754,054,836,176~~ for the ~~20221-232~~ school year.
- If Samueli Academy exceeds net income forecasts in the ~~20221-20232~~ school year, Samueli Academy Board of Trustees agrees to evaluate whether an additional allocation of funds to cover the true cost of Orangewood's services is appropriate.

**B. In addition to the shared services noted above, Samueli Academy and Orangewood have determined that it would be advantageous to both parties to have the foster youth support services previously approved in the Samueli Academy budget as Samueli employees to be employed and managed by Orangewood. As such, Orangewood will bill separately to Samueli Academy the actual cost of these services as incurred. The two positions budgeted were for Student Success Coordinators, with one being licensed as an MFT or LCSW. One of these positions is currently employed and the second position will be added as determined necessary.**

### **C. Auditor Hiring**

On an as-requested basis Samueli Academy may hire a 3<sup>rd</sup> party auditor to review the time allocation and costs charged to Samueli Academy in order to ensure the overall amount allocated to the school is at or below market rate for these types of services.



**BOARD OF TRUSTEES  
AGENDA ITEM COVER SHEET**

Agenda Item #: \_\_\_\_\_

Agenda Item: Lease Amendment

Submitted by: John Luker\_\_\_\_\_

- Purpose:
- For your information
  - To get your perspective
  - For board action
  - Recommendation
  - Vote

**Background:**

Upon completion of the gym and soccer field, the current lease needed to be amended to include these facilities. Upon completion a new market appraisal was completed which is attached which showed that the appraised annual lease value is \$1,880,004 or \$156,667/month. Orangewood Real Property has traditionally leased the facility below market value and the current lease is at a 27% discount. The proposed increase is at a 23% discount and the rent increases 3% annually vs the current 2% in the current agreement. The 3% increase is the market increase and will keep the agreement at the 23% discount. Also attached is an analysis of the effect of the lease agreement increase on the projected financials for the next three years.

**Recommendation:**

Management recommends approval of the rent increase.



	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>	<b>27-28</b>	<b>28-29</b>
<b>Current Samueli Academy Lease</b>	\$ 1,194,048	\$ 1,217,929	\$ 1,242,288	\$ 1,267,133	\$ 1,292,476	\$ 1,318,325	\$ 1,344,692
2% Built in increases through Jun 2029							
Market Rate by CBRE Appraisal 5/2022 w3% inc includes the new Gym	\$ 1,880,004	\$ 1,936,404	\$ 1,994,496	\$ 2,054,331	\$ 2,115,961	\$ 2,179,440	\$ 2,244,823
Proposed 23% Discount off Market	\$ 1,448,208	\$ 1,491,654	\$ 1,536,404	\$ 1,582,496	\$ 1,629,971	\$ 1,678,870	\$ 1,729,236
Gross Increase	\$ 254,160	\$ 273,725	\$ 294,116	\$ 315,363	\$ 337,495	\$ 360,545	\$ 384,544
Additional SB740 Reimbursement	\$ (85,959)	\$ (97,493)	\$ (109,552)	\$ (122,156)	\$ (135,324)	\$ (149,078)	\$ (163,437)
Net Cost to School	\$ 168,201	\$ 176,232	\$ 184,564	\$ 193,207	\$ 202,171	\$ 211,467	\$ 221,107
\$ Discount from Market	\$ 431,796	\$ 444,750	\$ 458,092	\$ 471,835	\$ 485,990	\$ 500,570	\$ 515,587
% Discount from Market	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
<b>Projected Net Income after increase in Rent</b>	<b>\$ 1,612,959</b>	<b>\$ 1,223,857</b>	<b>\$ 442,828</b>				



**SECOND-THIRD AMENDMENT TO LEASE AGREEMENT**

This ~~Second-Third~~ Amendment to Lease Agreement (“**Amendment**”) is entered into effective as of ~~March 1, 2019~~ June 21, 2022 (“**Effective Date**”) between Samueli Academy (“**Lessee**”) and Orangewood Real Property LLC (“**Lessor**”).

**RECITALS**

A. Lessee and Lessor are parties to a Lease Agreement for 1901 and 1919 N. Fairview Street, Santa Ana, CA 92706 dated May 23, 2017, as amended effective on or about July, 2018 and July, 2019 (collectively, the “**Lease**”); and

B. Lessee and Lessor desire to further amend the Lease as specifically set forth herein.

NOW, THEREFORE, for valuable consideration, the receipt of which is acknowledged, Lessee and Lessor agree as follows:

- 1. Defined terms used herein without definition shall have the meanings given to them in the Lease.
- 2. Amendment to Site. Section 1.2.1 shall be amended in its entirety to read as follows:

“1.2.1 Lessor is owner of that land, related site improvements, a 30,768 square-foot building (Academic Building), ~~a 4,460 square foot (Dhont Community Center)~~, a 45,575 square-foot building (Student Innovation Center) ~~and a 17,280 square-foot building (7<sup>th</sup> and 8<sup>th</sup> Grade Building)~~ a 22,142 square-foot building (Gymnasium) and a CIF Regulation soccer field located at 1901 and 1919 N. Fairview Street, Santa Ana, CA 92706 (collectively, the “**Site**”).

- 3. Amendment to Original Term. Section 1.3 shall be amended in its entirety to read as follows:

“1.3 This Lease shall be effective upon the date of its execution, but its term shall be for the period of July 1, 2017 (“**Commencement Date**”) and ending on June 30, 2029 (“**Expiration Date**”) subject to early occupancy, and/or options to extend the lease, if any, as set forth in Section 3 of this Lease.

- 4. Amendment to Base Rent. Section 1.4.1 shall be amended by replacing the last sentence of the first paragraph with the following:

“The following amounts are due monthly in accordance with the terms of this Lease:

~~July 1, 2020 – June 30, 2021 \$80,545.83 per month~~  
July 1, 2021 – June 30, 2022 \$~~97,552.92~~120,684 per month  
Commencing July 1, 2023 and concluding June 30, 2030, on an annual basis the monthly Rent shall be increased by two percent (~~3~~2%) of the Rent due the last month of the immediately preceding year.”

- 5. Except as expressly set forth herein, the Lease shall remain unchanged and in full force and effect.

Entered into effective as of the date set forth above.

**Samueli Academy**

**Orangewood Real Property, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**BOARD OF TRUSTEES  
AGENDA ITEM COVER SHEET**

Agenda Item #: \_\_\_\_\_

Agenda Item: 2022-2023 Budget

Submitted by: John Luker\_\_\_\_\_

- Purpose:
- For your information
  - To get your perspective
  - For board action
  - Recommendation
  - Vote

**Background:**

Attached are the following documents:  
2022-2023 Three Year Summary Budget  
2022-2023 Three Year Detailed Budget  
2022-2023 Cash Flow and Capital Expenditure Forecast

Management has been working with EXED and the administration on these budgets to ensure compliance with all grant funds and the LCAP. Major assumptions included in this budget are as follows:

1. 800 student enrollment at 94.5% ADA
2. COLA for the next three years of 6.56%, 5.38% and 4.02% as estimated by School Services
3. SB740 Funds remain available
4. Fundraising continues at \$885,000 annually
5. 4% Salary Increases and 3% increases in various other expenses annually

**Recommendation:**

Management recommends approval of the 2022-2023 three year budget.

**SAMUELI ACADEMY***Multi-Year Budget Summary*

Prepared by ExED. For use by ExED and ExED clients only. © 2022 ExED

	2021-22	2022-23 Forecast	2023-24	2024-25
Total Enrollment	807	800	800	800
ADA	755.00	756.16	756.16	756.16
% Free and Reduced	59.1%	59.1%	59.1%	59.1%
% English Language Learners	18.9%	18.9%	18.9%	18.9%
% Unduplicated Low Income, EL, Foster Youth	64.0%	64.0%	64.0%	64.0%
<b>INCOME</b>				
8011-8098 · Local Control Funding Formula Source	8,393,337	9,225,380	9,857,968	10,253,669
8100-8299 · Federal Revenue	1,065,149	1,015,524	1,171,151	703,623
8300-8599 · Other State Revenue	2,423,071	2,962,002	2,138,495	1,895,526
8600-8799 · Other Local Revenue	72,033	50,713	50,713	50,713
Grants/Fundraising	890,625	885,000	885,000	885,000
<b>TOTAL INCOME</b>	<b>12,844,215</b>	<b>14,138,620</b>	<b>14,103,326</b>	<b>13,788,532</b>
<b>EXPENSE</b>				
1000 · Certificated Salaries	4,102,171	4,437,988	4,612,133	4,791,244
2000 · Classified Salaries	1,107,753	1,306,945	1,358,423	1,411,960
3000 · Employee Benefits	1,419,628	1,696,159	1,698,033	1,765,702
4000 · Supplies	1,112,827	895,965	970,350	1,005,499
5000 · Operating Services	3,927,727	4,188,604	4,240,531	4,371,298
6000 · Capital Outlay	220,789	233,516	250,626	244,615
7000 · Other Outgo	-	-	-	-
<b>TOTAL EXPENSE</b>	<b>11,890,895</b>	<b>12,759,177</b>	<b>13,130,095</b>	<b>13,590,319</b>
<b>NET INCOME</b>	<b>953,320</b>	<b>1,379,443</b>	<b>973,231</b>	<b>198,213</b>
<b>NET INCOME BEFORE DEPRECIATION</b>	<b>1,174,109</b>	<b>1,612,959</b>	<b>1,223,857</b>	<b>442,828</b>

**SAMUELI ACADEMY**

*Multi-Year Budget Detail*

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		-1	0	1	2
		2021-22	2022-23 Forecast	2023-24	2024-25
	Enrollment	807	800	800	800
	ADA	755.00	756.16	756.16	756.16
	ADA %		94.5%	94.5%	94.5%
	UPP		62.1%	64.0%	64.0%
<b>Income</b>					
<b>8011-8098 · Local Control Funding Formula Sources</b>					
	8011 Local Control Funding Formula	8,110,212	8,941,820	9,574,404	9,970,106
	8012 Education Protection Account	151,000	151,232	151,234	151,234
	8096 In Lieu of Property Taxes	132,125	132,328	132,330	132,330
	<b>Total 8011-8098 · Local Control Funding Formula Sources</b>	<b>8,393,337</b>	<b>9,225,380</b>	<b>9,857,968</b>	<b>10,253,669</b>
<b>8100-8299 · Federal Revenue</b>					
	8181 Special Education - Federal (IDEA)	94,237	100,750	100,000	100,000
	8221 Child Nutrition - Federal	348,427	263,415	263,415	263,415
	8291 Title I	153,793	153,793	153,793	153,793
	8292 Title II	20,838	20,838	20,838	20,838
	8295 Title IV, SSAE	10,000	10,000	10,000	10,000
	8299 All Other Federal Revenue	437,854	466,728	623,104	155,577
	<b>Total 8100-8299 · Other Federal Income</b>	<b>1,065,149</b>	<b>1,015,524</b>	<b>1,171,151</b>	<b>703,623</b>
<b>8300-8599 · Other State Revenue</b>					
	8520 Child Nutrition - State	22,983	118,589	118,589	118,589
	8550 Mandate Block Grant	25,965	1,010,674	29,489	30,675
	8561 State Lottery - Non Prop 20	122,568	123,254	123,254	123,254
	8562 State Lottery - Prop 20	48,877	49,150	49,151	49,151
	8560 Lottery Revenue	171,445	172,404	172,405	172,405
	8591 SB740	746,280	877,902	924,872	855,380
	8592 State Mental Health	52,494	52,494	52,494	52,494

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	-1	0	1	2
	<b>2021-22</b>	<b>2022-23 Forecast</b>	<b>2023-24</b>	<b>2024-25</b>
8792 Transfers of Apportionments - Special Education	539,825	620,051	620,053	620,053
8599 State Revenue - Other	864,079	109,888	220,592	45,930
<b>Total 8300-8599 · Other State Income</b>	<b>2,423,071</b>	<b>2,962,002</b>	<b>2,138,495</b>	<b>1,895,526</b>
<b>8600-8799 · Other Local Revenue</b>				
8634 Food Service Sales	119	-	-	-
8660 Interest & Dividend Income	6,717	900	900	900
8692 Restricted Contributions	822,692	595,000	595,000	595,000
8694 In Kind Donations	67,934	20,000	20,000	20,000
8695 ASB Revenue	21,697	16,313	16,313	16,313
8696 Fundraising Events	-	270,000	270,000	270,000
8699 All Other Local Revenue	43,500	33,500	33,500	33,500
<b>Total 8600-8799 · Other Income-Local</b>	<b>962,658</b>	<b>935,713</b>	<b>935,713</b>	<b>935,713</b>
<b>TOTAL INCOME</b>	<b>12,844,215</b>	<b>14,138,620</b>	<b>14,103,326</b>	<b>13,788,532</b>
<b>Expense</b>				
<b>1000 · Certificated Salaries</b>				
1110 Teachers' Salaries	2,809,181	2,962,499	3,080,999	3,204,238
1170 Teachers' Salaries - Substitute	81,448	88,000	91,520	95,181
1175 Teachers' Salaries - Stipend/Extra Duty	181,382	158,734	162,900	165,234
1213 Certificated Pupil Support - Guidance & Counseling	146,067	253,183	263,310	273,842
1215 Certificated Pupil Support - Psychologist	-	101,909	105,985	110,224
1299 Certificated Pupil Support - Other	236,013	200,857	208,892	217,247
1300 Certificated Supervisors' & Administrators' Salaries	648,081	672,808	698,528	725,277
<b>Total 1000 · Certificated Salaries</b>	<b>4,102,171</b>	<b>4,437,988</b>	<b>4,612,133</b>	<b>4,791,244</b>
<b>2000 · Classified Salaries</b>				
2111 Instructional Aide & Other Salaries	329,981	455,297	473,508	492,449
2131 Classified Teacher Salaries	-	10,000	10,400	10,816

**SAMUELI ACADEMY**

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	-1	0	1	2
	<b>2021-22</b>	<b>2022-23 Forecast</b>	<b>2023-24</b>	<b>2024-25</b>
2200 Classified Support Salaries	149,994	289,977	301,576	313,639
2300 Classified Supervisors' & Administrators' Salaries	380,897	288,672	300,219	312,227
2400 Classified Office Staff Salaries	246,881	263,000	272,720	282,828
2900 Other Classified Salaries	-	-	-	-
<b>Total 2000 · Classified Salaries</b>	<b>1,107,753</b>	<b>1,306,945</b>	<b>1,358,423</b>	<b>1,411,960</b>
<b>3000 · Employee Benefits</b>				
3111 STRS - State Teachers Retirement System	681,464	847,656	880,917	915,128
3311 OASDI/MED - Social Security/Medicare	140,054	164,414	170,890	177,625
3401 H&W - Health & Welfare	458,123	566,268	522,685	543,384
3501 SUI - State Unemployment Insurance	23,024	34,050	34,116	34,085
3601 Workers' Compensation Insurance	53,864	61,771	66,765	72,141
3902 Other Benefits	63,098	22,000	22,660	23,340
<b>Total 3000 · Employee Benefits</b>	<b>1,419,628</b>	<b>1,696,159</b>	<b>1,698,033</b>	<b>1,765,702</b>
<b>4000 · Supplies</b>				
4111 Core Curricula Materials	5,000	5,000	5,269	5,481
4211 Books & Other Reference Materials	15,000	7,500	7,500	7,500
4311 Student Materials	227,500	164,445	151,311	155,418
4351 Office Supplies	26,500	23,500	24,764	25,760
4371 Custodial Supplies	38,455	16,000	16,861	17,539
4391 Food (Non Nutrition Program)	46,440	44,020	40,065	41,676
4392 Uniforms	25,000	28,500	30,033	31,241
4393 PE & Sports Equipment	35,000	12,000	12,646	13,154
4395 Before & After School Program Supplies	-	6,500	6,850	7,125
4399 All Other Supplies	155,000	183,000	192,845	200,598
4390 Other Supplies	261,440	274,020	282,439	293,794
4411 Non Capitalized Equipment	250,000	98,000	158,161	162,938

**SAMUELI ACADEMY**

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	-1	0	1	2
	2021-22	2022-23 Forecast	2023-24	2024-25
4711 Nutrition Program Food & Supplies	288,932	307,500	324,044	337,070
<b>Total 4000 · Supplies</b>	<b>1,112,827</b>	<b>895,965</b>	<b>970,350</b>	<b>1,005,499</b>
<b>5000 · Operating Services</b>				
5211 Travel & Conferences	49,285	54,455	57,385	59,692
5311 Dues & Memberships	192,551	35,321	37,221	38,718
5451 General Insurance	85,000	92,700	97,687	101,614
5511 Utilities	236,850	246,800	54,930	58,214
5521 Security Services	-	51,800	54,587	56,781
5531 Housekeeping Services	177,000	165,732	170,704	175,825
5599 Other Facility Operations & Utilities	241,594	177,738	187,300	194,830
5611 School Rent - Private Facility	1,170,576	1,448,208	1,491,654	1,536,404
5619 Other Facility Rentals	-	16,000	16,861	17,539
5621 Equipment Lease	76,964	67,140	70,752	73,596
5631 Vendor Repairs	24,500	24,500	25,818	26,856
5812 Field Trips & Pupil Transportation	116,090	98,000	103,272	107,424
5821 Legal	25,000	12,000	12,646	13,154
5823 Audit	18,500	14,950	15,754	16,388
5831 Advertisement & Recruitment	24,900	19,900	20,971	21,814
5842 Special Education Services	240,737	249,750	263,187	273,767
5849 Other Student Instructional Services	32,520	59,000	62,174	64,674
5852 PD Consultants & Tuition	40,838	60,838	41,914	20,838
5859 All Other Consultants & Services	85,820	86,700	91,364	95,037
5861 Non Instructional Software	-	113,121	116,615	121,303
5865 Fundraising Cost	600	300	316	329
5871 District Oversight Fees	83,933	92,254	98,580	102,537
5872 Special Education Fees (SELPA)	19,022	21,624	21,602	21,602

**SAMUELI ACADEMY***Multi-Year Budget Detail*

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	-1	0	1	2
	<b>2021-22</b>	<b>2022-23 Forecast</b>	<b>2023-24</b>	<b>2024-25</b>
5881 Intra-Agency Fees	774,036	834,324	974,211	1,013,374
5899 All Other Expenses	163,839	97,230	102,461	106,580
5911 Office Phone	6,267	-	-	-
5913 Mobile Phone	4,380	4,620	4,620	4,620
5921 Internet	30,224	36,199	38,147	39,680
5923 Website Hosting	-	2,700	2,845	2,960
5931 Postage & Shipping	6,700	4,700	4,953	5,152
5999 Other Communications	-	-	-	-
<b>Total 5000 · Operating Services</b>	<b>3,927,727</b>	<b>4,188,604</b>	<b>4,240,531</b>	<b>4,371,298</b>
<b>6000 · Capital Outlay</b>				
6901 Depreciation Expense	220,789	233,516	250,626	244,615
<b>Total 6000 · Capital Outlay</b>	<b>220,789</b>	<b>233,516</b>	<b>250,626</b>	<b>244,615</b>
<b>7000 · Other Outgo</b>				
7438 Interest Expense	-	-	-	-
<b>Total 7000 · Other Outgo</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSE</b>	<b>11,890,895</b>	<b>12,759,177</b>	<b>13,130,095</b>	<b>13,590,319</b>
<b>NET INCOME</b>	<b>953,320</b>	<b>1,379,443</b>	<b>973,231</b>	<b>198,213</b>
<b>NET INCOME BEFORE DEPRECIATION</b>	<b>1,174,109</b>	<b>1,612,959</b>	<b>1,223,857</b>	<b>442,828</b>



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	-1	0	1	2
	<b>2021-22</b>	<b>2022-23 Forecast</b>	<b>2023-24</b>	<b>2024-25</b>
Cash Beginning		3,182,502	3,473,760	4,502,265
Net Income before Depreciation		1,612,959	1,223,857	442,828
Change in Receivable/Payables		328,300	(145,351)	104,124
Solar Purchase		(1,650,000)		
Tax Credits		450,000		
Capital Expenditures		(450,000)	(50,000)	(50,000)
Ending Cash		<b>3,473,760</b>	<b>4,502,265</b>	<b>4,999,218</b>
Cash Balance as % of Operating Expenses		27.73%	34.96%	37.46%



Top 5% of public high schools in the nation

### Breaking the Cycle

**20%**

will be the first person in their family to complete high school

**70%**

will be the first person in their family to attend college

### Getting Results

**100%** graduation rate.

**100%** of foster youth graduated.

In California, only 62.4% of foster youth graduate.

**92%** accepted and enrolled in College.

**42%** are University bound.

**48%** are Community College bound.

**39%** are pursuing STEM\* majors.

**75%** of our first graduating class have persisted to their fourth year of college



\* Science Technology Engineering Math

Samueli Academy alumni are enrolled in over 70 different colleges and universities across the nation!

## California Colleges & Universities

Biola University  
California Baptist University  
California State Polytechnic University, Pomona  
California State Polytechnic University, San Luis Obispo  
California State University Maritime Academy  
California State University, Chico  
California State University, Dominguez Hills  
California State University, Fullerton  
California State University, Fullerton  
California State University, Long Beach  
California State University, Los Angeles  
California State University, Monterey Bay  
California State University, Northridge  
California State University, Sacramento  
California State University, San Diego  
California State University, San Francisco  
California State University, San Marcos  
Chapman University  
Concordia University  
Cypress College  
Fullerton College  
Golden West College  
Irvine Valley College  
Laguna College of Art and Design

Mt. San Jacinto College  
Orange Coast College  
Riverside City College  
Saddleback College  
San Antonio College  
San Bernardino Valley College  
San Francisco State University  
San Jose State University  
Santa Ana Beauty Academy  
Santa Ana College  
Santiago Canyon College  
UEI College  
University of California Berkeley  
University of California Davis  
University of California Irvine  
University of California Merced  
University of California San Diego  
University of California, Irvine  
University of California, Los Angeles  
University of California, Riverside  
University of California, Santa Barbara  
University of California, Santa Cruz  
Vanguard University

## Other Universities

American University of Paris - USC  
Arizona State University  
Baylor University  
Brigham Young University  
Carnegie Mellon University  
Grand Canyon University  
John Hopkins University  
Lehigh University  
Long Island University  
Mount Saint Mary 's Univerity  
Naval Academy  
Seattle Pacific University  
Sonoma State University

Southern Utah University  
SUNY Purchase  
Tuskegee University  
University of Colorado  
University Of Michigan  
University of New Mexico  
University of Southern California  
Utah Valley University  
Wabash College  
Washington State University  
Embry-Riddle Aeronautical University  
Full Sail University

