



Thursday, September 5, 2024

6:00 p.m. - 9:00 p.m. CT

In Person: Great Hearts Invictus

12018 Bandera Rd., Helotes, TX 78023

Via Zoom: <https://greatheartstxschools-org.zoom.us/j/81843058290?pwd=LK3Pu23PFima3ffuZa44PIET0xmtw4.1>

## MEETING MINUTES OF THE GREAT HEARTS TEXAS BOARD OF DIRECTORS

Date: Thursday, September 5, 2024

The regular scheduled meeting of the Great Hearts Texas Board of Directors was held at 12018 Bandera Rd., Helotes, TX 78023.

Mr. Jim Rahn verified quorum prior to the Call to Order.

### AGENDA (items taken out of order)

I. Call to Order

Mr. Jim Rahn presided over the meeting and called the meeting to order at 6:03 p.m. CT.

Texas Board Members	Position	Present	Absent	via
Mr. Jim Rahn	Chairman	X		In person
Mrs. Jackie Moczygemba	Vice Chairwoman	X		In person
Mr. Brandon Byrne	Secretary	X		Zoom
Dr. Olecia Christie	Board Director	X		Zoom
Mr. Kevin Hall	Board Director	X		Zoom- joined at 6:08 p.m.
Dr. Jonathan Sanford	Board Director	X		Zoom
Mrs. Shannon Sedgwick-Davis	Board Director	X		Zoom

Other Staff/Guests	Position	Present	Absent	via
Paul Pastorek	Conservator	X		Zoom
Dr. Wade Dyke	Interim Superintendent	X		In person
Lisa Zerbonia	Vice President of Operations	X		In person
Kevin Byrne	Vice President of Finance	X		In person
Megan Freeman	Chief of Staff	X		In person
Emily Boney	Legal Counsel	X		In person
Jake Tawney	Great Hearts America Chief of Academics	X		In Person
Heather Washburn	Great Hearts America Vice President of Academic Achievement and Accessibility	X		In Person

II. **Public Comment—Mr. Rahn opened Public Comment and shared that all written comments submitted were distributed to the board and read in advance of the meeting. Ms. Freeman shared the time allotted as approved by the Chairman, 2 minutes. The Great Hearts TX Board of Directors listened to the comments from the public.**

III. **Approval of Consent Agenda:**

- a. Approval of Meeting Summary and Recorded Minutes from June 13, 2024
- b. Approval of Official District Attendance Reporting Time
- c. Approval of 2024-2025 GH TX Family Handbook
- d. Approval of 2024-2025 GHO TX Family Handbook
- e. Approval of EDU course for Online Students
- f. Approval of Health Care Provider Prescription for over the counter medication
- g. Approval Immunization State Policy
- h. Micro Purchase Limit Increase

**6:21 p.m. CT Mr. Rahn asked if any of the board members wanted to remove one or more items from the consent agenda. No items were removed. Mr. Rahn stated that he would accept a motion to approve the consent agenda.**

**Motion to move:** Dr. Jonathan Sanford moved to approve the consent agenda.

**Second the motion:** Kevin Hall seconded the motion to approve the consent agenda.

**All of those in favor?** All in favor, none opposed. Motion carried 7-0 at 6:26 p.m.

IV. **Conservator Progress Report**

Mr. Pastorek reminded all that he was appointed as conservator May 29, 2024, to address the issues that the Chairman outlined. Mr. Pastorek has been able to view records and meet with staff, and shared that that he has seen positive corrective actions. He has met with the CEO and

Vice President of HR about these. Mr. Pastorek reported that he will work collaboratively to develop a master set of recommendations to ensure corrective actions are made. Mr. Pastorek shared that he thinks Great Hearts TX is moving in a very positive direction.

**Comments or Questions from the board?** None

**V. Interim Superintendent Report**

**Mr. Rahn thanked the Invictus Headmasters and scholars for welcoming Mr. Rahn, Ms. Moczygemba, and Interim Superintendent Dr. Dyke. Interim Superintendent Dr. Wade Dyke thanked the headmasters for their work at the school and introduced Ms. Leah Hammonds of the Lower School and Ms. Terri Monteverdi of the Upper School.**

**a. Headmaster Welcome**

Ms. Hammonds shared how thankful she was for the families and how impressed she was with Great Hearts bringing classical education to San Antonio and Helotes. Ms. Monteverdi shared where the Upper School is headed, breaking ground next year for the new high school wing and then moving in the following year.

**Following the Headmaster Welcome, Mr. Rahn asked for a motion to move to Executive Session.**

**So moved:** Ms. Jackie Moczygemba motioned to move to Executive Session.

**Second the motion:** Ms. Shannon Sedgwick-Davis

**All of those in favor? All in favor, none opposed. Motion carried 7-0 at 6:26 p.m.**

***Executive Session Entered 6:26 p.m. CT***

***Executive Session Closed 8:14 p.m. CT***

**8:14 p.m. CT Mr. Rahn announced the return to open session and that no actions occurred in closed session. Mr. Rahn opened the floor to board members that wish to propose action after coming out of executive session.**

**a. Consider and take possible action on Committee Assignments/Committee**

**Motion:** Ms. Jackie Moczygemba motioned to create a governance committee on the board that includes Jim Rahn, Shannon Sedgwick Davis, JJ Sanford, and nominates JJ Sanford as chair of that committee.

**Second Motion:** Mr. Brandon Byrne

**All of those in favor?** All in favor, none opposed. Motion carried 7-0 at 8:15 p.m.

**b. Structures Consider and take possible action on position of Superintendent**

**Motion:** Dr. Jonathan Sanford motioned to appoint Dr. Wade Dyke as the sole finalist as permanent Superintendent of Great Hearts Texas.

**Second Motion:** Dr. Olecia Christie

**All of those in favor?** All in favor, none opposed. Motion carried 7-0 at 8:17 p.m.

Mr. Rahn shared "that it is with great pleasure that the Board of Directors announces Dr. Wade Dyke as the lone finalist for the role of superintendent of Great Hearts Texas.

The Great Hearts community has sought long-term, strong, and focused leadership and we are confident that we have found out permanent leader in Dr. Dyke.”

**c. Consider and take possible action on matters discussed in closed session**

**Motion:** Mr. Kevin Hall proposed to the board that they take no action on the expulsion hearing that was reviewed in executive session.

**Second Motion:** Mrs. Shannon Sedgwick-Davis

**All of those in favor?** All in favor, none opposed. Motion carried 7-0 at 8:16 p.m.

**The board returned to the Superintendent Report where Dr. Dyke shared how honored he was to serve as Superintendent and introduced Vice President of Operations, Lisa Zerbonia.**

**b. Operations Updates**

Ms. Zerbonia shared that campus and district safety teams reviewed new security requirements from the State of Texas. Great Hearts has also integrated new PA systems, cameras, and more than \$200,000 worth of improvements in the area of safety and security.

Live Oak held a ribbon cutting and in North Texas we are soon to break ground with the Arlington Upper School addition. We currently have about 13,000 Great Hearts scholars enrolled across the state.

GHTX has partnered with the Texas Agricultural Department and the USDA to source fresh food from local farmers. GHTX received \$290,000 to buy food through USDA Foods and we also received a \$350,000 Supply Chain Assistance Grant from the Texas Department of Agriculture.

**c. Academic Performance Updates**

Dr. Dyke shared that the Great Hearts Texas Director of Academics, Dr. Rutherford took a new opportunity outside of Great Hearts Texas. Mr. Jake Tawney and Heather Washburn from Great Hearts America shared the District Improvement Plan slides that Dr. Rutherford prepared. Targeted support for select schools includes: Identifying Schools for Academic Improvement Based on Criteria, Academic Goal Setting, and Academic Supports.

**Comments or questions from the board?**

**Dr. Sanford:** In thinking about expansion schools and rate of expansion, if you were to control for expansion, would we see that dip in the overall scores?

**Mr. Jake Tawney:** Looking at growth and online the dip is reduced, but not much.

**Mrs. Jackie Moczygemba –** How many schools in TX is this team working with? Or does every headmaster have access to you and your team?

**Mr. Jake Tawney:** For school improvement, 3 in North TX and 3 in San Antonio.

## **VI. Finance Update**

a. Financial Report-Presented by Mr. Kevin Byrne

FY24 prior year enrollment- We budget 12,100 students and we ended the year about 4% off. We were paid on average enrollment and ended up at 95% for ADA. Combining the two together we were paid at 93% of our 11<sup>th</sup> day enrollment.

Financials- We will likely end up at about break even.

In terms of debt service coverage, we are at 1.2 which is important to maintain for the Charter First Rating. Looking strong on the cash balance sheet, getting closer to the 60-day mark at year end, with the goal to get to 70 days by next year.

Preliminary Charter FIRST Ratings- Each year the state rates us on Academic and Financial Performance. In 2022 we were at a C for material weaknesses in procurement. The rating for this year is a high B (86). We lost points due to the number of days of cash on hand due to state funding. This is now back up to the 60s so we will pick up points in the next round.

### **Comments or questions from the board?**

**Dr. Sanford-** Thinking about the FY25 rating and the 20% threshold for administrative costs, where we are right now?

**Mr. Kevin Byrne-** This will be on the audited financials. We did pull out about a million dollars from the budget on the Texas side. This also includes the work that America is doing. GHTX is working with America to manage those costs.

**Dr. Sanford -**Will we pick up points on that item if it looks like it is below the 20% threshold?

**Mr. Kevin Byrne-** We do not have the final audit right now but can provide that update and the next board meeting.

**Mr. Rahn-** As you look in terms of our expenditures, a lot of it is people, facilities, and overhead. How do you think we want to shake out over the long term as a sustainable model?

**Mr. Kevin Byrne-** 70% of our budget is on personnel. There is a little bit of makeup on enrollment, we are prioritizing special education and safety. As we are getting requests for more staffing, you cannot judge by July because there is no school in session in July. We will have a better view from August.

**Mrs. Shannon Sedgwick-Davis-** Do we have any idea how our ADA number compares to other charters or non-charter public schools?

**Ms. Lisa Zerbonia-** We think others are at about 92%, which would put us higher than others.

**Mrs. Jackie Moczygemba-** A 1% change in the ADA is about 1 million dollars. For enrollment purposes it is important to note and frame that 100 scholars is about 1 million dollars when you are looking at the budgets. These small shifts of scholars not coming to school does have a negative impact to the bottom line and trying to provide scholars with services and teachers with salaries.

**VII. Other Action Items (as reflected above)**

**VIII. Closed Meeting/Executive Session-The Board will retire to closed session pursuant to Texas Government Code Section 551 concerning the following sections:**

- a. Pursuant to 551.071, Consultation with Legal Counsel regarding pending legal matters
- b. Pursuant to 551.074, discussing conservator matters and consultation with conservator on HR matters
- c. Pursuant to 551.074, Personnel matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee
- d. Pursuant to 551.082, Hear a complaint or charge against an employee of the school district by another employee
- e. Pursuant to 551.074, Personnel and discussion, position of Superintendent
- f. Pursuant to 551.082, Review discipline of a public school child
- g. Pursuant to Section 551.072, To deliberate the purchase, exchange, lease, sell or value of real property

**IX. Adjournment**

**Mr. Rahn entertained a motion to adjourn.**

**So moved: Ms. Moczygemba**

**Second the motion: Dr. Sanford**

**GH TX Meeting of the Board of Directors adjourned at 9:03 p.m. CT**

The undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of the September 5, 2024 Meeting Minutes of the Great Hearts Texas Board of Directors. Meeting Minutes were approved by the Great Hearts Texas Board of Directors November 7, 2024.

Secretary: Brandon Byrne  
Brandon Byrne (Nov 22, 2024 13:02 CST)

Date: 22/11/2024






# 2024.09.05-MEETING MINUTES OF THE GHTX BOARD OF DIRECTORS

Final Audit Report

2024-11-22

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