

Chapter 1

Building the Foundation for an Effective Charter School Governing Board

Critical Board Building Challenge: How does a charter school board clearly define its roles, responsibilities and philosophy of governance?

Common Governance Problems Facing Charter Schools

According to Dr. Chenzi Grignano, director of the Charter Schools Project at Duquesne University, charter schools have been plagued by some of the following governance problems:¹

1. Meddlesome boards who become entangled with issues normally entrusted to administrators or teachers
2. Unstable leadership by founders who prove better at articulating a vision than at actually running a school
3. Internal dissension, often exacerbated by insufficiently clear division of roles and responsibilities
4. Lack of professional competence in financial, managerial, or administrative areas
5. Difficulty in balancing input among various stakeholder groups
6. Exhausting volunteers (including board directors) by expecting too much of them

This governance guidebook will provide practical information, tools and techniques to address these and other governance problems. In many cases, the guidebook will offer concrete suggestions for structuring the charter school governing board and selecting operating procedures that prevent many of these problems from arising in the first place.

Barriers To Board Effectiveness

In addition to the problems that plague charter schools, there are a number of additional factors that help to explain why some boards don't function effectively. Taken together, these factors provide a checklist for assessing a board and identifying problem areas. Examining these barriers

¹ Grignano, Chenzi, Guidance for Charter School Operators, Charter Schools Project, Duquesne University, 1999.

to board effectiveness can be the first step in revitalizing an existing charter school board or building an effective board from scratch. Let's take a look at some of them now:

- **Temptation to micro-manage.** Practically everyone can share hair-raising stories about boards that spent untold hours discussing trivial subjects while neglecting major agenda items deserving their more careful deliberation. It is critical that the board focuses its attention on issues of critical importance to the charter school. In order to do this, the board must avoid the temptation to micro-manage or meddle in lesser matters or in areas that are more appropriately handled by the charter school administrator and other staff. A board, meeting monthly for two hours, has approximately 24 hours of meeting time per year to make all of the major decisions as well as address critical issues that come before it unannounced. It is simply impossible to do an effective job within those 24 hours of meeting time, even if only a few hours are wasted on less important matters.
- **Ineffective nominating committee.** Many boards lack an effective nominating committee. We need to remember that the work of the nominating committee has lasting impact on the charter school -- and this committee's work determines who board leaders will be for many years into the future. The nominating committee should be well organized, have a clear sense of recruiting priorities as well as expectations for individual board directors. These elements are frequently missing in many charter schools. If the nominating committee, sometimes called the board development committee, is poorly organized, board directors in turn are not likely to have a good understanding of the charter school and their role as board directors.
- **No plan for rotation.** Another problem is the lack of a plan for orderly rotation of board directors on and off the board. Frequently, there is bylaw language that specifies regular rotation. Sometimes the bylaws requirements are overlooked out of fear that new board directors will not be found. If the same people serve year after year, there is no way for new blood and new ideas to come into the board. Despite their sense of commitment, these same people will make the charter school a "closed organization." Rotation prevents the ingrown possessiveness sometimes found on self-perpetuating boards. In a time of rapid change, the presence of new people who bring a fresh perspective will promote creativity and innovation in board decision-making.
- **Failure to remove unproductive members.** Another problem that leads to poor performance is the failure to remove unproductive board directors. People who are not carrying out their commitments as board directors become major blocks to overall board effectiveness. Again, there is usually bylaw language that specifies a consequence for lack of performance --- usually failure to attend a certain number of meetings. Beyond this formal bylaw mandate, there needs to be a process for evaluating board director performance and making recommendations regarding their future service with the board.

- **Too small.** Sometimes the charter school board is ineffective because it is simply too small in number. When we consider the awesome responsibilities of board leadership, it's easy to see why we need enough people to do the work. The ideal number of board directors is the smallest number that allows the charter school board to be effective. While it is difficult to specify an appropriate size for all charter school boards, in general, a board should range in number from 11 to 21 members. The board's organizational structure will also have bearing on the board size. For example, if there are a large number of committees, the board will need to have more members than one that has fewer committees. We need enough members to lead and form the core of the committees and, in general, share in the other work of the board. We also need sufficient numbers to reflect the desired diversity in the board as well as assure the range of viewpoints that spurs innovation and creativity in board planning and decision-making. Often board ineffectiveness is ascribed to size. The experience of many organizations' boards, including charter school boards, suggests that even a larger board can function effectively if it has a skilled chairperson, a well-designed agenda and well-prepared board directors who have received adequate information in advance of meetings.
- **Lack of functioning committee structure.** The lack of a functioning committee structure is another reason why boards fail to perform at an acceptable level. While it is true that major decisions are made in board meetings, it is also true is that most of the work that supports and implements full board decision-making occurs at the committee level. If the board has a committee structure that functions inadequately, this can lead to poor performance in general.
- **No strategic plan.** The lack of a strategic plan, in most cases, will also lead to poor board performance. If the charter school lacks a strategic plan that provides clear direction -- so critical in this period of rapid change -- the board can spend significant amounts of time talking about topics that simply don't matter. Related to the absence of a strategic plan is the lack of a long-range program delivery and financial development plan that will advance the strategic plan.
- **No plan for orientation of new and old members.** Charter school boards can also fail because they have no plan for orientation of new and old members. Deliberate thought is rarely given to the matter of blending new and old board directors into a well-functioning team. Related to this, is the lack of a formal plan of board training and education to continually upgrade the level of board skills and knowledge.
- **No proactive plan to manage founder's syndrome.** Founder syndrome refers to the dynamic that develops when the founding leader(s) of the charter school, whose vision, high-energy and personal charisma was critical to organizing and launching a new school, becomes a block to the continuing growth and development of the charter school. This "syndrome" is observable in other organizations, both nonprofit and for-profit alike. Each developmental stage of a charter school -- pre-organizing, preparing the charter

application, launching the school, early years of operation -- require different skills, expertise, leadership styles, and personal qualities. The conflicts that arise are patterned and predictable, and yet, most of the time, nothing is done to manage the very necessary transition to a more stable and structured leadership team. The results are well known, sometimes leading to the early demise of what would otherwise have been a great school, other instances resulting in a long, slow, steady drain of energy and goodwill that lessens the long-term prospects for success.

This view has some support in the research on charter schools by Loveless and Jasin (1998) who point out that starting a charter school requires founders to master two primary challenges: first, essential resources must be found (facilities, start up funds, staff, etc.); and second, governance and administrative structures must be established. In particular, these administrative structures need to be established in a way that allows the school to evolve into a 'formal' organization. In other words, one of the challenges for the school is to move from a small, informal organization based largely on the entrepreneurial skills of one to two original founders to a larger, more complex school which operates by formal or established policies and which involves a broad representation of the organization's members. We will talk more about founder's syndrome and its relation to charter school board development later in Chapter 1.

Some of the challenges described above will be painfully familiar, even to charter schools that are relatively new. To some degree, most charter schools and other organizations with governing boards encounter them. The good news is that all of these problems are preventable. Future chapters of this guidebook will explore basic tools and techniques that have proven helpful to boards in addressing the barriers discussed above.

And there is more good news: because charter schools are relatively new organizations, it will be much easier to establish effective board practices from the beginning. In the future, knowledge of these best practices will enable charter school developers to imbed some or all of these practices into the very design of the charter school before it even opens its doors. So there is great reason for hope!

Designing your Charter School Governance Structure: First Steps

Developing a Governance Structure

According to the Northwest Regional Educational Laboratory (NWREL), the first priority in developing a functioning governance structure should be to review your charter contract for governance requirements. While taking these requirements into account, the governance structure should be tailored to your school's vision, mission, and goals. Every board has the responsibility

to develop its own structure, policies, and procedures consistent with applicable laws, requirements of the charter authorizing body as well as the governance philosophy of the charter school leaders. At the same time, charter school experience to date suggests some characteristics of effective governance structures.

The Center for School Change at the University of Minnesota conducted a national review of charter school governance that is a good starting point for thinking about the details of the governance structure for your charter school. The sample consisted of 30 charter schools from nine states that were interviewed to uncover key elements of successful structures that were common among schools demonstrating improved achievement as measured by standardized tests and other forms of assessment.² These schools:

- Adopted a structure that reflects the school's mission, goals, and objectives
- Designed a structure that reflects the state charter law
- Used some form of shared decision making
- Created at least one committee/council to address specific issues such as curriculum, finance, and staff development
- Produced a document that explains which decisions are made by whom (i.e., governing board, administrator, committee/council)
- Involved a variety of people in the governing board or in committees/councils
- Employed board training seminars, conferences, and/or retreats
- Selected board directors who shared the school's mission
- Focused on generating a vision and plan for school improvement
- Had relatively simple organization, without multiple levels of bureaucracy
- Were flexible and able to adapt to changing situations
- Stayed true to the mission, vision, or purpose
- Considered the clients' (students') needs at all times

In the introduction to the Charter School Governance Toolkit, Laurie Gardner and Eric Premack pose four essential questions that have to be answered in the design of a charter school governance plan:

1. What powers does a fully vested governing board of an organization have?
2. How much power do we want our charter school governing board to have?
3. Who will have this power?
4. How will the power be exercised?³

² Cheung, S. & Nathan, Joe, What Works? Governing Structures of Effective Charter Schools. The Center for School Change at the University of Minnesota

³ Gardner, Laurie, and Premack, Eric, Charter School Governance Toolkit, published by Charter Schools Development Center, 1999.

To some degree, these questions will have been answered in the required description of charter school governance included in the application to the charter authorizing body. For most charter schools, additional detail will need to be added to the governance plan before the charter school opens. Further work will be completed in the first year of operation.

Three Dominant Models Of Charter School Board Governance

Gary R. Gruber, Ph.D., a consultant with Carney Sandoe & Associates in Santa Fe and a moderator of the USCS governance discussion group⁴, offers a description of the three dominant models of governance that prevail in the majority of charter schools in operation today. According to Gruber, there are advantages and benefits in each as well as issues that can arise because of disagreements, lack of clear policies and procedures, faulty communication, inadequate planning and forecasting, different or unclear expectations, and lack of agreement regarding operations. These models exist on a continuum and are not mutually exclusive. Some schools combine elements from each model. The description of the three models below draws on Gary Gruber's writing on the subject as well as the governance model of Leadership High School in San Francisco.

1. School committee or council composed of parents, teachers, administrators and others.

This model draws inspiration from school shared decision-making structures and site based management councils that have operated in various forms in traditional district public schools. According to Gruber, this model may be among the most democratic and representative as it is inclusive, fully representational and delegates management and oversight to one or more of its members. Those in charge have a clear understanding of procedural matters and full inclusion in the decision-making process is essential for this model's effectiveness. Shared leadership with a division of labor according to talent and expertise is seen as the best way to serve the needs of students, families and the community as a whole. The committee or council meetings are usually open to the community and anyone is welcome to attend. This spirit of openness and inclusion are guiding principles in this form of governance and in many cases decisions are reached through consensus rather than taking a formal vote. Members may be elected and/or appointed by various groups (teachers, parents, administrators, school district officials, union representatives and others) and serve at the pleasure of those constituents. They may have defined or rotating terms of service so that others may participate in the governing process. Among the criteria for membership is the desire to implement the mission of the school and the commitment to be actively involved in the decision making process that bears responsibility for the success of the

⁴ Go to: http://www.uscharterschools.org/cs/uscsp/forum/cs_disc/16

program.

2. A board of directors with a structure of officers, by-laws, and delegation of management to a principal, chief administrator/director or head of school.

This model draws inspiration from the approach to board governance traditionally found in nonprofit organizations. In this model, there is a clear distinction made between the governance work of the board of directors and the administrative/management work of the paid staff. In this model, the charter school is a legally incorporated entity governed by state statutes and IRS regulations governing nonprofit, tax-exempt organizations. The board of directors is responsible for governing the school. The Trustees each have a personal fiduciary duty to look out for the long-term well being of the school. The Board is responsible for addressing major matters including: setting the school's general policies and overall curriculum policies; approving and monitoring the annual budget and financial procedures; fund-raising; hiring and evaluating the school's principal; approving personnel policies and monitoring their implementation by the principal; assuring that the charter school fulfills its charter contract; and, strategic planning.

The board is composed of a broad cross-section of the school community and community-at-large and, in addition to professionals and community leaders. In some charter schools, the board will also include the principal, representatives of teaching staff, students and parents leadership. The board generally meets as a whole on a monthly basis. It operates through various committees, including an executive committee consisting of officers elected to manage the board and help monitor school policies.

The board is not involved in handling the day-to-day details of running the school, dealing with specific personnel issues, or addressing individual student needs. Consistent with the best practices of nonprofit corporation management, the board delegates the responsibility for running the charter school and implementing the board's policies to a principal or charter school administrator. Where appropriate, the charter school administrator will delegate some responsibility to other administrators, teachers, and students.

3. Owner/Operator, either non-profit foundation or for-profit, with or without a board or committee.

In some cases, in this model, an advisory committee functions to provide information and support or a board of directors of the corporation or foundation serve in that capacity. Often a larger holding group or company may operate several schools in different locations but still depend upon a local group for advice and guidance. However, decisions rest with the chief

executive officer who is the one responsible for the operation of the school. This individual is hired with a job description that outlines areas and lines of responsibility and accountability. This model follows a more structured chain of command that is akin to a business/corporate model of organization. The flow of responsibility follows a chart in which responsibilities are assigned or delegated to specific departments. The managers or directors of those divisions are accountable for what happens within their respective department or division.

The Creating An Effective Governing Board Guidebook is based on the second model. The tools and techniques presented can be applied, with modifications, to the other models of governance described above. Regardless of the governance model selected, board director recruitment, orientation, ongoing training, committee development, meetings, policymaking, and other elements of board effectiveness will be greatly enhanced through the use of the practices covered in the following chapters.

Grounding the Charter School Board in a Solid Model of Governance: Fundamental Assumptions

There are a number of fundamental assumptions about effective governance that serve as the foundation for the Creating An Effective Governing Board Guidebook. These assumptions may challenge present governance practices of some charter schools. As was noted in the previous section though, some of the strengths of the nonprofit board governance approach can be useful to every charter school.

An effective system of board governance is organized around the following principles:

1. Distinction between governance work of the board and management work of the staff
2. Ends/means distinction with a bias in favor of high impact decision-making.
3. Clarity about who does what (specifically what does the board do and what does the staff do)

Distinction Between Governance And Management

The approach to governance in many charter schools has been influenced by the previous experience of parents, teachers, students, administrators and others who "learned" governance in the traditional public school system. Governance practices in some charter schools, as in other public schools, tend to mix the functions of board governance with parent and community involvement strategies, charter school management and administration, shared decision-making, and teacher empowerment. The approach in this guidebook is to first separate these distinct functions, roles and activities from charter school board governance and then describe ways to link them effectively with each other.

At the risk of over simplifying a complex subject, a clear distinction must be made between "governance" and "management." In an effective charter school, there will be strong links between governance and management. At the same time, there are important differences between matters of governance -- such as making decisions on major policy making or setting overall direction of the school and matters of management -- the effective allocation and deployment of the school's resources on a day-to-day and month-to-month basis in order to achieve the vision and major goals of the school.

The board has a number of major decisions and actions to take. Some of these occur annually; for example, approving the budget, reviewing the performance of the charter school administrator, and monitoring student achievement. The board has limited time in which to make them. It is for this reason that it is so important for boards to use their time well and for board structures and procedures to point them toward major decision-making and away from distractions and

lesser matters. It is important to emphasize that board meeting time is a limited resource and this resource should be allocated to making major decisions and developing policies for the charter school.

The charter school board then, must focus its attention on major decisions – monitoring school progress toward meeting the student achievement and other objectives agreed to in the charter contract, budget approval, school-wide policies, strategic planning, charter school administrator appraisal and support. These broader decisions create the space or playing field for board committees, the charter school staff led by the administrator, and volunteers to plan and implement actions in their respective areas of responsibility. Autonomy is granted within the boundaries created by board decision-making in the major areas noted above. The charter school board should not micro-manage or meddle in decision-making that is best done by those responsible for the development and delivery of educational programs and support services on a daily basis. Whenever possible, the board should effectively delegate implementation responsibility with clear instructions and/or suggestions to its committees or the charter school administrator, so that the board can continue to maintain a focus on the big picture. This governance framework is illustrated in the chart entitled “Charter School Governance Framework” in this chapter’s Tools Section.

“Ends” And “Means” Distinction

John Carver, author of *Boards That Make A Difference*, has popularized the distinction between “Ends” and “Means” in his model of board policy governance. According to Carver, it is the board’s responsibility to prescribe or determine what he refers to as the “ends” and stay away from the “means” except to say what is unacceptable. In Carver's view, ends policies and decisions have to do with three things: the charter school’s results or outcomes (educational achievement at a level acceptable to the charter school leadership and the charter authorizing body as specified in the contract), the recipients of those results (children attending the charter school), and the costs to achieve those results. “Means” refers chiefly to the approaches or methods used by staff to achieve the ends determined by the board.

While a literal interpretation of Carver might appear to many charter schools to be unworkable, his important work has helped boards of all kinds to focus more on major policy and decision-making and to avoid spending time on more detailed matters that are best left to staff, or the board's committees. This focus on “ends” policy and major decision-making greatly increases the level of the board’s effectiveness. Charter school boards will benefit from an examination of the Carver model even if they decide that the model as a whole does not meet their needs.⁵ The

⁵ For a good summary of some of the perceived advantages and disadvantages of the Carver model, go to the Canadian Centre on Philanthropy, http://www.ccp.ca/information/boards_of_directors/governance/fc242.htm. It should be further noted that the Carver model may not work well if there are not enough “staff” to whom responsibilities can be delegated.

governance framework chart in the Tools Section of this chapter illustrates this distinction between “ends” on the one hand, and the “means” used to achieve the ends on the other.

According to Carver, it is also the board’s responsibility to set “executive limitations”. Paul Shay, Executive Director of Canada World Youth describes the purpose of executive limitations: “A board delegates responsibility for the achievement of the ends to the CEO (charter school administrator), and provides parameters on the acceptable means that the CEO and other staff can use. By providing parameters on what the administrator cannot do instead of telling the CEO what to do, the board empowers the CEO and staff to choose the most successful, creative and cost-effective means within the parameters. The board is saying, "Find the best way to achieve these ends, but stay within these boundaries." The boundaries allow the board to clarify what level of risk it finds unacceptable and what ethical standards it insists upon”. For more information of the Carver governance model, see Carver resources listed in the Tools Section of this chapter and in Chapter 13 as well.

Clarity and Agreement About Who Does What

As was pointed out earlier, many problems arise when there is a lack of clarity regarding roles and responsibilities between the board and staff of the charter school.

An effective governance model requires that everyone is clear and in agreement about their roles and responsibilities. As noted above, there are numerous examples of charter schools having difficulties because of disagreements regarding responsibilities of board and staff. An effective governance model will require clear and detailed descriptions of the roles and responsibilities of the board, its committees, its officers, and staff. Included in this guidebook are sample job descriptions and commissions for each of these groups.

Specific Roles And Responsibilities Of The Charter School Board

The National Center For Nonprofit Boards has developed a list of the basic roles and responsibilities of board directors.⁶ This list can serve as a guide for charter school governing boards as well:

⁶ Ingram, Richard T., Basic Responsibilities of Nonprofit Boards, National Center for Nonprofit Boards, 1996.

1. **Determine the charter school's mission and purpose.** A statement of mission and purpose should articulate the charter school's goals, means, and primary constituents served. It is the board of directors' responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board director should fully understand and support it.
2. **Select the charter school administrator.** Boards must reach consensus on the charter school administrators' job description and undertake a careful search process to find the most qualified individual for the position.
3. **Support the charter school administrator and review his or her performance.** The board should ensure that the charter school administrator has the moral and professional support he or she needs to further the goals of the charter school. The charter school administrator, in partnership with the entire board, should decide upon a periodic evaluation of the administrator's performance.
4. **Ensure effective organizational planning.** As stewards of the charter school, the board must actively participate with the staff in an overall planning process and assist in implementing the resulting plan.
5. **Ensure adequate resources.** One of the board's foremost responsibilities is to provide adequate resources for the charter school to fulfill its mission. The board should work in partnership with the charter school administrator and development staff, if any, to raise funds from the community.
6. **Manage resources effectively.** The charter school board, in order to remain accountable to the charter granting entity, parents and students, its donors, the public, and, in the case of a separately incorporated nonprofit, to safeguard its tax-exempt status, must approve the annual budget and ensuring that proper financial controls are in place.
7. **Determine and monitor the charter school's programs and services.** The board's role in this area is to determine which educational programs and services are the most consistent with the charter schools mission, and to monitor their effectiveness.
8. **Enhance the charter school's public image.** A charter school's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments, and goals to the public, as well as garnering support from important members of the community, are important elements of a comprehensive public relations strategy.
9. **Assess its own performance.** It is the board's responsibility to ensure that the total organization is effective in achieving its mission and efficient in using its resources. It should begin this annual discussion by evaluating its success as a board. By evaluating its

performance in fulfilling its responsibilities, the board can recognize its achievements and reach consensus on which areas need to be improved.

Matching the Role of the Board with the Charter School’s Stage of Organizational Development

New charter schools typically start out with a small number of students, a small budget, and few staff. These start-up charter schools may have a number of founding leaders and other outside advisors who help the charter school administrator plan and implement the educational program and make operational decisions. At some point, the charter school begins to formalize its relationship with founding leaders and outside advisors by creating a managing board, school steering committee or board of directors. In the early years, the board is often composed of the founding members of the charter school who work on a volunteer basis, often in a “hands-on” fashion. However, as the charter school grows, its needs inevitably change. More mature charter schools serve a larger number of students and may begin to operate a variety of family support programs as well. They manage large budgets and employ greater numbers of staff. These more mature charter schools require the input of a larger board composed of members with the special skills needed to establish and shape the mission and policies of the charter school in order to sustain long-term growth. The following table presents a brief summary of the different types of boards that are appropriate for charter schools at the three different levels of development.

Stage of Organizational Development	Stage of Charter School Operation	Type of Board	Board Functions
Emerging Stage	Pre-charter application; design of the charter school	Informal group of founders and other community volunteers	Works directly with staff that carries out the daily work of operating the school.
Growth/Consolidation Stage	Charter granted; school opens	More formal advisory board or small board of directors	Oversees development of the charter school's mission, policies, and operations.
Sustainable/Mature Stage	Ongoing operation; charter contract compliance; renewal of contract	More formal board of directors with established sub-committees	Shapes mission and policies, raises money, and oversees the charter school's financial and educational performance.

The charter school developers will need to plan for the orderly transition from the emerging or planning stage to the growth or operational stage of development that begins when staff is hired

and planning members take on new roles as staff, teachers and/or board directors. According to the Northwest Regional Educational Laboratory (NWREL), Charter Starters Leadership Training Academy, here are some questions to consider:⁷

- What is the relationship between founders, the board, and day-to-day operators?
- Do all the founders want to remain involved in the school and if so, do they want to serve on the governing board, or as non-board school volunteers or do they want to become members of the paid staff?
- How will new board directors be recruited as the some or all founders leave the governing board in the future?
- What skills and areas of expertise are needed in different stages of development?
- Will the board be able to maintain the workload of a committee of the whole or will the board need to establish standing committees as the school grows?
- In some charter school startup situations, how will the board transition from operational/managerial tasks to governance, policy development and strategic planning?

On the last point, though, NWREL offers the some important suggestions: In the earlier stages of development, it may be more common for the board to engage in more managerial tasks. However, as the board matures, it is to the benefit of the school to shift the focus of the board to policy development and strategic planning. This allows the board to govern and the administrators to manage. This will keep current board directors more fully engaged as it aids in alleviating boredom, conflict, and frustration that can occur from a board that gets tied into managing the day-to-day routine tasks. Board directors who focus on policy and strategic planning often feel more interested and intrinsically satisfied as their skills are more fully utilized.

Suggestions for ways to help the board stay strategically focused include:

- Define clear expectations for the board. Written descriptions of the board's basic responsibilities can help solidify the role of the governing board.
- Create clear expectations for the charter school administrator or principal.
- Structure meetings to direct the board's attention to matters of policy and strategy. This can be done through a clear agenda.

Board Development As A Process

Basic Elements Of Board Development

Development of an effective governing board is an essential component of building an effective charter school. It is a responsibility that the charter school developers need to view as one of

⁷ Northwest Regional Educational Laboratory (NWREL), Charter Starters Leadership Training Academy Workbook 1999. Module 4: Management and Governance

their top priorities. Experience demonstrates that boards that dedicate themselves to a planned and systematic approach to board development have the most success and face fewer problems. And a charter school board that isn't pre-occupied with internal problems can devote more energy to enhancing student achievement. The steps in the development of an effective governing board include:

- **Nominations and recruitment** -- the process of identifying the right individuals to meet the needs of the charter school, helping them understand their roles and responsibilities, and convincing them to become part of the board.
- **Orientation** -- the steps taken to give new board directors the information they need to carry out their roles and responsibilities effectively.
- **Training** -- the regular, ongoing efforts to build new skills and knowledge among the existing board directors to enhance performance.
- **Evaluation** -- the annual task of evaluating individual board director performance as well as the effectiveness of the board as a whole.
- **Recognition** -- the ongoing process of recognizing the work and accomplishments of board directors to the work of the board and to the charter school.

In the Tools Section of this chapter, there is a chart depicting the annual board development sequence that shows the relationship in time among these five activities.

Each of these elements in the board development process is critical. For this reason, the board needs to establish a board development committee with responsibility for seeing that each element is in place. The role of this committee is defined in the next section.

Critical Role of the Board Development Committee

Throughout this guidebook, the critical role of the board development committee will be emphasized. A sample job description for this important committee is included in Chapter 10 - The Board at Work: Effective Committees. Here are some responsibilities of the board development committee:

1. Develop board director criteria that express recruitment priorities in terms of skills, knowledge, contacts and resources sought after by the charter school board.
2. Recruiting potential board directors.
3. Present potential board directors to the board (or if the bylaws mandate an election, this committee prepares the slate of candidates in accordance with the bylaws)
4. Provide orientation of potential and new board directors.

5. Provide training and continuing education for all board directors.
6. Provide regular recognition to board directors.

Critical Role of the Full Board

In addition to the critical roles played by the board development committee, the full board has a number of responsibilities in building an effective charter school governing board. They include:

1. Approve board director criteria initially developed by the board development committee.
2. Elect or appoint members to the board (except in cases where the bylaws mandate an election of board directors.)
3. Terminate members for failure to perform adequately (in accordance with authority granted in the bylaws).
4. Establish a board development committee.
5. Ensure nomination and election of officers, again in accordance with authority granted by the bylaws.
6. Ensure an effective nomination process for new board directors.
7. Ensure the valuation of collective board effectiveness and individual board director effectiveness.
8. Rotates board leadership positions to assure continuing leadership development and to foster innovation and fresh thinking on the part of board directors.

All of these responsibilities will be described in more detail in the following chapters of the governance guidebook

Building an effective charter school board is a process. Most assuredly, things don't change overnight in organizations. It takes a commitment on the part of the leaders of the board and the charter school administrator to make it happen. Experience suggests that it can take 2-5 years to create an effective, self-renewing governing board. If the commitment is present, dramatic improvements in existing boards are possible almost immediately by applying the proven practices, tools and techniques that follow. In charter schools that have yet to open their doors, it's possible to build these practices into the governance design from the beginning, thus avoiding many of the governance problems that now plague many established charter schools.

Summary

This governance guidebook has been developed with both the strengths and weaknesses of charter school boards in mind. We consider areas of special importance for the development of

effective governing boards, especially those in new and developing charter schools. We examine such topics as: clarity of roles and responsibilities among the board and staff, the need for a long term board director recruitment strategy, effective orientation and training, committee structures that enhance board effectiveness, decision-making with a focus on major issues facing the charter school, forging strong working relationships between the board and staff, board accountability, and others.

An effective board of directors is built upon a number of key practices. The first is a thoughtful nominations and recruitment process that is viewed as part of a broader effort to identify, involve, and develop board leadership. The second is the presence of an executive committee that facilitates effective decision-making on the part of a board as a whole. The third practice is establishment of a committee structure. The fourth is a process for periodic evaluation of board performance. These processes and structures reinforce each other and lay the groundwork for board effectiveness.

The chapters that follow provide information, tools and techniques that will address these issues facing leaders wishing to develop effective charter school boards.

Chapter 1: Tools You Can Use

Samples Of Foundation Documents

- Sample Articles Of Incorporation For Charter Schools That Are Separately Incorporated Nonprofit Organizations. (Source: Leadership High School, San Francisco)
- Bylaws Checklist (Source: Northwest Regional Educational Laboratory (NWREL) Charter Starters Leadership Training Academy Guidebook, Module 4 Governance and Management)
- Sample Bylaws (Source: Leadership High School, San Francisco)
- For another set of sample bylaws provided by the Independent Schools Association of the Central States, go to <http://www.isacs.org/monographs/bylawsample.html>.
- Roles of the Board of Directors (Source: Management Cornerstones, Inc., Milwaukee, WI)
- Charter School Board Governance Framework Chart (Source: The Center for Public Skills Training) – in separate file
- The Annual Board Development Sequence Chart (Source: The Center for Public Skills Training) – in separate file

Essential Resources for Defining Board Roles, Responsibilities and Governance Philosophy

- Carver, John, Boards that Make a Difference: A New Design for Leadership in Nonprofit and Public Organizations. Jossey-Bass, 1990
- Carver, John, Reinventing your Board. A Step-by-Step Guide to Implementing Policy Governance. Jossey-Bass, 1997.
- Chait, Richard, How to Help Your Board Govern More and Manage Less. National Center for Nonprofit Boards, 1994.
- Gardner, Laurie and Premack, Eric, Charter School Governance Toolkit, First Edition, Charter Schools Development Center, 1999. Section 1 includes a selection of sample foundation documents (bylaws and articles of incorporation that can be adapted to meet your charter school's specific needs.
- Ingram, Richard T., Basic Responsibilities of Nonprofit Boards, National Center for Nonprofit Boards, 1996.
- Mathiasen, Karl, Board Passages: Three Key Stages in a Nonprofit Board's Life-cycle, National Center for Nonprofit Boards. This publication is probably the only one that focuses in detail on how to understand, anticipate and manage Founder's Syndrome.
- Zeitlin, Kim Arthur, and Dorn, Susan E.. The Nonprofit Board's Guide to Bylaws: Creating a Framework for Effective Governance, National Center for Nonprofit Boards.

This publication contains advice on the pros and cons of common bylaw language, a checklist of elements bylaws should contain as well as sample language. A diskette is available with 11 complete sample bylaws that can be easily adapted to meet your needs.

ARTICLES OF INCORPORATION of LEADERSHIP HIGH SCHOOL⁸

Article I.

The name of the corporation is Leadership High School.

Article II.

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public purposes. The specific purpose of the corporation is to manage, operate, guide, direct and promote Leadership High School, and such other educational activities as the Board of Directors may define from time to time.

Article III.

The name and address of the corporation's initial agent for service of process is:

Douglas T. Gneiser, Esq.

Hancock Rothert & Bunshoft LLP

4 Embarcadero Center, Suite 1000

San Francisco, California 94111

Article IV.

The corporation is organized and operated exclusively to manage, operate, guide, direct and promote LHS, and to educate students, within the meaning of Internal Revenue Code Section 501(c)(3).

Article V.

Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Internal Revenue Code Section 501(c)(3) or (2) by a corporation, the contributions to which are deductible under Internal Revenue Code Section 170(c)(2).

Article VI.

No substantial part of the activities of this corporation shall consist of carrying on propaganda,

^{8 8} State statutes and state regulatory agencies detail what needs to go into the Articles of Incorporation. Check with your state's charter school resource center and the office of the Secretary of State.

or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

Article VII.

The name and address of the person appointed to act as the incorporating director of this corporation is:

Mark E. Kushner
1 Sansome Street, Suite 2100
San Francisco, California 94104

Article VIII.

The property of this corporation is irrevocably dedicated to the management, operation, guidance, direction and promotion of Leadership High School, and the education of students, and no part of the net income or assets of the organization shall ever inure to the benefit of any director, trustee, officer or member thereof or to the benefit of any private person.

In the event of the dissolution of the corporation for any reason, any assets of the corporation remaining after compliance with applicable provisions of the California Corporation Code shall be distributed by the corporation to another nonprofit benefit corporation whose primary purpose is education.

Dated: August 8, 1997

Mark E. Kushner, Director

We, the above mentioned initial directors of this corporation, hereby declare that we are the persons who executed the foregoing Articles of Incorporation, which execution is our act and deed.

Mark E. Kushner, Director

Bylaws Checklist⁹

(Source: Northwest Regional Educational Laboratory)

	In Development	Developed	N/A
1. Offices			
2. Purpose			
3. Members			
3.1 Members			
3.2 Associates			
4. Directors			
4.1 General Powers			
4.2 Specific Powers			
4.3 Number, Election And Term Of Directors			
4.4 Resignation And Removal			
4.5 Vacancies			
4.6 Place Of Meetings			
4.7 Regular Meetings			
4.8 Annual Meetings			
4.9 Special Meetings			
4.10 Retirements Applicable To Meetings			
4.11 Quorum And Voting			
4.12 Waiver Of Notice			
4.13 Adjournment			
4.14 Rights Of Inspection			
4.15 Fees And Compensation			
4.16 Restriction Of Interested To Directors			
4.17 Standard Of Care			
5. Officers			
5.1 Officers			
5.2 Election			
5.3 Subordinate Officers			
5.4 Removal			
5.5 Resignation			
5.6 Vacancies			
5.7 President/Chief Education Officer			
5.8 Vice Presidents			
5.9 Secretary			
5.10 Chief Financial Officer (Treasurer)			

⁹ There are some differences regarding bylaws requirements from state to state. Once again, check with your state's charter school resource center and the office of the Secretary of State.

6. Committees			
6.1 Board Committees			
6.2 Meetings And Actions Aboard Committees			
6.3 Executive Board (Executive Committee)			
6.4 Other Committees			
7. Self Dealing Transactions			
7.1 Definition			
7.2 Action Of The Board			
7.3 Interested Director's Vote			
7.4 Committee Approval			
7.5 Persons Liable And Extent Of Liability			
7.6 Statute Of Limitations			
7.7 Corporate Loans And Advances			
7.8 Annual Statement Of Certain Transactions			
8. Other Provisions			
8.1 Validity Of Instrument			
8.2 Construction And Definitions			
8.3 Authority To Vote Securities			
8.4 Fiscal Year			
8.5 Conflict Of Interest			
8.6 Interpretation Of Charter			
9. Indemnification Of Agents Of The Corporation; Purchase Of Liability Insurance			
9.1 Definitions			
9.2 Indemnification Of Agents			
9.3 Purchase Of Liability Insurance			
9.4 Nonapplicability To Fiduciaries Of Employee			
10. Amendments			
10.1 Amendment Of Bylaws			

LEADERSHIP HIGH SCHOOL BYLAWS

BYLAWS

for the regulation, except as otherwise provided
by the statute of its Articles of Incorporation,

of

LEADERSHIP HIGH SCHOOL

a California nonprofit public benefit corporation

I. MEMBERSHIP

The corporation has no members. The rights which would otherwise vest in the members vest in the directors of the corporation (hereinafter "Trustees") of Leadership High School (hereinafter "LHS"). Actions which would otherwise require approval by a majority of all members or approval by the members require only approval of a majority of all Trustees or approval by the Board of Trustees (hereinafter "Board").

II. BOARD OF TRUSTEES

A. Powers

The Board shall conduct or direct the affairs of the corporation and exercise its powers, subject to the limitations of the California Nonprofit Public Benefit Corporation Law, the Articles of Incorporation and these Bylaws. The Board may delegate the management of the activities of the corporation to others, so long as the affairs of the corporation are managed, and its powers are exercised, under the Board's ultimate jurisdiction.

Without limiting the generality of the powers here granted to the Board, but subject to the same limitations, the Board shall have all the powers enumerated in these Bylaws, and the following specific powers:

1. To elect and remove Trustees.
2. To select and remove officers, agents and employees of the corporation; to prescribe powers and duties for them; and to fix their compensation.

3. To conduct, manage and control the affairs and activities of the corporation, and to make rules and regulations.
4. To enter into contracts, leases and other agreements which are, in the Board's judgment, necessary or desirable in obtaining the purposes of promoting the interests of the corporation.
5. To carry on a business at a profit and apply any profit that results from the business activity to any activity in which the corporation may engage.
6. To act as trustee under any trust incidental to the corporation's purposes, and to receive, hold, administer, exchange and expend funds and property subject to such a trust.
7. To acquire real or personal property, by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey or otherwise dispose of such property.
8. To borrow money, incur debt, and to execute and deliver promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.
9. To lend money and accept conditional or unconditional promissory notes therefore, whether interest or non-interest bearing, or secured or unsecured.
10. To indemnify and maintain insurance on behalf of any of its Trustees, officers, employees or agents for liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, subject to the provisions of the California Nonprofit Public Benefit Law and the limitations noted in these Bylaws.

B. Number of Trustees

The number of Trustees of the corporation shall be not less than 15 nor more than 29. The Board shall fix the exact number of Trustees, within these limits, by Board resolution or amendment of the Bylaws. As of the date on which these Bylaws are adopted, the exact number of Trustees is fixed at 15.

C. Election of Trustees

1. Election. The LHS Principal shall automatically be a Trustee. The Board shall elect the remaining Trustees by the vote of a majority of the Trustees then in office, whether or not the number of Trustees in office is sufficient to constitute a quorum, or by the sole remaining Trustee.

2. Eligibility. The Board may elect any person who in its discretion it believes will serve the interests of the corporation faithfully and effectively. In addition to other candidates, the Board will consider the following nominees:

a. A parent of an active LHS student, who is designated by the LHS Parents' Association to represent that Association (the "Parent Representative").

b. Following the graduation of the initial class, an alumna or alumnus of LHS, who is designated by the LHS Alumni Association to represent that Association (the "Alumni Representative").

c. An LHS teacher, selected by the LHS faculty (the "LHS Faculty Representative").

d. An LHS student, selected by the LHS student body (the "LHS Student Representative").

3. Interested Persons. Not more than 49% of the persons serving on the Board may be interested persons. An "interested person" is: (1) any person currently being compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a Trustee as Trustee; or (2) any sister, brother, ancestor, descendant, spouse, sister-in-law, brother-in-law, daughter-in-law, son-in-law, mother-in-law or father-in-law of any such person.

4. Term of Office

a. The term of office of all members of the initial Board of Trustees shall be one year.

b. At the end of the first year, the Board shall provide for

staggered terms of its Trustees, by designating approximately one-third of the Trustees to one-, two- and three-year terms. Following the expiration of those designated terms, the term of each Trustee shall continue for three years, except the term of any Trustee who is the Parent, Alumni, LHS Faculty or LHS Student Representative shall be one year.

c. No Trustee, other than a Trustee serving as a corporate officer or the LHS Principal, may serve for more than seven (7) consecutive years.

d. The term of office of a Trustee elected to fill a vacancy in these bylaws begins on the date of the Trustee's election, and continues: (1) for the balance of the unexpired term in the case of a vacancy created because of the resignation, removal, or death of a Trustee, or (2) for the term specified by the Board in the case of a vacancy resulting from the increase of the number of Trustees authorized.

e. A Trustee's term of office shall not be shortened by any reduction in the number of Trustee resulting from amendment of the Articles of Incorporation or the Bylaws or other Board action.

f. A Trustee's term of office shall not be extended beyond that for which the Trustee was elected by amendment of the Articles of Incorporation or the Bylaws or other Board action.

5. Time of Elections. The Board shall elect Trustees whose terms begin on July 1 of a given year at the Annual Meeting for that year, or at a Regular Meeting designated for that purpose, or at a Special Meeting called for that purpose.

D. Removal of Trustees

The Board may remove a Trustee without cause as provided by the California Nonprofit Public Benefit Corporation law. The Board may remove any Trustee who:

1. Has failed to attend two or more of the Board's Regular Meetings in any calendar year;

2. Has been declared of unsound mind by a final order of court;
3. Has been convicted of a felony;
4. Has been found by a final order or judgment of any court to have breached any duty imposed by the California Nonprofit Public Benefit Corporation Law; or
5. For such other good causes as the Board may determine.

E. Resignation by Trustee

A Trustee may resign by giving written notice to the Board Chair or Secretary. The resignation is effective on the giving of notice, or at any later date specified in the notice. A Trustee may not resign if the Trustee's resignation would leave the corporation without a duly elected Trustee in charge of its affairs, without first giving notice to the California Attorney General.

F. Vacancies

A vacancy is deemed to occur on the effective date of the resignation of a Trustee, upon the removal of a Trustee, upon declaration of vacancy pursuant to these Bylaws, or upon a Trustee's death. A vacancy is also deemed to exist upon the increase by the Board of the authorized number of Trustees.

G. Compensation of Trustees

Trustees shall serve without compensation. However, the Board may approve reimbursement of a Trustee's actual and necessary expenses while conducting corporation business.

III. PRINCIPAL OFFICE

The corporation's principal office shall be at 536 Mission Street, San Francisco, California 94105, or at such other place as the Board may select by resolution or amendment of the Bylaws. The Secretary shall note any change in principal office on the copy of the Bylaws maintained by the Secretary.

IV. MEETINGS OF THE BOARD

A. Place of Meetings

Board Meetings shall be held at the corporation's principal office or at any other reasonably convenient place as the Board may designate.

B. Annual Meetings

An Annual Meeting shall be held in May of each year for the purpose of electing Trustees, making and receiving reports on corporate affairs, and transacting other business as comes before the meeting.

C. Regular Meetings

Regular Meetings shall be held at various times within the year as the Board determines.

D. Special Meetings

A Special Meeting shall be held at any time called by the Chair or by any five Trustees.

E. Adjournment

A majority of the Trustees present at a meeting, whether or not a quorum, may adjourn the meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Trustees if the time and place be fixed at the meeting adjourned, except if the meeting is adjourned for longer than 24 hours, notice of the adjournment shall be given as specified in these Bylaws.

F. Notices

Notices of Board Meetings shall be given as follows:

1. Annual Meetings and Regular Meetings may be held without notice if the Bylaws or the Board fix the time and place of such meetings.
2. Special Meetings shall be held upon four days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, facsimile or e-mail. Notices will be deemed given when deposited in the United State mail, addressed to the recipient at the address shown for the recipient in the corporation's records, first-class postage prepaid; when personally delivered in writing to the recipient; or when faxed, e-mailed, or communicated orally, in person or by telephone, to

the Trustee of to a person whom it is reasonably believed will communicate it promptly to the Trustee.

G. Waiver of Notice

Notice of a meeting need not be given to a Trustee who signs a waiver of notice or written consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or attends the meeting without protest prior to the meeting or at its commencement, of the lack of notice. The Secretary shall incorporate all such waivers, consents and approvals into the minutes of the meeting.

V. ACTION BY THE BOARD

A. Quorum

A quorum consists of one-third of the fixed number of Trustees.

B. Action by the Board

1. Actions Taken at Board Meetings. The actions done and decisions made by a majority of the Trustees present at a meeting duly held at which a quorum is present are the actions and decisions of the Board, except for purposes of electing Trustees, appointing committees and delegating authority thereto, or amending the corporation's Bylaws, where the action of a majority of Trustees then in office is required by the California Nonprofit Public Benefit Corporation Law or as set out in these Bylaws.

The Board may continue to transact business at a meeting at which a quorum was originally present, even though Trustees withdraw, provided that any action taken is approved by at least a majority of the quorum required.

2. Actions Without a Meeting. The Board may take any required or permitted action without a meeting if all the Trustees individually or collectively consent in writing to the taking of that action. Such consent shall have the same effect a unanimous vote of the Board, and shall be filed with the minutes of the Board proceedings.
3. Board Meeting by Conference Telephone. Trustees may participate in a Board meeting through use of conference telephone or similar communication equipment, so long as all Trustees participating in such

meeting can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

C. Committees

1. Appointment of Committees. The Board may appoint one or more Board Committees by vote of the majority of Trustees. A Board Standing Committee will consist of not less than two Trustees, who shall serve at the pleasure of the Board.
2. Authority of Board Committees. The Board may delegate to a Board committee any of the authority of the Board, except with respect to:
 - a. The election of Trustees.
 - b. Filling vacancies on the Board or any committee which has the authority of the Board.
 - c. The fixing of Trustee compensation for serving on the Board or on any committee.
 - d. The amendment or repeal of any Board resolution.
 - e. The amendment or repeal of Bylaws or the adoption of new Bylaws.
 - f. The appointment of other committees of the Board, or the members of the committees.
 - g. The expenditure of corporate funds to support a nominee for Trustee.
 - h. The approval of any self-dealing transaction, as defined by the California Nonprofit Public Benefit Corporation Law.
1. Procedures of Committees. The Board may prescribe the manner in which the proceedings of any Board Committee are to be conducted. In the absence of such prescription, a Board Committee may prescribe the manner of conducting its proceedings, except that the regular and special meetings of the Committee are governed by the provisions of these Bylaws with respect to the calling of meetings.

D. Standard of Care

1. Performance of Duties. Each Trustee shall perform all duties of a Trustee, including duties on any Board Committee, in good faith, in a manner the Trustee believes to be in the corporation's best interest and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.
2. Reliance on Others. In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, presented or prepared by:
 - a. One or more officers or employees of the corporation whom the Trustee believes to be reliable and competent in the matters presented;
 - b. Legal counsel, independent accountants or other persons as to matters that the Trustee believes are within that person's professional or expert competence; or
 - c. A Board Committee on which the Trustee does not serve, as to matters within its designated authority, provided the Trustee believes the Committee merits confidence and the Trustee acts in good faith, after reasonable inquiry when the need is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.
3. Investments. In investing and dealing with all assets held by the corporation for investment, the Board shall exercise the standard of care described above and avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation's capital. The Board may delegate its investment powers to others, provided that those powers are exercised within the ultimate direction of the Board. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to the corporation.

E. Rights of Inspection

Every Trustee has the right to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation, provided that such inspection is conducted at a reasonable time after reasonable notice, and provided that such right of inspection and copying is subject to the obligation to

maintain the confidentiality of the reviewed information, in addition to any obligations imposed by any applicable federal, state or local law.

F. Participation in Discussions and Voting

Every Trustee has the right to participate in the discussion and vote on all issues before the Board or any Board Committee, except as noted below:

1. The LHS Faculty Representative shall not be present for the discussion and vote on any matter involving: (a) the performance evaluation or discipline of any administrator or faculty member; (b) administrator or faculty compensation; (c) Executive Sessions of the Board; or (d) any other matter at the discretion of a majority of the Trustees then present.
2. The LHS Student Representative shall not be present for the discussion and vote on any matter involving: (a) the performance evaluation or discipline of any administrator, faculty member or student; (b) administrator or faculty compensation; (c) Executive Session of the Board; or (d) any other matter at the discretion of a majority of the Trustees then present.
3. Any Trustee shall be excused from the discussion and vote on any matter involving: (a) a self-dealing transaction; (b) a conflict of interest, (c) indemnification of that Trustee; or (d) any other matter at the discretion of a majority of the Trustees then present.

G. Duty to Maintain Board Confidences

Every Trustee has a duty to maintain the confidentiality of all Board actions, including discussions and votes. Any Trustee violating this confidence may be removed from the Board. Moreover, the LHS Faculty or Student Representative may be disciplined, including immediate dismissal, if Board information is disclosed without the Chair's prior approval.

VI. OFFICERS

A. Officers

The officers of the corporation consist of a President (hereinafter "Chair"), Vice President (hereinafter "Vice Chair"), a Secretary and a Chief Financial Officer (hereinafter "Treasurer"). The corporation also may have such other officers as the Board deems advisable.

1. Chair. Subject to Board control, the Chair has general supervision, direction and control of the affairs of the corporation, and such other powers and duties as the Board may prescribe. If present, the Chair shall preside at Board meetings.
2. Vice Chair. If the Chair is absent or disabled, the Vice Chair shall perform all the Chair's duties and, when so acting, shall have all the Chair's powers and be subject to the same restrictions. The Vice Chair shall have other such powers and perform such other duties as the Board may prescribe.
3. Secretary. The Secretary shall: (a) keep or cause to be kept, at the corporation's principal office, or such other place as the Board may direct a book of minutes of all meetings of the Board and Board Committees, noting the time and place of the meeting, whether it was regular or special (and if special, how authorized), the notice given, the names of those present, and the proceedings; (b) keep or cause to be kept a copy of the corporation's Articles of Incorporation and Bylaws, with amendments; (c) give or cause to be given notice of the Board and Committee meetings as required by the Bylaws; and (d) have such other powers and perform such other duties as the Board may prescribe.
4. Treasurer. The Treasurer shall: (a) keep or cause to be kept adequate and correct accounts of the corporation's properties, receipts and disbursements; (b) make the books of account available at all times for inspection by any Trustee; (c) deposit or cause to be deposited the corporation's monies and other valuables in the corporation's name and to its credit, with the depositories the Board designates; (d) disburse or cause to be disbursed the corporation's funds as the Board directs; (e) render to the Chair and the Board, as requested but no less frequently than once every fiscal year, an account of the corporation's financial transactions and financial condition; (f) prepare any reports on financial issues required by an agreement on loans; and (g) have such other powers and perform such other duties as the Board may prescribe.

B. Election, Eligibility and Term of Office

1. Election. The Board shall elect the officers annually at the Annual Meeting or a Regular Meeting designated for that purpose or at a Special Meeting called for that purpose, except that officers elected to fill vacancies shall be elected as vacancies occur.
2. Eligibility. A Trustee may hold any number of offices, except that neither the Secretary or Treasurer may serve concurrently as the Chair.

3. Term of Office. Each officer serves at the pleasure of the Board, holding office until resignation, removal or disqualification from service, or until his or her successor is elected.

C. Removal and Resignation

The Board may remove any officer, either with or without cause, at any time. Such removal shall not prejudice the officer's rights, if any, under an employment contract. Any officer may resign at any time by giving written notice to the corporation, the resignation taking effect on receipt of the notice or at a later date of specified in the notice.

VII. NON-LIABILITY OF TRUSTEES

The Trustees shall not be personally liable for the corporation's debts, liabilities or other obligations.

VIII. INDEMNIFICATION OF CORPORATE AGENTS

The corporation shall indemnify any Trustee, officer, employee or other agent of this corporation, who has been successful (1) on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he/she is, or was, the corporation's agent, or (2) in defense of any claim, issue or matter therein. In such case, the corporation will provide indemnity against expenses actually and reasonably incurred by the person in connection with such proceeding.

If the corporate agent either settles any such claim or sustains a judgment against him/her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, the California Nonprofit Public Benefit Corporation Law.

IX. INSURANCE FOR CORPORATE AGENTS

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Trustee, officer, employee or other agent of the corporation, against any liability other than for violating provisions of law relating to self-dealing asserted against

or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of the California Nonprofit Public Benefit Corporation Law.

X. SELF-DEALING TRANSACTIONS

The corporation shall not engage in any self-dealing transactions, except as approved by the Board. "Self-dealing transaction" means a transaction to which the corporation is a party in which one or more of the Trustees has a material financial interest ("interested Trustee(s)"). Notwithstanding this definition, the following transactions are not self-dealing transactions, and are subject to the Board's general standard of care:

1. The Board's action of fixing a Trustee's compensation as LHS Principal, a Trustee or corporate officer; or
2. A transaction which is part of a public or charitable program of the corporation, if the transaction (a) is approved or authorized by the Board in good faith and without unjustified favoritism, and (b) results in a benefit to one or more Trustees or their families because they are in a class of persons intended to be benefited by the program;

XI. OTHER PROVISIONS

A. Fiscal Year

The fiscal year of the corporation begins on July 1 of each year and ends on June 30 of the following year.

B. Execution of Instruments

Except as otherwise provided in these Bylaws, the Board may adopt a resolution authorizing any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of or on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power to bind the corporation by any contract or engagement, to pledge the corporation's credit, or to render it liable monetarily for any purpose or any amount.

C. Checks and Notes

Except as otherwise specifically provided by Board resolution, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation may be signed by the Chair, Treasurer or LHS Principal.

D. Construction and Definitions

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law and the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, words in these Bylaws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires, and the word "person" includes both a corporation and a natural person. The captions and headings in these Bylaws are for convenience of reference only and are not intended to limit or define the scope or effect of any provisions.

E. Conflict of Interest

Any Trustee, officer, key employee, or committee member having an interest in a contract, other transaction or program presented to or discussed by the Board or Board Committee for authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the corporation's interest. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor be present during in the discussion or deliberations with respect to, such contract or transaction (other than to present factual information or to respond to questions prior to the discussion). The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation. The Board may adopt conflict of interest policies requiring:

1. Regular annual statements from Trustees, officers, key employees to disclose existing and potential conflict in interest; and,
2. Corrective and disciplinary actions with respect to transgressions of such policies.

For the purpose of this section, a person shall be deemed to have an "interest" in a contract or other transaction if he or she is the party (or one of the parties) contracting or dealing with the corporation, or is a director, trustee or officer of, or has a significant financial or influential interest in the entity contracting or dealing with the corporation.

F. Interpretation of Charter

Whenever any provision of these Bylaws are in conflict with the provisions of the Charter, the provisions of these Bylaws control.

XII. AMENDMENT

A majority of the Trustees may adopt, amend or repeal these Bylaws.

CERTIFICATE OF SECRETARY

The undersigned does hereby certify that the undersigned is the Secretary of the Leadership High School, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, that the foregoing Bylaws of said corporation were duly and regularly adopted as such by the Board of Trustees of said corporation, which Trustees are the only members of said corporation; and that the above and foregoing Bylaws are now in full force and effect.

Douglas T. Gneiser
Secretary

Roles Of The Board Of Directors

The Board of Directors of every nonprofit organization plays many important roles in furthering the purpose of the organization. These may include, but are not limited to, the following.

- ❖ **PLANNER:** for the organization's future.
- ❖ **MONITOR:** of the current goals and objectives.
- ❖ **EVALUATOR:** of management efficiency and program effectiveness.
- ❖ **ORGANIZER:** of community constituencies to assist the organization.
- ❖ **EMPLOYER:** of the personnel at the organization.
- ❖ **MOTIVATOR:** of the staff and volunteers.
- ❖ **FUNDRAISER:** to ensure that all necessary funds are available.
- ❖ **CATALYST:** for long-term organizational change.
- ❖ **PROMOTER:** of the total organization as well as of its activities.
- ❖ **SUPPORTER:** of the organization's programs and services.
- ❖ **PROTECTOR:** of the public interest in exchange for tax-exempt status.
- ❖ **ADVOCATE:** for issues and positions which may affect the organization or its constituents.
- ❖ **ADVISOR:** to the Executive Director on issues which fall within the executive's purview.
- ❖ **LEADER:** to move the organization forward and not allow it to stagnate.
- ❖ **GOVERNOR:** to make corporate decisions.

(Source: Management Cornerstones, Inc. Milwaukee, WI, Revised 1989, 1990, 1995, 2000)