



BRIGHTSTAR
S C H O O L S

Bright Star Schools Board of Directors Minutes of the Regular Meeting

A meeting of the Board of Directors of Bright Star Schools was held on **Tuesday, February 25, 2025** at Stella Elementary Charter Academy and via teleconference, pursuant to notice duly given.

On the meeting agenda, the legislative body noticed each teleconference location of each member participating in the public meeting, each teleconference location was accessible to the public, members of the public were allowed to address the legislative body at each teleconference location, and the legislative body posted an agenda at each teleconference location. At least a quorum of the legislative body participated from locations within the boundaries of the local agency's jurisdiction.

In attendance at the start of the meeting were board members Andrew Murr, Lois Levy, Dr. Marissiko Wheaton-Greer, Alyce Johnson, Jen Cole, Marisol León, Louisa Wee, and Dr. Roberta Benjamin.

Bright Star Schools staff in attendance were Ana Martinez, Liliana Bustos, Allen Andrews, Thiany Armijo, Angelina Calderon, Thomas Crowther, Cindy Garcia, Darryl Garris, China Habte, Sunil Kewalramani, Dr. Eliza KimLy, Alexandra Lee, Megan Howell, Michael Hoover, May Oey, Andres Paniagua, Marni Parsons, Brian Perry, Elijah Sugay, Spencer Szabo, Johnny Terran, Cynthia Trigueros, Sebastian Valdes, Ana Vargas, and Lydia Garcia. Guests and members of the public included Fernando Lupian and Sandra Ruiz.

- 1. Call to Order and Introduction of Guests** - Andrew Murr called the meeting to order at 5:03 p.m. after confirming that a quorum was present.
- 2. Public Comment Period for Non-Agenda Items** - Andrew Murr welcomed all members of the public and acknowledged Sandra Ruiz and Fernando Lupian. Sandra on behalf of L.A. High Schools presented about LAUSD's intention to propose fifteen classrooms for co-location. She asked that BSS please reconsider rescind the intent to co-locate at the L.A. High Campus as it will negatively impact students on their campus. Fernando asked for a follow-up update on the planning days for teachers. If not at this current meeting then perhaps if updates could be given at a meeting in the near future.
- 3. Meeting Kick-off by Cindy Garcia, Interim School Principal at Valor Academy High School (VAHS):** Cindy Garcia presented to the BSS board that VAHS is dedicated to ensuring all graduates have the opportunity to be accepted and succeed in college. The school's core values- leadership, excellence, integrity, social justice, and community- guide its approach. Recent data shows strong matriculation rates, with the Class of 2024 seeing 25% accepted to college and 15% attending UC's. VAHS also offers key programs like College Experience Lessons, Life Experience Lessons, and leadership camps, along with a variety of extracurriculars, including sports, clubs, and student government. These efforts ensure a well-rounded education for students preparing for both college and future careers. Cindy also introduced Andy Garcia, a senior and Student Body President at VAHS. Andy shared his experience at VAHS, noting the unique environment where students are recognized and connected with teachers and staff in a supportive, home-like atmosphere. He highlighted his own growth, going from a shy student to a student-athlete leader and advocate for his peers, and emphasized how VAHS helps students develop into better versions of themselves.
- 4. Chief Instructional Officer Presentation by Liliana Bustos:** Liliana provided an update on the Independent Study program, noting that it now requires a signed agreement for students. The program also includes grade-level requirements for live interaction and synchronous instruction. "Live interaction" refers to communication between students and Charter School staff or peers to



maintain connectedness, while “synchronous instruction” refers to real-time classroom or small-group instruction, either in person or through digital means. Liliana emphasized that in order to apply for J13 a funding, an approved Independent Study Policy must be in place. The recent fires highlighted the importance of this policy, and additional compliance measures have been introduced, including CIO approval and increased progress monitoring with more oversight from the Student Support Team (SST).

5. **Senior Vice President of Operations Presentation by Sebastian Valdes:** Sebastian Valdes updated on the following:
 - **2024-25 School Enrollment Overview:** Sebastian presented the 2024-2025 school enrollment data, showing a total of 3,709 students in the final budget, with slight decreases in January (3,681) and February (3,672). The overall variance was -37 students. RKHS lost 15 students, mainly due to relocations, transfers to higher-performing schools, and concerns about school culture, including bullying and safety issues. Sebastian also reported that the current total ADA is 93.25%, which is .74% higher than the budgeted 92.61%.
 - **Stella Elementary Charter Academy (SECA) Turf Update and Approval:** Sebastian requested the board’s approval for the installation of a new turf field at SECA for \$253,690.94, an updated bid from the previously approved amount of \$239K in January 2023. The project, originally awarded to GreenView Direct, required additional approval from SECA’s landlord, the Archdiocese, which was only fully granted in Fall 2024. Due to cost changes, material adjustments, and the bid expiration, three new proposals were secured with GreenView Direct being selected again as the recommended choice.
6. **Vice President of Public Affairs Presentation by Angelina Calderon:** Angelina Calderon shared that on January 9, 2025, a federal district court in Kentucky ruled that the 2024 Title IX Final Rule and Regulations were unconstitutional and exceeded the U.S. Department of Education’s authority under Title IX. As a result, the court vacated the 2024 regulations in their entirety. Our policy will now revert to the 2020 Title IX regulations. The policy does not cover discrimination based on gender identity, sexual orientation, or pregnancy, which can be addressed through the school’s Uniform Complaint Procedures (UCP) policy. She also outlined the roles of the Title IX team and the UCP Compliance Officer.
7. **Vice President of Instructional Systems and Strategy Presentation by Alexandra Lee:** Alexandra provided an overview of the 2025-2026 Academic Calendar, highlighting that the calendar incorporates feedback from the Teacher Advisory Council (TAC), Principals, Senior Leadership Cabinet (SLC), Chief Instructional Officer (CIO), and Senior Vice President of Student and Family Services (SVPSFS), and that data from absence trends and BSS longitudinal changes was used when creating the calendar. Alexandra also discussed the rationale for aligning certain areas with Los Angeles Unified School District’s academic calendar and highlighted changes for next year. Alexandra also provided an update on Stella High Charter Academy’s instructional days, noting that BSS will be applying for J-13A. As mentioned, BSS had a full-day closure on January 8th and 9th. Specifically for Stella High, there were additional emergencies in January, including a power outage on January 27th and evacuations that led to partial day closures on January 28th and 29th. Alexandra requested approval to convert April 21st from a Pupil Free Day to an instructional day, contingent on final confirmation from CDE and the auditor regarding the January closures.
8. **Manager of Compliance and Special Projects updates by Lydia Garcia -** Lydia reminded board members that Form 700, required to disclose financial interests that may affect their role, will be sent to their BSS email addresses. The Form is due April 1st, and late submissions may



incur a fee of up to \$100. Lydia also encouraged board members to monitor their BSS emails for event invitations and opportunities to engage with students and staff, with at least one event in March or April highly encouraged. Lastly, she noted a scheduling conflict with the June Governance and Academic Committee meetings, as they overlap with Summer Leadership Retreats. proposed new meeting times are: Governance Committee on Friday, June 20th from 9-10:30 a.m. PST and Academic Committee from 2-3:30 p.m. PST.

9. Committee Reports: Committee Chairs gave updates from their respective committee meetings and allowed members from other committees to further comment and/or ask questions.

10. Chief Business Officer Presentation by Elijah Sugay: Elijah provided an overview of the following:

- Proposed multi-year phased implementation plan for the compensation redesign, including key findings, budget implications and alignment with BSS' long term fiscal sustainability goals:** Elijah began his presentation on the multi-year strategic compensation redesign by informing BSS staff on the call that the details to be presented are for Board approval, and any updates on staff compensation will be communicated in the coming weeks. Staff impacted by these changes will receive information during the offer letter distribution window, with key dates including Board approval on February 26 and the distribution of offer letters for teachers, counselors, and school staff from March 10-14. Elijah highlighted that Bright Star Schools (BSS) is adjusting its salary scales to attract and retain top talent, stay competitive in the market, and improve retention. Many roles currently fall below salary benchmarks, impacting morale, turnover, and recruitment. The goal is to offer competitive, fair, and transparent compensation while maintaining financial sustainability. A multi-year strategy was outlined, starting with prioritizing student-facing roles such as teachers and counselors in the first phase (2025-26), followed by addressing other roles in subsequent years. The phased approach allows for monitoring, feedback, and adjustments to ensure a smooth transition. Elijah also presented data showing the current market comparison and detailed how the redesign aligns BSS salaries with at-market rates. Incentives for longevity, such as salary increases at 4, 7, and 10 years of service, were also discussed. The total cost of the salary changes is projected at \$1,962,946, which has been fully accounted for in the FY26 budget. To offset these costs, a budget reduction of \$1,636,319 is required to maintain financial stability. Elijah emphasized that budget meetings with principals have been held to finalize a sustainable plan, ensuring that the long-term goals of the organization are met while balancing competitive compensation with financial responsibility.
- 2nd Interim Financials (First Quarter Financials, BSS Dashboard, Consolidated P&L, Consolidated BS, Cash Flow):** Elijah presented snapshot of the financial forecast through January 31, 2025, showing a slight decrease in net income from \$472K in January to \$389K in February. Despite this decrease, Bright Star Schools (BSS) remains financially stable. Revenues have increased slightly, with a notable \$200,000 in state revenue allocated to restricted grants for enrichment programming. Expenses continue to be strategically managed, with costs related to student activities, professional services, and operational needs, including after-school programming, tutoring, school day enrichment, and IT equipment/furniture, all being funded through one-time grants to maintain fiscal stability. He also presented the forecasted financials for each school through January 31, 2025, showing adjustments made to align with identified student needs. Most schools, along with the organization as a whole, are maintaining healthy reserves. While some schools, like SECA, RKES, and VAHS, are forecasting negative net income, others, including SHCA, RKMS, and VAHS, are expected to show positive financial results. The



total forecasted net income across all schools is \$389,269. Reserves for each school remain strong, with the overall reserves amounting to \$40.27 million, ensuring financial stability and the ability to address future needs. Elijah also provided an update on the FY 26 Governor's budget, highlighting an improved financial outlook compared to last June's projections, when a \$38 billion deficit was anticipated. As of January, the state has seen a \$16 billion increase in revenues. The budget includes a 2.43% cost-of-living adjustment (COLA) to help maintain purchasing power. Additionally, all current programs will be preserved in the FY 26 budget, and new one-time grants have been introduced to support additional initiatives and priorities. This positive update provides a more stable financial foundation moving forward.

- Delegation of Authority to select annual audit firm: Elijah presented an overview of the audit contract renewal process. It was noted that Bright Star has renewed its audit engagement with the existing audit firm. To ensure ongoing compliance with auditor independence requirements, a recommendation is being presented for Board approval to formally delegate authority to management for selecting the audit firm in future engagements.
- Increasing from an unsecured line of credit of \$5M to a secured line of credit \$10M: Sunil Kewalramani, Vice President of Finance, shared a proposal to update Bright Star's \$5M line of credit with City National Bank, which has been in place for over ten years but has not been used. The LOC was originally set up to help cover payroll in case the state delayed funding, and by board policy, it can only be used for short term payroll needs. The proposed changes include increasing the LOC to \$10M and securing it with Bright Star's \$12M in treasury investments instead of a UCC filing. These changes would lower the interest rate from 8.75% to 6.438%, remove the \$12,500 annual fee for not using the LOC, and give Bright Star more flexibility by no longer requiring CNB's approval to take on new debt.
- Decrease the Working capital cash from 90 days to 60 days and invest funds in treasuries: Sunil Kewalramani also provided an update on Bright Star's working capital strategy, which currently exceeds the 45-day cash requirement set by bond covenants. In December 2024, the Board approved opening investment accounts at City National Bank to invest excess cash in short term (1-3 years) treasury securities. After setting aside \$18 million to cover 90 days of expenses, Bright Star has already invested \$12 million in Treasuries and is earning interest on its checking account balances through sweep arrangements. To take advantage of higher Treasury yield, Sunil proposed reducing the cash reserve from 90 to 60 days bringing working capital to \$12 million, so that an additional \$6 million can be invested in Treasuries, depending on cash flow needs.
- Valor Academy Elementary School Update: Elijah Sugay shared an update on the Valor Academy Elementary construction project, confirming it's still on track for completion by August 1, 2025 and remains within budget. The team is actively seeking ways to speed up progress and ensure timely delivery. More updates, including grand opening details, will be shared soon.

11. Approval of Consent Agenda - Andrew Murr asked board members if they would like to remove or vote on any items separately from the consent agenda. With no objections, he then called for a motion to approve the consent agenda. Jen Cole moved and Marisol León seconded the motion to approve the consent agenda as follows:

- **Governance**
 - Minutes from BSS Board Meeting on January 28, 2025
 - Minutes from Governance Committee Meeting on February 13, 2025
 - Renewal of 2 Year Board Term for Andrew Murr



- Renewal of 2 Year Board Term for Lois Levy
- Renewal of 2 Year Board Term for Louisa Wee
- Renewal of 2 Year Board Term for Stephen Green
- **Academic/Compliance**
 - Independent Study Policy
 - Title IX Policy
 - Uniform Complaint Policy
 - 2024-2025 SHCA Calendar
 - 2025-2026 Academic Calendar
- **Finance and Facilities**
 - Approve the 2nd Interim Financials, which include: First Quarter Financials, Bright Star Schools Financial Dashboard, Consolidated Profit & Loss Statement (P&L), consolidated Balance Sheet (BS), Cash Flow Statement
 - Approve the transition from a \$5 million unsecured line of credit to \$10 million secured line of credit
 - Approve the delegation of authority to select new audit firm based on proposals received
 - Board to delegate authority to executive leadership to select an audit firm for the organization’s annual audits
 - Approval of Form 990 for submission to the IRS
 - Approval of the redesigned salary scales for implementation in FY26
 - SECA Turf Project

Board Member	Yes	No	Abstain	Absent
Andrew Murr	x			
Dr. Marissiko Wheaton-Greer	x			
Jennifer Cole	x			
Lois Levy	x			
Louisa Wee	x			
Marisol León	x			
Stephen Green				x
Jason Rudolph				x
Dr. Roberta Benjamin	x			
Alyce Johnson	x			
David Chang				x
Total	8	0	0	3
Motion Carries?	Yes			



- 12. Closed session:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (§ 54956.9(d)(2)-(3)): One Case At 6:43 p.m., all BSS board members, Ana Martinez, Elijah Sugay, and Angelina Calderon entered a closed session. They returned at 6:59 p.m. with no actions to report.
- 13. Adjournment:** There being no further business, Andrew Murr moved to adjourn the meeting. The motion was seconded by Marisol León. The meeting was adjourned at 7:00 p.m.

Signed by:

Andrew Murr

Andrew Murr, Board Chair

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Lydia Garcia

Lydia Garcia, Manager of Compliance & Board Secretary