



4500 Lincoln Avenue • Oakland, CA 94602 • Telephone: 510.531.3323 • Fax: 510.531.2990 • www.abilitynowbayarea.org

October 26, 2015

Members of the Planning Commission
City of Oakland
250 Frank Ogawa Plaza, Suite 3315
Oakland, CA 94612

Dear Members of the Planning Commission:

As Executive Director of Ability Now Bay Area (formerly the Cerebral Palsy Center for the Bay Area), which is located at 4500 Lincoln Avenue in Oakland, I am writing to support Head Royce School's request to amend its exiting use permit.

Our two institutions have established a long relationship of cooperation and sharing of resources.

We try hard to minimize traffic and parking impacts on our neighbors. For example, we share parking during special events. We remind our collective affiliates not to use neighbor driveways to turn around or make turns, and not to make U-turns on neighborhood streets.

As you know, Lincoln Avenue is a busy thoroughfare – but as one of its neighbors, we can attest that Head-Royce works hard to be a positive presence in the community and lessen its impact on nearby residents. Its school community is committed to its relationship with the surrounding neighborhood.

We respectfully urge you to approve Head-Royce's requested amendments to its use permit.

Sincerely,

A handwritten signature in black ink that reads "Leslie C. Werosh".

Leslie C. Werosh, MPA
Executive Director

Klein, Heather

From: Leila H. Moncharsh <101550@msn.com>
Sent: Friday, October 30, 2015 10:53 AM
To: Office of the Mayor; City Administrator's Office; Cappio, Claudia; Kalb, Dan; Bolotina, Olga; arguillen; McElhaney, Lynette; Gallo, Noel; Campbell Washington, Annie; Brooks, Desley; Kaplan, Rebecca; Reid, Larry; Moore, Jim; magraplanning; nags98; jahazielbonillaoaklandpc; amandamonchamp; jmyres.oakplanningcommission; Pattillo, Chris; ew.oakland; Klein, Heather; Ranelletti, Darin; Flynn, Rachel; asimmons; Merkamp, Robert; Miller, Scott; nagrajplanning@gmail.com
Subject: Head-Royce claim - "Community Asset"
Attachments: Attachment 1. October 27, 2015.pdf; ATTACHMENT 2. October 27, 2015.pdf; Attachment 3. October 27, 2015.pdf; Attachment 4. October 27, 2015.pdf; Attachment 6. October 27, 2015.pdf; Attachment 8. October 27, 2015.pdf; Attachment 51. October 27, 2015.pdf; Attachment 71. October 27, 2015.pdf; Summary sheet - commission. October 30, 2015.pdf

Dear Mayor, City Council, Planning Commission, and Planning Staff,

In view of the claims by Head-Royce that it is a "community asset" and "an important part of Oakland" in its emails to the school community and others, NSC forwards the following summary and attachments. It may take more than one email for you to receive all of the attachments. Below is the summary sheet of the attachments and it is also included as an attachment:

TO: Planning Commission
FROM: NSC
DATE: October 30, 2015
RE: Head-Royce's Expansion

Head-Royce School is seeking to expand their enrollment to 906 students, over twice the number of students we have found on any individual Northern California private school campus. It is currently in violation of its use permit because it enrolled beyond the limit of that permit. However, it claims to be a major asset to the community, and therefore, its violation should be overlooked. It seeks even more students now and has continued encroaching into the surrounding residential neighborhood. It now owns 22 acres of institutional and residential properties. Attachment 1 is a flyer that went to alumni parents asking that they attend the planning commission public hearing and build up Head-Royce as a benefit to the community. The facts do not support that claim:

HRS Claim: Creator of Local Jobs - Head-Royce has been sued three times in Alameda County Superior Court over the last four years for wrongful termination based on discrimination, and for failing to pay employees what they were owed. The most recent Complaint was filed in March 2015 (Attachment 2), which details how Rob Lake, the Head of School bullied and then fired a 59-year-old employee, with the current CFO and Interim Head of School involved. The other lawsuits are: Action Number RG11580712; RG11580720 – wage and hour claim that was resolved by HRS issuing back pay to employees and producing an accounting.

Because of the allegedly abusive treatment of teachers and staff by Lake, in the 2013-2014 timeframe, they asked the board of trustees to fire Lake. The board instead requested a report from a consultant who interviewed employees. Attachment 3 is a letter from Lake to the employees, dated August 1, 2014, acknowledging that there were serious issues between him and the employees. Despite the apparently critical report and the allegations by teachers and staff of abuses by Lake, the relationship between HRS and Lake did not end for another year, on August 12, 2015 – Attachment 4. By then the alleged employee abuses had gone on, uncorrected by the board of trustees, for five years. Teacher and staff reviews in Attachment 5 on Glassdoor.com corroborate some of the complaints about the school's treatment of its employees.

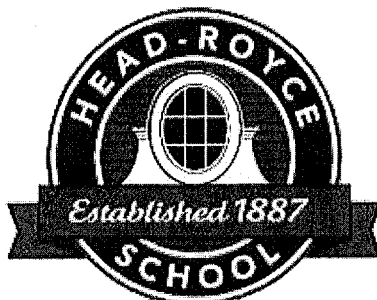
HRS Claim: Heads Up and Summer Program - Heads Up includes a summer program, not to be confused with the summer camp-type program that HRS advertises to the public and hosts to generate funds for the school. An internal report, prepared by the then Associate Director of Programs in 2013 was allegedly leaked by a former board member. (Attachment 6.) It does not support HRS' claims that Heads Up is an asset to the community. HRS had committed very little energy or funds to this program, which was supposed to assist 100 low-income OUSD students per year. As of 2013, only 66 of the 100 students even came from OUSD (page 8), the rest from 36 different school districts. The OUSD students in the program were not financially disadvantaged (page 10) and the program had a high turnover of directors (page 12). Despite that HRS received \$25 million per year (public 990 tax return), it only budgeted about \$200,000 for the program and that money was only available from donations (pages 15, 16). "Heads Up, a program designed to reduce the marginalization of low-income students of color, thus becomes, in Head-Royce's attitude and actions marginalized. Civic responsibility, such a crucial component to Head-Royce's identity, is not exemplified in our treatment of and philosophy toward Heads Up." (Page 17.)

HRS Claim: Diversity – Head-Royce has repeatedly claimed that a majority of its students are "of color," suggesting that it is contributing to diversity in Oakland. (See website.) However, the data does not support this claim. A 2012-2013 student directory prepared by Head-Royce listed the addresses of the students, showing that only 53% of them even resided in Oakland. The rest came primarily from Berkeley, Alameda, Piedmont, Orinda, and Lafayette. (Attachment 8.) A pie chart provides a visual breakdown. (Attachment 7.) After downloading the addresses of the students and the census tracts where they lived, we were able to obtain mapping from GIS professionals. Very few students were living in census tracts between Highways 580 and 880. Only 2.7% of the students lived within walking distance of the school.

The median income map was not a surprise, given the high tuition Head-Royce charges. However, the racial maps were of interest. They demonstrated that most students come from neighborhoods with a much higher percentage of white residents than residents "of color." This was less true for neighborhoods that had a high percentage of Asian residents than for neighborhoods that had a high percentage of Latinos. While there is no way to prove that Head-Royce does not have students "of color" or Latinos from wealthy or predominantly white neighborhoods, we can conclude that at least Head-Royce was not accepting students from neighborhoods where a high percentage of Latinos resided. Also, it was accepting almost no students from either East or West Oakland. Out of its 463 Oakland students in 2013, it did not appreciably contribute to diversity for children in Oakland. The maps are attached.

Head-Royce needs your help at City Hall...

[View this email in your browser](#)



Dear ...

Head-Royce needs your help – and I’m writing today to ask for your support at City Hall.

As you may be aware, we are engaged in a healthy and positive discussion with the City of Oakland around our permit that governs the School’s operations. Our current permit allows us to enroll up to 906 students, but not until 2021. As we constantly work to provide high-quality education to young people in the East Bay, we have asked the City for permission to incrementally expand our enrollment by approximately 3% earlier than 2021 should we choose to do so.

On November 4, the Planning Commission will consider our request. At this hearing, City staff will recommend a host of new rules – as a condition of allowing the School’s request – designed to lessen the School’s impact on the surrounding neighborhood. Included in these recommendations are rules about hours of operation, traffic, parking, special events, deliveries and more. As part of this effort, the School engaged professional transportation planners to prepare what’s called a “Transportation Demand Management Plan” designed to improve traffic flow. Our

ATTACHMENT 1

"Big 10 Driving Rules" aren't just for our own sake – compliance is an important part of how we're allowed to operate. And while the new rules are tough, we can make them work.

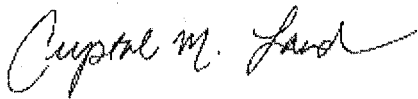
At City Hall, decisions like this can become very political. Though many of our neighbors support the School, there are some who oppose our request. Though this is certainly their right, we need your help to demonstrate the many positive impacts our school has on the community. These include excellent school-year and summer programs, local jobs, the Heads Up program, community service, and participation in neighborhood security and beautification efforts. We work extremely hard to be a good partner to the surrounding neighborhood – but to a small but vocal group of neighbors, our good faith efforts have not been enough.

On Wednesday, November 4 at 6 p.m. at Oakland City Hall, the Planning Commission will hear our case. We need you to help stand up for the Head-Royce school community. Here's how you can help:

- Click here to [send a letter of support](#) to the planning commissioners
- [Please RSVP to show up](#) and speak in support at the hearing.
- Contact Mary Fahey at (510) 531-1300 x2219 or mfahey@headroyce.org to tell us how you can help

Will you show up and speak up for our school community? I hope to see you there – and thank you for your commitment to our students.

Sincerely,



Crystal Land

Interim Head of School

1 Julia Campins – CA State Bar No. 238023
2 Hillary Benham-Baker – CA State Bar No. 265019
3 CAMPINS BENHAM-BAKER, LLP
4 8 California Street, Suite 703
5 San Francisco, CA 94111
6 Tel. (415) 373-5333
7 Fax (415) 373-5334
8 julia@cbbllp.com
9 hillary@cbbllp.com

10 *Attorneys for Plaintiff Raymond Louie*

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IN THE SUPERIOR COURT
FOR THE COUNTY OF ALAMEDA
CIVIL DIVISION

RAYMOND LOUIE,

Plaintiff,

vs.

HEAD-ROYCE SCHOOL,

Defendant.

Case No.:

COMPLAINT

JURY TRIAL DEMANDED

RAYMOND LOUIE, brings this action against Defendant HEAD-ROYCE SCHOOL for age discrimination in violation of the California Fair Employment and Housing Act (“FEHA”), Cal. Gov’t Code § 12940 *et seq.*, and for wrongful termination in violation of public policy.

I. INTRODUCTION

1. Federal and state law protects older workers against age discrimination.

Unfortunately, at the Head-Royce School in Oakland (“the School”), one of the Bay Area’s most prestigious independent schools, under a new Head of School (Robert A. Lake), there has been a

1 pattern of age discrimination, in which the older workers, despite their dedication, experience,
2 knowledge, and high performance, have been forced out in favor of younger workers.

3 2. Ray Louie lost his job of nearly 21 years because of this discriminatory behavior.
4 Mr. Louie joined the School as Director of Educational Technology in July 1993. He
5 shepherded the School through the radical technological advances of the past two decades. In
6 1993, the School had forty computers. In 2014, it had over 700. Although the School's
7 technology grew rapidly, Mr. Louie's department did not. Nevertheless, Mr. Louie consistently
8 excelled in his job, receiving positive formal and informal performance evaluations and regular
9 pay increases.

10 II. JURISDICTION AND VENUE

11 3. This action arises under the California Fair Employment and Housing Act, Cal.
12 Gov't Code § 12940, *et seq.*

13 4. Venue in the County of Alameda, Civil Division is proper under California Code
14 of Civil Procedure Section 395(a) and California Government Code § 12965(b), because the
15 workplace in which the unlawful practices were committed is located in Alameda County.

16 5. Jurisdiction is proper in that the amount in controversy exceeds the jurisdictional
17 limits of this Court according to proof at trial.

18 6. Mr. Louie has complied with all conditions precedent to bringing this action.

19 7. Mr. Louie has exhausted any necessary administrative procedures for pursuing his
20 claims.

21 III. PARTIES

22 8. Plaintiff Raymond Louie was, at all times relevant to this Complaint, a resident of
23 Alameda County. Mr. Louie is over the age of 40. At the time of his termination, he was 59
24 years old. Mr. Louie was employed by Defendant from 1993 to June 30, 2014.

25 9. Plaintiff is informed and believes, and on that basis alleges, that Defendant Head-
26 Royce School currently is and has been at all times relevant hereto, a nonprofit public benefit
27 corporation subject to the laws of the State of California, and was and is, conducting business in
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1 the County of Alameda. The Head-Royce School is an independent school serving students from
2 Kindergarten through high school and located in Oakland, California.

3 **IV. FACTUAL ALLEGATIONS**

4 10. Mr. Louie joined Head-Royce as Director of Educational Technology in July
5 1993. Prior to joining Head-Royce, he had a successful career as a public school teacher and
6 educational information technology manager. Mr. Louie is dual credentialed in math and social
7 studies, has an administrative credential, and has a Bachelor's degree in history from the
8 University of California, Berkeley and a Master's degree in education from Stanford.

9 11. Upon his hire, Mr. Louie took charge of the School's burgeoning information
10 technology department during a time of radical technological changes. Under his leadership, the
11 School transitioned from a small computer lab to a wireless internet-enabled environment, to the
12 school it is today, in which every student has access to a computer.

13 12. Mr. Louie began his tenure at Head-Royce under the leadership of Paul
14 Chapman as Head of School. Mr. Chapman was Mr. Louie's direct supervisor from 1993 to
15 2010. Mr. Louie had an excellent working relationship with Mr. Chapman, as well as the other
16 senior administrators.

17 13. Mr. Louie grew the technology department from serving as its sole member to a
18 staff of as many as five over the course of his nearly 21 years with the School.

19 14. Mr. Louie did not receive written performance evaluations until December 2011.
20 The feedback that he received on his performance from Mr. Chapman, other senior leadership,
21 and other members of the Head-Royce community was that his work was exceptional.

22 15. Mr. Louie was well-known throughout the School by administrators, teachers, and
23 students for his hard work, positive attitude, and school spirit. In fact, his two daughters are
24 alumnae of the School and were also highly engaged members of the community during their
25 time there.

26 16. Mr. Louie was honored by Head-Royce in May 2009 with the Michael Traynor
27 Award, which was established to acknowledge an individual "who has served the school with
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1 excellence and exceptional spirit and has especially enhanced the lives of others.” In a letter
2 from Mr. Chapman bestowing this honor, he quoted and endorsed the following description of
3 Mr. Louie’s work:

4 In his quiet way he takes care of the engine that drives the school. Information
5 technology is his bag, and no one does it better than Ray Louie. He has taken
6 Head-Royce from the days of blackboards and paper to smartboards and digital
7 notebooks. He has woven together a complex system that works behind the
8 scenes, but keeps everyone’s daily lives on track. Under his guidance we all have
9 changed the way we teach, and deliver and receive information. His
10 implementation of “innovation grants” has pushed us all to think outside of the
11 box in terms of innovation, and it was evident at the last CAIS conference that we
12 are an example of how to run a 21st century school. More important than
13 computers and how they affect our lives, is the person who keeps all of our
14 machines running. Ray is always available, and his calm demeanor makes all of
15 us feel better when these imperfect systems fail. No request is too trivial, and any
16 problem is a challenge that he is willing to take on in order to make our teaching
17 lives more productive. He encourages us to use technology as a tool to make our
18 teaching better, and he always offers new ways to make our classrooms more
19 exciting for the students. Where would we be without Ray probably back
20 in the Stone Age. I can’t think of anyone more deserving of the Traynor Award
21 than Ray Louie.

22 His contributions to the school are immeasurable. Patiently, methodically and
23 relentlessly he brought the entire school into the 21st century. Look at this K-12
24 faculty, look at the Administration and the Staff at Head-Royce. We are all
25 indebted to him for making it possible to use the latest technology to enhance our
26 teaching and facilitate our work. Thank you Ray Louie!

27 17. Mr. Chapman retired in 2010. Head-Royce hired Robert Lake as the new Head of
28 School and he assumed this role in summer 2010. Unfortunately, soon after acclimating himself
to the School, Mr. Lake began to scrutinize Head-Royce’s older workers, pressuring several to
retire, and targeting them for hostility and discipline.

18. Specifically, Mr. Lake made it clear that he did not value long-term experience at
the School. He repeatedly accused older workers of “not liking change,” despite no evidence of
such. Mr. Lake apparently saw himself as an agent of change and the older workers at Head-
Royce as his roadblocks. He was also noted as making comments such as “we need some young
bright minds” and “new ideas” to “shake it up” at the School. These stereotypical assumptions
were hurtful and damaging to these dedicated workers. Mr. Lake’s comments, coupled with his

1 hostility and pressure to retire led many of them to feel that they had no meaningful choice other
2 than to resign. Those who refused to quit or retire early, Mr. Lake terminated. Once these older
3 workers had left the School, Mr. Lake replaced them with younger workers, typically attractive
4 young women.

5 19. For the first couple of years of Mr. Lake's employment at Head-Royce, he had
6 what seemed like a satisfactory working relationship with Mr. Louie, although Mr. Lake was not
7 particularly engaged with technology issues. In fact, in 2012 he transferred his duties as Mr.
8 Louie's direct supervisor to be shared by Crystal Land, Assistant Head of School and Academic
9 Dean and Dennis Malone, Chief Financial Officer and Director of Operations.

10 20. Mr. Louie received annual raises under Mr. Lake's leadership for the 2011-2012,
11 2012-2013, and 2013-2014 academic years. In March 2013, Mr. Louie was awarded a Summer
12 Grant from the School to travel to Spain.

13 21. In December 2011, Mr. Louie received the first written performance evaluation of
14 his career at Head-Royce. Prior to this point, written evaluations were not completed for
15 administrators, who were supervised directly and given verbal feedback. This review was
16 completed by Mr. Lake. Mr. Lake rated Mr. Louie in all areas as meeting or exceeding
17 expectations; most of the factors evaluated were rated as "good to great." Notably, Mr. Louie
18 never received any written discipline or warning from the School during his time there.

19 22. After terminating or forcing out six administrators over the age of 40, as well as
20 numerous older teachers, Mr. Lake began targeting Mr. Louie in late 2013 and early 2014.

21 23. In late 2013, Mr. Louie approached Mr. Malone to discuss the needs of the
22 technology department in light of the increased demands on the School's networking
23 infrastructure stemming from the increased number of devices accessing it. Mr. Louie proposed
24 a number of solutions. Ultimately, he and Mr. Malone agreed that a new position should be
25 created that would be responsible for infrastructure and that Mr. Louie would oversee the
26 department. They approached Mr. Lake with this idea in late 2013. Mr. Lake responded that he
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1 was undecided and requested additional information. The School ended up hiring a consultant to
2 work on these issues until they could agree upon a permanent approach.

3 24. Mr. Lake approached Mr. Louie in late January or early February 2014 and stated
4 that he believed Mr. Louie should take a 50% salary reduction to hire this additional
5 infrastructure position. Mr. Louie responded that he did not believe this extreme salary reduction
6 would be appropriate. He reiterated his openness to continuing discussions about how to
7 reorganize his department to meet the School's needs.

8 25. Unlike in previous years, Mr. Louie did not receive a contract renewal letter in
9 February or March 2014. This was of concern to Mr. Louie in light of Mr. Lake's reference to
10 dramatically cutting Mr. Louie's salary. On March 27, 2014, Mr. Louie approached Mr. Lake
11 and asked about the lack of a contract. Mr. Lake promised Mr. Louie that he would have a job
12 during the next school year and that his contract was forthcoming.

13 26. On April 16, 2014, Mr. Louie was called into a meeting with Mr. Lake, Ms. Land,
14 and Mr. Malone. In this meeting, Mr. Lake stated to Mr. Louie, "I think you should retire early."
15 He did not give any justification for this statement. Mr. Louie was shocked but responded by
16 asking if something else could be done so that he would not lose his job. He also raised his
17 concern about losing his health insurance coverage. Mr. Lake abruptly ended the meeting,
18 promising to schedule a further discussion the following week. This discussion did not occur.

19 27. On April 28, 2014, Mr. Lake, Ms. Land, and Mr. Malone met with Mr. Louie
20 again. Mr. Louie asked if he could work for another year to assist in any transition that Mr. Lake
21 was planning. Mr. Lake stated that this would not be possible and again continued to encourage
22 Mr. Louie to retire early. Mr. Louie was 59 at the time and reiterated that it was too early for
23 him to retire.

24 28. After this meeting, Mr. Louie shared with some colleagues that Mr. Lake was
25 threatening to terminate him and was pressuring him to retire early. On May 7, 2014, Mr. Lake
26 and Ms. Land called Mr. Louie into a meeting. Mr. Lake accused Mr. Louie of "destroying the
27 school by informing that he was not retiring by choice." Mr. Lake threatened Mr. Louie that he
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1 would not be permitted to return to the campus to end the year if he refused to tell the
2 community that he was retiring by choice. Mr. Louie refused. Mr. Louie ultimately was
3 permitted to finish out the year and his last day at Head-Royce was June 28, 2014.

4 29. Upon information and belief, Mr. Louie's former department assistant, who is in
5 his mid-thirties, has taken over Mr. Louie's job duties.

6 30. Upon information and belief, many Head-Royce faculty and staff complained to
7 Mr. Lake and to the School's Board of Directors about Mr. Louie's termination, among other
8 concerns about Mr. Lake's leadership.

9 31. In response to these complaints, the Board engaged Doug Michelman to interview
10 faculty and staff about Mr. Lake's performance. Mr. Louie was interviewed by Mr. Michelman.
11 On information and belief, Mr. Michelman's findings were presented in a report to the Board of
12 Trustees in 2014. In further response to these complaints, the School engaged a leadership coach
13 for Mr. Lake.

14 **FIRST CAUSE OF ACTION**

15 **(Age Discrimination in Violation of the
16 Fair Employment and Housing Act, Cal. Gov't Code § 12940.)**

17 32. Plaintiff incorporates the foregoing paragraphs of his Complaint by reference.

18 33. Defendant is an employer as defined by the FEHA.

19 34. Plaintiff was an employee of Defendant as defined by the FEHA.

20 35. The FEHA provides that "It is an unlawful employment practice for an employer
21 to refuse to hire or employ, or to discharge, dismiss, reduce, suspend, or demote, any individual
22 over the age of 40 on the ground of age." Cal. Gov't Code § 12941.

23 36. Defendant terminated Plaintiff because of his age.

24 37. Defendant's actions were willful, malicious, fraudulent and oppressive, and were
25 committed with the wrongful intent to injure Plaintiff and in conscious disregard of Plaintiff's
26 rights.

27 38. Plaintiff filed a timely charge against the Defendant with the Department of Fair
28 Employment and Housing ("DFEH") alleging age discrimination. Thereafter, and less than one

1 year ago, Plaintiff received from the DFEH notification of his right to sue. Attached as Exhibit
2 A is a true and correct copy of Plaintiff's Right to Sue Notice from the DFEH.

3 39. As a result of Defendant's actions, Plaintiff sustained economic damages to be
4 proven at trial, as well as punitive damages. As a further result of Defendant's actions, Plaintiff
5 suffered emotional distress; resulting in damages to be proven at trial.

6 40. Plaintiff is entitled to all attorneys' fees and litigation costs, *inter alia*, which he
7 has incurred in litigating his claims, in addition to reinstatement, backpay, compensatory and
8 punitive damages, pre- and post-judgment interest, and all other relief available under the
9 applicable statutes.

10 41. Plaintiff further seeks an equitable declaration of the Court, as authorized by the
11 FEHA and the common law, that the Defendant engaged in discriminatory acts and seeks
12 injunctive relief against Defendant and its illegal policies.

13
14 **SECOND CAUSE OF ACTION**
(Wrongful Termination in Violation of the Public Policy.)

15 42. Plaintiff incorporates the foregoing paragraphs of his Complaint by reference.

16 43. Plaintiff's termination was in violation of the fundamental public policy of the
17 State of California as put forward in FEHA. *See Tameny v. Atlantic Richfield Co.* (1980) 27
18 Cal.3d 167; *Foley v. Interactive Data Corp.* (1988) 47 Cal.3d 654, 666.

19 44. Defendant terminated Plaintiff because of his age.

20 45. Defendant's actions were willful, malicious, fraudulent and oppressive, and were
21 committed with the wrongful intent to injure Plaintiff and in conscious disregard of Plaintiff's
22 rights.

23 46. As a result of Defendant's actions, Plaintiff sustained economic damages to be
24 proven at trial, in addition to punitive damages. As a further result of Defendant's actions,
25 Plaintiff suffered emotional distress, resulting in damages to be proven at trial.

26 **PRAYER FOR RELIEF**


27 WHEREFORE, Plaintiff prays as follows:
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1. That this Court award actual, compensatory, and/or punitive damages to Plaintiff for violations of his civil rights under state law and the public policy of the state;
2. That this Court award injunctive and/or declaratory relief to Plaintiff pursuant to applicable state law. Specifically, Plaintiff seeks an order requiring Defendant to cease and desist from discriminating against its employees because of age;
3. That this Court award Plaintiff's reasonable attorneys' fees and costs pursuant to state law;
4. That Plaintiff be awarded pre-judgment interest on all monies awarded; and
5. That Plaintiff be granted all other relief as the Court may deem just and proper.

Dated: March 4, 2015

CAMPINS BENHAM-BAKER, LLP

By: 
Hillary Benham-Baker
Attorneys for Plaintiff

JURY TRIAL DEMANDED

Plaintiff, RAYMOND LOUIE, hereby demands a trial by jury.

Dated: March 4, 2015

CAMPINS BENHAM-BAKER, LLP

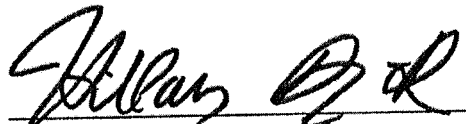
By: 
Hillary Benham-Baker
Attorneys for Plaintiff

Exhibit A



DEPARTMENT OF FAIR EMPLOYMENT & HOUSING

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
800-884-1684 | TDD 800-700-2320
www.dfeh.ca.gov | email: contact.center@dfeh.ca.gov

ACTING DIRECTOR ANNMARIE BILLOTTI

February 06, 2015

Raymond Louie
[REDACTED]
[REDACTED]

RE: **Notice of Case Closure and Right to Sue**
DFEH Number: 244186-103789
EEOC Number: 37A-2014-03786-C (Alameda - N)
Louie / Head-Royce School

Dear Raymond Louie

The Department of Fair Employment and Housing (DFEH) has closed your case for the following reason: Withdrawn – Intend to File a Lawsuit

This is your Right to Sue Notice. According to Government Code section 12966, subdivision (b), a civil action may be brought under the provisions of the Fair Employment and Housing Act against the person, employer, labor organization or employment agency named in the above-referenced complaint. This is also applicable to DFEH complaints that are filed under, and allege a violation of, Government Code section 12948, which incorporates Civil Code sections 51, 51.7, and 54. The civil action must be filed within one year from the date of this letter. However, if your civil complaint alleges a violation of Civil Code section 51, 51.7, or 54, you should consult an attorney about the applicable statutes of limitation.

Please note that if a settlement agreement has been signed resolving the complaint, you may have waived the right to file a private lawsuit. Should you decide to bring a civil action on your own behalf in court in the State of California under the provisions of the California Fair Employment and Housing Act (FEHA) against the person, employer, labor organization or employment agency named in your complaint, below are resources for this.

Finding an Attorney

To proceed in Superior Court, you should contact an attorney. If you do not already have an attorney, the organizations listed below may be able to assist you:

- The State Bar of California has a Lawyer Referral Services Program which can be accessed through its Web site at www.calbar.ca.gov or by calling (866) 442-2529 (within California) or (415) 538-2250 (outside California).
- Your county may have a lawyer referral service. Check the Yellow Pages of your telephone book under "Attorneys."

Filing in Small Claims Court

- The Department of Consumer Affairs (DCA) has a publication titled "The Small

Claims Court: A Guide to Its Practical Use" online at of "The Small Claims Court: A Guide to Its Practical Use" online at http://www.dca.ca.gov/publications/small_claims/. You may also order a free copy of "The Small Claims Court: A Guide to Its Practical Use" online, by calling the DCA Publication Hotline at (866) 320-8652, or by writing to them at: DCA, Office of Publications, Design and Editing; 1625 North Market Blvd., Suite N-112; Sacramento; CA; 95834.

- The State Bar of California has information on "Using the Small Claims Court" under the "Public Services" section of its Web site located at www.calbar.ca.gov.

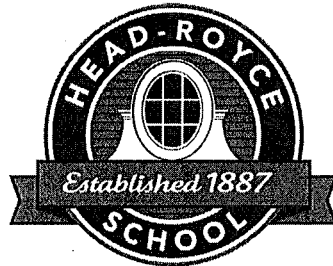
Sincerely,



Mallory Sepler-King
Consultant I
213-337-4501
mallory.sepler-king@dfeh.ca.gov

cc:

Head-Royce School
Rob Lake
4315 Lincoln Ave
Oakland CA 94602



August 1, 2014

Dear Faculty and Staff,

I hope and trust that you are having a restful summer. As you can imagine, the campus is quieter after the end of another successful summer session, but we are busy with preparations for the opening of school, and general campus maintenance. I have received and am in the process of reading everyone's annual reports. As always, they are an important way for me to get a sense of how the year went from your perspective. Thank you.

I'm writing to you now as a follow-up to our last faculty meeting and to give you an update. After the final faculty meeting, many of you concluded your interviews with Doug Michelman. I want to thank you for taking the time to share your candid views with him. Your time and effort demonstrates just how much you genuinely care about this school and our academic community.

After your meetings, I spent time with Doug listening to everything that was shared and getting a real sense of the tenor of the faculty and staff comments. While there were many things that were very difficult for me to hear, I believe I have learned much from your feedback, and am committed to doing everything that I can to help to improve faculty morale.

I have also spent time with the executive committee of the Board discussing the information, concerns, and feelings that Doug reported to us. I recognize that we have difficult and serious issues to address. Many of you are very concerned about the direction of the school and my personal leadership style. I understand that a lack of trust in my leadership has damaged our community. Fixing the problem starts with me and I am approaching this process of healing in a very transparent and open way. It is important for me and important for our rebuilding of trust that you know that I am being fully open with the Board of Trustees about the issues that were raised. In addition to meeting with the executive committee, we plan to have a full board meeting in August to plan for the coming academic year. This is an extraordinary meeting that is not normally held. However, it is a testament to just how important this process of healing is for our school.

This summer, while difficult, has been one in which I have done much soul searching in response to what I have heard and internalized. I plan to share much more with you on

this front when we return mid-August, but it is important to me that you know that I have heard the messages and taken them to heart.

There were two other specific things that I mentioned in the last faculty meeting that I want to note here. In June, we had planned to send out two surveys: one on the faculty compensation system and one focused on feedback for me as Head of School. After listening to Doug, it became clear that many of you do not support the compensation system. But even more told Doug that the larger problem was that its implementation and rollout was significantly flawed. So, to confirm, we are putting the program on hold this year and will be working with some of you to determine if we can design and implement a program that addresses your concerns about transparency, consistent evaluation criteria and other issues.

We have also been working hard to create a meaningful survey for faculty and staff to provide feedback on my performance as a Head of School. We want to craft a survey that allows for honest, helpful, and actionable input. In addition, we want to employ independent school best practices to help us determine content, timing, and methodology. A hastily put together survey would not serve the school nor would it have been a good use of your time. The plan regarding this survey is that the final draft, as well as the process and timing of the survey, will be shared with you at the beginning of the school year. Our intent is to field the survey at the end of March. The survey results will be shared with the executive committee, an outside consultant, and me.

The Board and I have enlisted the help of Fran Scoble, a leadership coach/consultant. www.fnsoble.com. Fran is a very experienced former school head and coach who now works closely with Heads and Boards on leadership, governance, and school culture. I share this with you so that you have a sense of the expertise that is being brought to bear on these issues and more importantly, so you again can get a sense that I am taking this very seriously.

While this letter may differ from my typical mid-summer correspondence, this is a key moment for us and I am hopeful that we can look forward to a healthy, positive, productive school year during which trust is rebuilt.

Sincerely,

A handwritten signature in black ink, appearing to be the name 'Rob' written in a cursive style.

Rob

From: "Bill Newell, Board Chair" <boardchair@headroyce.org>
Date: August 12, 2015 at 8:01:34 PM PDT

Subject: Leadership Transition

Head-Royce School

scholarship · diversity · citizenship

Dear Families,

We are writing to let you know that we have accepted Rob Lake's resignation as Head of School. After discussions with him about the direction of the school, we have agreed to amicably part ways after his five years of service to the school as Head.

During his time as Head, Rob was a visionary leader who spearheaded critical projects and initiatives that will serve the school for decades to come. Under his leadership, we purchased the Lincoln Child Center property and initiated a curricular re-envisioning process. He improved the academic experience for students by introducing Mandarin in the lower school, differentiated Math in the middle school, and reinvigorating our upper school STEM focus with new electives such as Engineering and Computer Science. He brought new initiatives in on-line learning and customized learning opportunities with the Global Online Academy and our two Institutes for Applied learning in STEM and Global Programs. Also, during Rob's tenure, our Annual Fund increased by more than 50% with increased giving from all major constituents. In addition, admissions significantly strengthened and enrollment today is at an all-time high. Most importantly, Rob's passion and focus was always on the students and his love for children and planning for their futures will make a long-lasting and positive impact on the school.

The Board of Trustees has selected Linda Hoopes to temporarily serve as acting Head of School. Linda will return to lead the Middle School upon the hiring of an Interim Head of School. We are in the final stages of the selection process and plan to announce the Interim Head in the next several weeks. Additional details about the Interim Head of School and the Board's plan to run a search will be forthcoming.

This is not goodbye - Rob and Heather will continue to be active and supportive parents in our Head-Royce community. Their son Tucker will be entering eighth grade, while Casey will be studying in Washington, D.C. and returning next year. As part of the transition, we have asked Rob to serve as an Advisor to the Board of Trustees.

We genuinely thank him for his service and wish him and his family all the very best.

Bill Newell

Chair, Board of Trustees

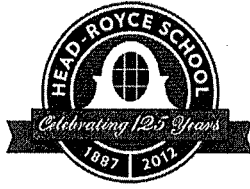
Head-Royce School

Head-Royce School

4315 Lincoln Ave. Oakland, CA 94602

Phone: (510) 531-1300 | Fax: (510) 531-2649 | Website: headroyce.org

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Head-Royce School
March 11, 2013

*Analysis & Proposal for
the*
HEADS UP PROGRAM



Created by:

Anthony Taula-Lieras
Associate Director of Programs
Head-Royce School

ATTACHMENT 6

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INTRODUCTION

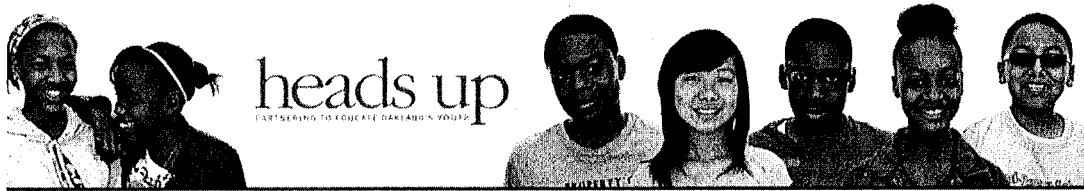
Each month, uniting within our octagonal community room, then swiftly spreading across the Middle School hallways, 100 high-achieving, low income students of color come to meet, share, develop and expand upon Head-Royce's values of diversity, scholarship, and citizenship. Every summer, those same students attend the Head-Royce Summer Program, flooding our grounds with giddy excitement, filling our classrooms with concentrated attention. Teachers from within and beyond the Head-Royce community come to serve these students; the academic instruction and individual attention our participants in turn receive is unparalleled in other facets of their lives.

The health, management, and advancement of the Heads Up Program is entirely connected to the well-being of the Head-Royce School. In its Principles of Good Practice for 21st Century Teaching and Learning, Head Royce identifies a visionary "sense of purpose" as crucial to the global education we offer our students. In this way, we build "personal investment in both our local community and larger world including a dedication to civic purpose and ecological sustainability." At such a crucial time in Head-Royce's development, it is imperative, both for our relationship with our immediate neighbors, as well as the wider City of Oakland, that we uphold this principle.

Over its 25 years of existence, the Heads Up Program has been a key component of Head-Royce's commitment to civic responsibility and community engagement. A thriving Heads Up Program means a thriving Head-Royce School. This proposal, recognizing the full extent to which this relationship is crucial, seeks to analyze and ensure the continuing health of Heads Up, and, in turn, Head-Royce.

This proposal is broken into several parts. In the first section, I will outline the history of the Heads Up Program, along with my current position within it. In the second section, I will introduce and expand upon each of the obstacles presently facing Heads Up, followed by my proposed solutions. In my closing section, I will describe a final step designed to enrich and sustain the enduring relationship between Head-Royce and Heads Up, Head-Royce and the City of Oakland, and Head-Royce and its global community.

Through this document, I hope not only to address the immediate challenges confronting Heads Up, but also to introduce and pave the way for a larger, more ambitious vision regarding the joint futures of Heads Up and Head-Royce.



I. The Heads Up Program: At a Glance

As Head-Royce celebrates its 125 year anniversary, the Heads Up Program also reaches a thrilling landmark: twenty-five years ago the Head-Royce School, in recognition of a pressing communal need for civic leadership, partnered with the Oakland Unified School District (OUSD) in search of a novel approach to ameliorating the educational and financial inequities plaguing Oakland's youth. The result was the Heads Up Program. Heads Up sought "to provide underserved middle school students of color from OUSD with challenging and enriching educational programs to prepare them for academic success and help them develop an appreciation for community and civic responsibility." Now, as Heads Up and Head-Royce celebrate their respective landmarks, we must review and reconsider the structure in which Heads Up operates. In so doing, we enable these monumental undertakings to further flourish.

Program Components: Over the past 25 years, the Heads Up Program has provided free programming to over 1000 students in the Oakland community. Heads Up students participate in compulsory programming between 6th and 9th grades, with optional programming offered for the remainder of their high school education. Since its inception, Heads Up has featured exceptional academic and emotional support in the form of a full-time Summer and monthly Saturday Program. In the past four years, Thursday tutoring sessions have enriched these offerings. Each component of Heads Up has a distinct purpose and approach.

The Summer Program: The Summer Program encourages exploratory learning through project-based instruction, designed by HRS Faculty. The Associate Director of Programs, in cooperation with the Heads Up Curriculum Developer, adjusts the curriculum to meet the unique needs of Heads Up students. Enrichment classes, including technology, art, music, robotics and dance, complement our academic offerings, filling potential gaps in the students' public education. The summer program runs for 30 days, beginning in June and ending in late July. The lead teacher to student ratio is 14:1. Alongside our lead teachers, aspiring teachers fill Teaching Intern positions, assisting with student management, stepping up to teach units, and allowing for more individualized student attention. With the inclusion of Teaching Interns, the summer teacher to student ratio is 7:1.

The Saturday Program: While the Summer Program promotes academic excellence, the monthly Saturday Program encourages character building: it inspires student appreciation for community and civic responsibility. Each Saturday Program is oriented around a particular theme including identity, the purpose of rules, proactivity, responsibility and accountability. Thematic overviews employ guest speakers, short films, active listening, and group activities. After our thematic introduction, students break into grade level classrooms, where lead teachers facilitate intimate explorations of the chosen theme. The first hour of class work is dedicated to hands on activities, while the second hour is dedicated to discussion and reflection. The

Saturday Program meets 9 times throughout the academic year. The teacher to student ratio is currently 11:1.

The Thursday Program: The newest component of the Heads Up Program is the Thursday Tutoring Program. This component of the program is intended to provide a safe learning environment overseen by dedicated Heads Up Tutoring Staff and HRS student tutor volunteers. The participation of HRS Upper School Students helps to bridge the Heads Up and HRS community. Heads Up and HRS volunteers improve student academic performance; they identify and address academic deficits; they inspire academic progress. The Thursday program also features a mentor session wherein Heads Up students, tutors, and HRS volunteers engage in relationship building activities.

Program Admission: The Heads Up Program has a unique process of admission. Heads Up applicants must first be nominated by an OUSD principal or other educational advocate. Nominated students meet the following criteria:

1. The student is motivated to participate in the program and comes from an economically disadvantaged background.
2. The student is academically able to participate. The student does not need to be the highest achieving but must demonstrate academic promise, resiliency and a commitment to learning.
3. The student has a proven citizenship record that will enable him/her to fruitfully contribute to the program. The student also has strong family support, as family participation is an essential component of program.

Nominated students submit their applications directly to the HRS Programs Office. Notifications of acceptance go out to students between April and May, allowing students adequate time to prepare for the summer program, beginning in June. In 2013 we began translating applications for admission into Spanish.

Program Staffing: Heads Up Program components are currently delivered by the Associate Director of Programs.

Prior to 2012, a full-time Head-Royce faculty or staff member directed the Heads Up Program amidst their other, entirely consuming, job responsibilities. The expectation that they could fulfill their primary job responsibilities while leading Heads Up was unrealistic: The Heads Up Program has its own admissions, notification, orientation period; it functions through specific narrative and reporting procedures; it requires a thorough hiring process, training period, and staff evaluation system; it incorporates intensive scheduling and curriculum development; it features field trips, parent outreach, and special event coordination. Finally, in addition to these educational and administrative needs, the Heads Up Program must orchestrate its own fundraising, development, and budget management. While the previous Directors' sincere dedication to, and care for the program was unquestionable, their ability to adequately attend to administrative details, sustainable systems, financial oversight and program advancement was compromised by their primary positions at Head-Royce.

Today, the Associate Director of Programs is responsible for program development, administration and delivery; the ADP oversees a dedicated team of 40 faculty and staff who work on the front lines of program delivery. While the leadership of a Director with financial, administrative, and educational skills specifically tailored to the needs of Heads Up is undoubtedly an improvement, the Associate Director of Programs is assigned to allot only 75 percent of his time to leading Heads Up--a 100 percent allocation of time, devoted to administrating the various components of Heads Up, would be extremely beneficial.

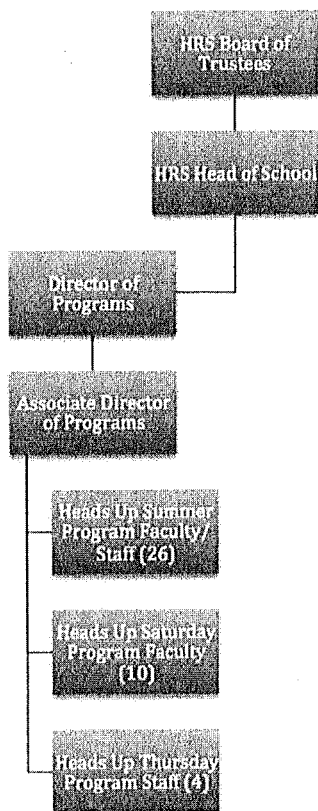


Image 1. Heads Up Organizational Structure: Organizational snapshot of the Heads Up Program and its staff.

II. Heads Up Program Analysis

Preparing a thorough analysis of the Heads Up Program has been exceptionally difficult. Outdated systems like paper files and the lack of an electronic database establish that difficulty. With a system of manual data input, keeping up with transient Heads Up families is extremely challenging. Student contact information--phone numbers and addresses--are often not up to date and have no automatic system of updating. Lastly, generating a thorough multi-year report is impossible. Paper files from 1987-1998 do not exist, while files from 1998-2012 are incomplete or have been destroyed. Given these challenges, the analysis generated in this report is specific to our current students.

Obtaining financial documentation has also been extremely onerous. Over the past 6 years, 6 different Heads Up Program Directors have charged from the Heads Up Program budget. Extra, unused charge codes have been confusing, while year-to-year spending has been inconsistent and inaccurate. Shared expenses of the Summer Middle School Program have skewed financial records--spending has not been accurately proportioned. A static Heads Up operating budget of roughly \$200,000 has been used as a guide, but loose language and inadequate assiduity have allowed the operating budget to run closer to \$250,000 for the past three years. While these financial incongruities have necessitated a significant amount of deciphering, this analysis achieves a fairly accurate financial overview of the past decade.

In reading the following analysis, it might be helpful to consider Heads Up in terms of LifeCycle Staging, as defined by Dr. Susan Stevens, in *Nonprofit Lifecycles*. Dr. Stevens identifies a stage of decline as a phase wherein organizational slippage is unseen and/or denied, the board is unaware there is an issue, income projections reflect past experience rather than current reality, and systems are typically antiquated, failing to reflect the needs of the program. While the positioning of Heads Up within such a phase might seem distressing, the phase of decline is an ideal opportunity for a stage of turnaround, characterized by the reassessment and modification of the program structure, the reallocation of resources, a leader who is gutsy, driven, and inspiring, a fully committed board, a willingness to reconsider resources and spending, and a visionary eye toward the future. Heads Up, in other words, is ideally positioned for outstanding regeneration.

The first steps toward regeneration involve revisiting our mission: specifically, evaluating whether we are positioned to, and succeeding in, fulfilling our mission statement. The next steps seek to create a sustainable organizational structure--both financially and administratively--through which the program can flourish. Still, before I launch into my constructive critique, I'd first like to emphasize the impressive endurance of our mission. Through Director overturn, outdated data systems, and inadequate budget management, the program mission has remained consistent and unchanging. It is what connects Directors, faculty, our actions, and our intentions.

The mission of the Heads Up program is to provide underserved middle school students of color from OUSD with challenging and enriching educational programs to prepare them for academic success and help them develop an appreciation for community and civic responsibility.

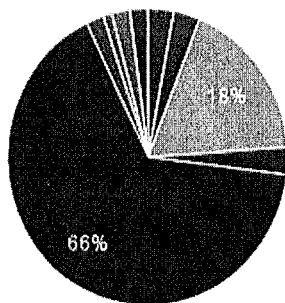
Issue #1

Problem: Mission creep in regards to whether we are solely serving financially disadvantaged students from OUSD.

OUSD Students: There are currently 100 students served within the Heads Up Program. These students come from 36 different schools across the Greater Bay Area. Alameda Unified School District (AUSD), Berkeley Unified School District (BUSD), Charter Schools, Castro Valley Unified School District (CVUSD), Oakland Unified School District (OUSD), Private Schools, San Leandro Unified School District (SLUSD), San Lorenzo Unified School District (SLzUSD) and West Contra Costa Unified School District (WCCUSD) are all represented and served by the Heads Up Program.

OUSD Heads Up Representation

- AUSD
- BUSD
- Charter
- CVUSD
- OUSD
- Private
- SLUSD
- SLzUSD
- WCCUSD



| | |
|----------------|-----------|
| AUSD | 3 |
| BUSD | 3 |
| Charter | 18 |
| CVUSD | 3 |
| OUSD | 66 |
| Private | 2 |
| SLUSD | 1 |
| SLzUSD | 2 |
| WCCUSD | 2 |

The program does indeed serve a majority of OUSD students. Yet 44 percent of current Heads Up students are not enrolled in OUSD. In truth, Heads Up Program has partially strayed from its mission by not remaining exclusive to OUSD.

But why is it important to remain exclusive to OUSD?

For 25 years the Heads Up Program has relied on independent donors to operate. The intentions behind individual donor gifts are undoubtedly varied, but each donor gives with the basic knowledge that Heads Up Program serves Oakland students. If Heads Up markets itself as serving OUSD students, it needs to ensure it is exclusive to OUSD to maintain donor trust.

Another advantage of OUSD exclusivity relates to our ability to efficiently track students. Currently, with students spread throughout 36 different bay area schools, it is more difficult to build strong partnerships with schools and Districts. Acquiring student data now requires 7 visits to separate Districts, along with 10 additional Charter or Private school visits. By contrast, an exclusive OUSD relationship would enable a streamlined system for the acquisition of student data. With this added productivity, we could devote more energy to establishing a collaborative partnership with OUSD.

The second largest body of students currently represented in the Heads Up Program attend Charter Schools. An argument can be made that the Heads Up Program is fulfilling its mission by serving students from Oakland Charter Schools. But according to our OUSD partners Denise Saddler and Sue Woehrl, Charters are not considered part of OUSD, and oftentimes cause OUSD problems. One such problem is known as the revolving door phenomenon. When students leave OUSD for a Charter School, the Charter School receives government money for that student's entire academic year. But if students quickly return to OUSD, whether by choice or by force, OUSD does not receive any funds to provide services for that student. This phenomenon adds additional stress to OUSD's already stretched budget. In addition to the revolving door issue, Charters can be seen as an additional resource for students to leverage. Students who have access to the additional academic support from Charter Schools are less impacted by the unique services provided by the Heads Up Program.

Perhaps most importantly, our exclusivity is vital to the health of OUSD. The original intention of the Heads Up Program was to collaboratively strengthen OUSD by academically empowering select middle school students through Head-Royce's abundant educational resources. The students would then enter OUSD high schools as role models, motivating and uplifting their peers. The hope was that Heads Up students, year after year, would influence the entirety of OUSD by spreading values of academic motivation and civic responsibility.

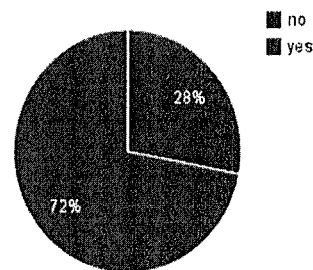
That intention is still crucial to OUSD. OUSD, while progressing, is still considered a struggling District. It is the 14th largest school system in California. Additionally, according to schooldigger.com, an educational resource which aggregates data from the National Center of Education, the U.S. Dept. of Education and the California Dept. of Education STAR test, OUSD ranks 577th of 770 Californian districts. Although test score rankings do not wholly represent a district, arguments can be made that not every student in OUSD has a safe school, a well-functioning classroom, or access to educationally enriching resources.

Financially Disadvantaged Students: As of 2013, Heads Up defines financially disadvantaged students as students who are eligible to receive reduced lunch according to the USDA Food and Nutrition Service guidelines. Under this guideline, nearly 30 percent of current Heads Up students are not considered financially disadvantaged. Within this 30 percent, income levels vary; a few Heads Up family incomes hover at or above \$100,000 a year. In failing to serve strictly low-income students, we are not remaining true to our mission, our donors, and, perhaps most crucially, we are missing an opportunity to serve those students most in need.

Image 4. Heads Up Students' Financial Statuses.

The Heads Up Program has limited resources and must make elaborate decisions regarding who we serve. The program takes into account where the student goes to school and family income to determine the amount of educational resources the student and family can leverage. The more financial and educational resources a student and family can leverage, the less mission impact on that student and family the program might have. This is because the student and family might be able to access services that duplicate those offered within Heads Up, such as tutoring or enrichment classes. Carefully choosing to serve only low-income students who generally have little ability to leverage educational resources ensures Heads Up will have high mission impact.

Eligible for Free or Reduced Lunch



Issue #1

Solution:

OUSD Students: Steps to address mission creep associated with OUSD exclusivity are already in progress. For the past 25 years HRS alumni Sue Woerhle and Denise Saddler have been the primary liaisons between OUSD and Heads Up. In these positions, Sue and Denise were responsible for distributing Heads Up applications to OUSD schools. Yet through a combination of high director turnover and the lack of a formalized procedure for maintaining this relationship, our partnership with Sue and Denise has suffered. With the additional time I have been able to dedicate to Heads Up, I have both strengthened this relationship and pursued additional partnering opportunities. In meeting with Sue and Denise, we have identified new OUSD schools with whom to collaborate, and solidified our relationships with others. In total, we have reached out to 25 OUSD elementary schools, with 2-4 Heads Up applications given to each school.

Still, in the absence of a formalized partnership with OUSD, there are no common understandings or responsibilities uniting Heads Up and OUSD. The formalization of that partnership will ensure the exclusivity and productivity of this program. As such, we are drafting a formal Memorandum of Understanding (M.O.U.), designed to outline and strengthen the partnership between OUSD and the Heads Up Program. By signing the M.O.U., Heads Up and OUSD will enter into a formal relationship characterized by mutual goals, overlapping philosophies, and shared methodologies. Through this

relationship, Heads Up will officially commit to providing excellent programming to select OUSD students, while OUSD will commit to continually providing District liaisons through which Heads Up can reach out to current and future students in the program.

Additional steps are also being taken to rebuild OUSD exclusivity. In order to ensure families understand the full scope of programmatic obligations, along with the admissions requirements, we have begun offering double-sided applications, in both English and Spanish. Our admissions materials now explicitly state that students must remain in OUSD in order to participate in the Heads Up Program. Lastly, I have partnered with the HRS IT department in implementing the Blackbaud electronic database. With this tool, we can automate and streamline our admissions, communications, and evaluation processes.

While we will continue supporting all students currently enrolled in Heads Up, regardless of their respective schools, these action steps will ensure we are 100 percent OUSD exclusive by 2017.

Financially Disadvantaged Students: Addressing mission creep associated with serving financially disadvantaged students is concurrently addressed through our steps to ensure OUSD exclusivity. Now, with a formalized definition of what it means to be economically disadvantaged, we can ensure Heads Up families fall within 185% of the Federal Poverty Guidelines. A snapshot of the exact income eligibility requirements can be found in Image 5.

17006

Federal Register / Vol. 77, No. 57 / Friday, March 23, 2012 / Notices

| INCOME ELIGIBILITY GUIDELINES | | | | | | | | | | | |
|--|-----------------------------------|-----------------------------|---------|-----------------|-----------------|--------|--------------------|---------|-----------------|-----------------|--------|
| Effective from July 1, 2012 to June 30, 2013 | | | | | | | | | | | |
| HOUSEHOLD SIZE | FEDERAL POVERTY GUIDELINES ANNUAL | REDUCED PRICE MEALS - 185 % | | | | | FREE MEALS - 130 % | | | | |
| | | ANNUAL | MONTHLY | TWICE PER MONTH | EVERY TWO WEEKS | WEEKLY | ANNUAL | MONTHLY | TWICE PER MONTH | EVERY TWO WEEKS | WEEKLY |
| 48 CONTIGUOUS STATES, DISTRICT OF COLUMBIA, GUAM, AND TERRITORIES | | | | | | | | | | | |
| 1 | 11,170 | 20,665 | 1,723 | 862 | 795 | 398 | 14,521 | 1,211 | 606 | 559 | 280 |
| 2 | 15,130 | 27,991 | 2,333 | 1,167 | 1,077 | 539 | 19,669 | 1,640 | 820 | 757 | 379 |
| 3 | 19,090 | 35,317 | 2,944 | 1,472 | 1,359 | 680 | 24,817 | 2,069 | 1,035 | 955 | 478 |
| 4 | 23,050 | 42,643 | 3,554 | 1,777 | 1,641 | 821 | 29,965 | 2,498 | 1,249 | 1,153 | 577 |
| 5 | 27,010 | 49,969 | 4,165 | 2,083 | 1,922 | 961 | 35,113 | 2,927 | 1,464 | 1,351 | 676 |
| 6 | 30,970 | 57,295 | 4,775 | 2,388 | 2,204 | 1,102 | 40,261 | 3,356 | 1,678 | 1,549 | 775 |
| 7 | 34,930 | 64,621 | 5,386 | 2,693 | 2,486 | 1,243 | 45,409 | 3,785 | 1,893 | 1,747 | 874 |
| 8 | 38,890 | 71,947 | 5,996 | 2,996 | 2,768 | 1,384 | 50,557 | 4,214 | 2,107 | 1,945 | 973 |
| For each add'l family member, add | 3,960 | 7,326 | 611 | 306 | 282 | 141 | 5,148 | 429 | 215 | 198 | 99 |

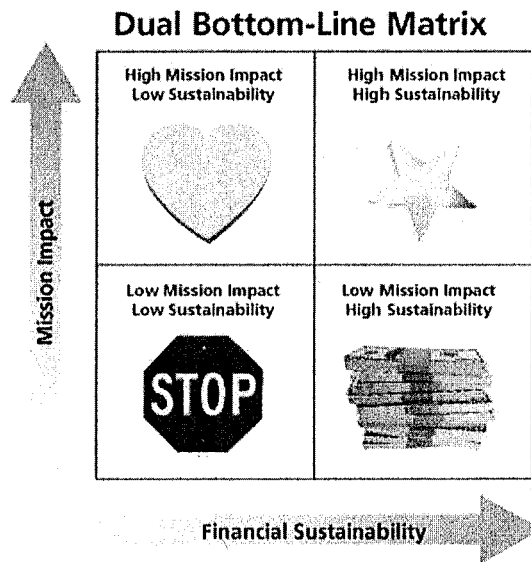
Image 5. New income eligibility guidelines. New eligibility guidelines defining the term "economically disadvantaged," ranking at 185% of federal poverty guidelines.

Issue #2

Problem: A Gross Lack of Fiscal Responsibility and Sustainability

Another problem is ensuring the Heads Up Program is fiscally responsible with its modest budget of \$200,000.

According to Peters and Schaffer's Dual Bottom-Line Matrix, an ideal organization falls within the star quadrant, where it has high mission impact high financial sustainability. The Head Royce School lives within the star quadrant; it fulfills its mission tenets while maintaining high financial sustainability. The Heads Up Program, meanwhile, currently lives in the least healthy of all the organizational mission quadrants--in the stop sign quadrant. Contained within a thriving star quadrant organization, Heads Up is simultaneously declining in the stop sign quadrant. Amidst our mission creep and low mission impact, we lack financial sustainability.



The Heads Up Program's financial sustainability problems can be attributed back to the program's underlying infrastructure. The Heads Up Program is essentially a non-profit educational program with crucial systematic, developmental, fundraising, admissions and financial management needs. Prior directors who lacked specific training in financial management could not have been expected to fulfill both the educational and fiscal needs of the program. Compounding all this, and undoubtedly directly related, is that turnover for the Heads Up Director position has been drastic, with 6 different Directors in 6 years.

While these administrative shortcomings have been partially addressed through the positions of Director of Programs and Associate Director of Programs, the 2012/2013 fiscal year has been further complicated by these additional salaries. In 2012 the HRS created a Programs Office to house HRS's auxiliary programs: the Summer Program, the After-School Program, and the Heads Up Program. Both the Director of Programs and the Associate Director of Programs each contribute a portion of their time to the Heads Up Program. The Associate Director of Programs currently earns a salary of \$70,000, with a 75% allocation to the Heads Up Program. The Director of Programs earns a salary upwards of \$100,000 with an allocation of 20%. The additional strain from these salaries has further challenged the financial sustainability of the program.

That said, the variety of stakeholders who directly influence the budget have always lacked a clear system of communication. The Business Office, for example, manages the Heads Up budget expenses, maintains the endowment fund and sets planned budget increases each year. The Development Office, meanwhile, manages Heads Up fundraising, which directly funds the program's yearly operations. Lastly, the director of Heads Up is responsible for attempting to balance the budget. Due to misinformation, miscommunication, and misunderstandings, the Business Office plans Heads Up budget increases

without communicating the information to the Development Office, who would be responsible for matching the increases through fundraising.

The Heads Up Programs budget has increased by nearly \$150,000 in the past 10 years. There is no documentation of the fundraising efforts from 10 years ago, but since 2005 fundraising has only increased by \$50,000. The discrepancy between a 35% fundraising increase and a 93% operating budget increase between 2005-2012 became tangible in the 2011/2012 budget cycle, when the program registered a deficit of nearly \$60,000.

The 2011/2012 deficit is not a single year problem. The fiscal year of 2012/2013 will register an even more substantial deficit. As of December 31, 2012 the Heads Up Program shows a total decrease to fund balance of \$282,056. This deficit is already larger than last year's total of \$245,365 and the fiscal year is only halfway over. The fiscal calendar ends on June 30, directly amidst our most costly program component, the Summer Program.

In this format, Heads Up spending has historically and continues to surpass our budget allotment. If the program remains so poorly structured, the program will run out of money by 2014.

| Heads Up Program Actuals / Summary | | | | | | | | | | | |
|------------------------------------|-------------|-------------|-------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|--------------|
| Ending Fund Balance (as of 6/30) | | | | | | | | | | | |
| | 2002 / 2003 | 2003 / 2004 | 2004 / 2005 | 2005 / 2006 | 2006 / 2007 | 2007 / 2008 | 2008 / 2009 | 2009 / 2010 | 2010 / 2011 | 2011 / 2012 | 2012 / 2013 |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual/Proj. |
| Salaries | 89,205.18 | 99,186.70 | 116,938.84 | 163,941.84 | 105,800.53 | 142,177.87 | 150,861.21 | 168,348.73 | 136,874.03 | 164,851.85 | 169,834.87 |
| Benefits | 7,645.64 | 9,935.32 | 11,354.94 | 9,574.92 | 8,038.58 | 12,098.47 | 18,761.18 | 6,843.18 | 12,028.31 | 15,407.88 | 16,534.23 |
| Art Supplies | 828.43 | 187.51 | - | - | 128.57 | 351.10 | 241.46 | - | 784.82 | 759.42 | 4,334.23 |
| Lunch & Food | - | - | - | - | - | - | - | 13,597.50 | 13,875.50 | 13,388.00 | 7,833.07 |
| Professional Development | - | - | - | - | - | 638.40 | - | - | 805.00 | 1,741.83 | 1,828.81 |
| Community Relations | - | - | - | - | 148.51 | 6,448.48 | 4,160.00 | - | - | - | - |
| General Classroom | 1,338.43 | 3,386.94 | 1,298.54 | 3,080.43 | 481.58 | 3,458.27 | 1,863.62 | - | 4,374.00 | 3,307.67 | 5,088.73 |
| Professional Services | 100.00 | 1,812.68 | 1,100.00 | 480.00 | 122.50 | 85.00 | - | - | 4,256.28 | 850.00 | 635.00 |
| Printing/Postage | 1,770.84 | 2,087.59 | 1,081.97 | 685.50 | 20.58 | 2,031.85 | 16.70 | - | 3,291.89 | 213.07 | 865.84 |
| Field Trips | 3,300.00 | 2,406.00 | 4,213.10 | 2,387.20 | 2,451.31 | 2,743.78 | 1,855.10 | 6,449.02 | 6,866.86 | 6,894.18 | |
| Miscellaneous (incl. travel) | 3,485.48 | 4,203.81 | 4,414.80 | 7,500.20 | 3,638.00 | 1,351.80 | 7,472.70 | 12,004.84 | 17,700.44 | 38,470.50 | 41,168.25 |
| Sub Total: | 107,289.85 | 123,017.33 | 141,212.15 | 128,579.79 | 122,746.38 | 169,960.71 | 184,884.96 | 148,922.74 | 192,675.47 | 245,365.70 | 260,741.11 |
| Total Funds Raised | | | | 138,466.00 | 149,269.00 | 155,012.00 | 191,402.00 | 241,284.00 | 192,129.00 | 186,845.00 | |
| End Balance | | | | 11,886.21 | 25,522.62 | (14,948.71) | 6,547.04 | 91,341.26 | (646.47) | (58,420.78) | |

Image 7. Program Actuals: Heads Up Budget and Projection from 2002-2013.

| Heads Up Program | | | | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| Summary | 2002 / 2003 | 2003 / 2004 | 2004 / 2005 | 2005 / 2006 | 2006 / 2007 | 2007 / 2008 | 2008 / 2009 | 2009 / 2010 | 2010 / 2011 | 2011 / 2012 | 2012 / 2013 | |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Projection |
| Salaries | 59,550.21 | 76,219.14 | 86,648.68 | 89,278.13 | 86,145.33 | 81,659.09 | 84,438.48 | 66,458.16 | 88,634.32 | 114,235.31 | 115,687.00 | 115,687.00 |
| Benefits | 6,209.31 | 8,000.92 | 8,747.49 | 8,081.33 | 8,246.61 | 8,041.99 | 8,885.54 | 6,255.08 | 8,742.44 | 11,826.84 | 12,455.62 | 12,455.62 |
| Art Supplies | 828.43 | 187.51 | - | - | 128.57 | 351.10 | 241.46 | - | 784.82 | 759.42 | 4,334.23 | 4,334.23 |
| Lunch Program + Food | - | - | - | - | - | - | - | 13,597.50 | 13,875.50 | 13,388.00 | 7,833.07 | 7,833.07 |
| Professional Development | - | - | - | - | - | 638.40 | - | - | 805.00 | 1,741.83 | 1,828.81 | 1,828.81 |
| Community Relations | - | - | - | - | 148.51 | 6,448.48 | 4,160.00 | - | - | - | - | - |
| General Classroom | 1,311.40 | 3,386.94 | 768.92 | 3,080.43 | 658.58 | 3,458.27 | 1,861.00 | - | 4,374.00 | 3,111.83 | 5,088.73 | 5,088.73 |
| Professional Services | 100.00 | 1,812.68 | 1,100.00 | 480.00 | 122.50 | 85.00 | - | - | 4,256.28 | 850.00 | 635.00 | 635.00 |
| Printing/Postage | 1,693.38 | 1,987.49 | 1,081.97 | 685.50 | 20.58 | 2,031.85 | 16.70 | - | 3,291.89 | 213.07 | 865.84 | 865.84 |
| Field Trips | 3,300.00 | 2,406.00 | 4,213.10 | 2,387.20 | 2,451.31 | 2,743.78 | 1,855.10 | 6,449.02 | 6,866.86 | 6,894.18 | 6,894.18 | |
| Miscellaneous (incl. field trips, dev.) | 1,494.04 | 3,817.40 | 3,383.80 | 3,688.64 | 3,000.00 | 1,288.82 | 1,218.45 | 12,004.84 | 17,700.44 | 38,470.50 | 41,168.25 | 41,168.25 |
| Sub Total: | 70,112.76 | 92,938.64 | 104,511.86 | 104,566.93 | 97,196.91 | 94,893.24 | 106,612.93 | 75,288.40 | 116,126.47 | 148,201.75 | 148,716.88 | |
| School Term | Historical | 2003 / 2004 | 2004 / 2005 | 2005 / 2006 | 2006 / 2007 | 2007 / 2008 | 2008 / 2009 | 2009 / 2010 | 2010 / 2011 | 2011 / 2012 | 2012 / 2013 | Projection |
| Salaries | 29,284.93 | 22,877.88 | 28,289.28 | 14,882.81 | 19,465.00 | 80,499.88 | 86,222.73 | 81,892.58 | 87,111.91 | 82,326.84 | 84,442.87 | 84,442.87 |
| Benefits | 2,336.33 | 1,929.80 | 2,607.19 | 815.19 | 842.97 | 4,854.51 | 7,895.54 | 3,368.10 | 2,123.17 | 3,295.44 | 3,148.56 | 3,148.56 |
| Art Supplies | - | - | - | - | - | - | - | - | - | 644.03 | 678.23 | 678.23 |
| Food | - | - | - | - | - | - | - | 13,597.50 | 13,875.50 | 13,388.00 | 7,833.07 | 7,833.07 |
| Professional Development | - | - | - | - | - | 638.40 | - | - | 805.00 | 1,741.83 | 1,828.81 | 1,828.81 |
| Community Relations | - | - | - | - | 148.51 | 6,448.48 | 4,160.00 | - | - | - | - | - |
| General Classroom | 28.03 | 40.00 | 439.82 | - | 123.00 | 32.82 | - | - | 4,374.00 | 195.84 | 205.60 | 205.60 |
| Professional Services | 100.00 | 1,812.68 | 1,100.00 | 480.00 | 122.50 | 85.00 | - | - | 4,256.28 | 850.00 | 635.00 | 635.00 |
| Printing/Postage | 149.29 | 763.62 | - | 585.50 | 20.58 | 2,031.85 | 16.70 | - | 3,291.89 | 213.07 | 865.84 | 865.84 |
| Field Trips | 3,300.00 | 2,406.00 | 4,213.10 | 2,387.20 | 2,451.31 | 2,743.78 | 1,855.10 | 6,449.02 | 6,866.86 | 6,894.18 | 6,894.18 | |
| Miscellaneous (incl. Development) | 1,991.41 | 2,016.21 | 1,151.10 | 3,688.64 | 3,000.00 | 1,288.82 | 1,218.45 | 12,004.84 | 18,644.73 | 32,351.93 | 32,164.53 | 32,164.53 |
| Sub Total: | 37,167.09 | 30,073.19 | 38,700.29 | 22,012.86 | 25,549.47 | 76,007.47 | 78,242.03 | 74,634.34 | 69,601.08 | 87,721.23 | 92,107.29 | |
| Tutoring | | | | | | | | | 2010 / 2011 | 2011 / 2012 | 2012 / 2013 | Projection |
| Salaries | - | - | - | - | - | - | - | - | 11,827.80 | 6,100.00 | 8,605.00 | 8,605.00 |
| Payroll Taxes | - | - | - | - | - | - | - | - | 1,163.70 | 598.60 | 826.33 | 826.33 |
| Professional Services | - | - | - | - | - | - | - | - | 3,990.00 | - | - | - |
| Travel | - | - | - | - | - | - | - | - | 5.48 | 197.95 | 207.88 | 207.88 |
| Miscellaneous | - | - | - | - | - | - | - | - | 471.88 | 648.34 | 676.76 | 676.76 |
| Sub Total: | | | | | | | | | 17,048.92 | 9,442.80 | 9,914.94 | 9,914.94 |
| Total Summer Heads Up | 70,112.76 | 92,938.64 | 104,511.86 | 104,566.93 | 97,196.91 | 94,893.24 | 106,612.93 | 75,288.40 | 116,126.47 | 148,201.75 | 148,716.88 | 148,716.88 |
| Total School Term Heads Up | 37,167.09 | 30,073.19 | 38,700.29 | 22,012.86 | 25,549.47 | 76,007.47 | 78,242.03 | 74,634.34 | 69,601.08 | 87,721.23 | 92,107.29 | 92,107.29 |
| Total Tutoring Heads Up | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 17,048.92 | 9,442.80 | 9,914.94 | 9,914.94 |
| Total Heads Up Program | 107,269.85 | 123,011.73 | 141,212.15 | 128,579.79 | 122,746.38 | 169,960.71 | 184,884.96 | 149,922.74 | 192,675.47 | 245,365.70 | 260,741.11 | |

Image 8. The Discrepancy: As shown in the table above, there is a gross discrepancy between Heads Up program actuals, Heads Up amounts fundraised and our yearly end balance.

Head-Royce School, Inc.
 Heads Up Financial Report
 For the Period July 1, 2012 thru December 31, 2012

| | Current Period | | | | Fiscal Year | | | |
|--|---------------------|---------------------|----------------------|--------------------|-------------------|---------------------|----------------------|--------------------|
| | YTD Actual | YTD Budget | Variance Fav/(Unfav) | YTD Prior Year | Annual Forecast | Annual Budget | Variance Fav/(Unfav) | Actual Prior Year |
| Heads Up General Fund | | | | | | | | |
| Beginning Fund Balance | \$ 317,157 | | | \$ 373,292 | | | | \$ 373,292 |
| Increases In Fund Balance | | | | | | | | |
| Donations | \$ 99,351 | \$ - | \$ 99,351 | \$ 97,120 | \$ - | \$ - | \$ - | \$ 172,529 |
| Other Revenue - BNO Ticket Sales | \$ 2,000 | \$ - | \$ 2,000 | \$ - | \$ - | \$ - | \$ - | \$ 9,390 |
| Investment Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Endowment Disbursement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,357 |
| Pledge Write-Off's | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (2,145) |
| Head-Royce In-Kind Contribution | \$ 30,804 | \$ - | \$ 30,804 | \$ 28,412 | \$ - | \$ - | \$ - | \$ 36,790 |
| Other In-Kind Contributions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Increase to Fund Balance | \$ 132,155 | \$ - | \$ 132,155 | \$ 125,532 | \$ - | \$ - | \$ - | \$ 225,921 |
| Decreases to Fund Balance | | | | | | | | |
| Summer Program Costs: | | | | | | | | |
| Employee Costs | \$ 129,342 | \$ 654,654 | \$ 525,312 | \$ 125,754 | \$ 6,545 | \$ 654,654 | \$ 648,109 | \$ 125,754 |
| Other Costs | \$ 38,242 | \$ - | \$ (38,242) | \$ 22,448 | \$ - | \$ - | \$ - | \$ 22,448 |
| Head-Royce In-Kind Costs (15%) | \$ 25,138 | \$ - | \$ (25,138) | \$ 22,230 | \$ - | \$ - | \$ - | \$ 22,230 |
| Subtotal Summer Program Costs | \$ 192,722 | \$ 654,654 | \$ 461,932 | \$ 170,432 | \$ 6,545 | \$ 654,654 | \$ 648,109 | \$ 170,432 |
| Academic Year Program Costs: | | | | | | | | |
| Employee Costs | \$ 30,362 | \$ - | \$ (30,362) | \$ 17,557 | \$ - | \$ - | \$ - | \$ 45,609 |
| Student Activities | \$ 1,603 | \$ - | \$ (1,603) | \$ 13,008 | \$ - | \$ - | \$ - | \$ 6,566 |
| Tutoring | \$ 2,974 | \$ - | \$ (2,974) | \$ 1,949 | \$ - | \$ - | \$ - | \$ 9,443 |
| Other Costs (i.e., Development) | \$ 2,833 | \$ - | \$ (2,833) | \$ 8,700 | \$ - | \$ - | \$ - | \$ 35,446 |
| Head-Royce In-Kind Costs (15%) | \$ 5,666 | \$ - | \$ (5,666) | \$ 6,182 | \$ - | \$ - | \$ - | \$ 14,560 |
| Subtotal Academic Year Costs | \$ 43,438 | \$ - | \$ (43,438) | \$ 47,397 | \$ - | \$ - | \$ - | \$ 111,624 |
| Total Decreases to Fund Balance | \$ 236,160 | \$ 654,654 | \$ 418,494 | \$ 217,829 | \$ 6,545 | \$ 654,654 | \$ 648,109 | \$ 282,056 |
| Net Change in Fund Balance | \$ (104,005) | \$ (654,654) | \$ 550,649 | \$ (92,297) | \$ (6,545) | \$ (654,654) | \$ 648,109 | \$ (66,135) |
| Ending Fund Balance | \$ 213,152 | \$ (654,654) | \$ - | \$ 280,995 | \$ (6,545) | \$ (654,654) | \$ - | \$ 317,157 |
| Heads Up Endowment Fund | | | | | | | | |
| Beginning Fund Balance | \$ 244,133 | \$ - | \$ - | \$ 249,460 | \$ 249,460 | \$ - | \$ - | \$ 249,460 |
| Donations | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment Income | \$ 4,224 | \$ - | \$ 4,224 | \$ 3,934 | \$ - | \$ - | \$ - | \$ 6,920 |
| Gains/(Losses) | \$ (10,656) | \$ - | \$ (10,656) | \$ (12,924) | \$ - | \$ - | \$ - | \$ (2,890) |
| Disbursement to HU General Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (9,357) |
| Net Change in Fund Balance | \$ (6,432) | \$ - | \$ (6,432) | \$ (8,990) | \$ - | \$ - | \$ - | \$ (5,327) |
| Ending Fund Balance | \$ 237,701 | \$ - | \$ - | \$ 240,470 | \$ 249,460 | \$ - | \$ - | \$ 244,133 |

Image 9. Heads Up Financial Report, July 1, 2012 - December 31, 2013. Heads Up 2012/2013 financial report. Total decreases total \$282,056, with frequent fluctuating HRS contributions.

Issue #2

Solution:

Addressing the financial sustainability of the Heads Up Program presents an excellent opportunity for Head-Royce. Under multiple pressures, Head-Royce is working diligently to illuminate the variety of ways the school serves its community, the City of Oakland. Yet while Head-Royce can highlight our commitment to the new bus system, the Conditional Use Permit enrollment numbers, and our inclusive Summer Program, none of these programs have the comparative weight of the Heads Up Program. Rather than exhibiting sensitivity to, or cooperation with, the City of Oakland--as the bus system and CUP guidelines might--Head-Royce directly contributes to Oakland through Heads Up. The Heads Up Program provides free educational enrichment, access to HRS's abundant resources, and supplemental mentorship to 100 OUSD students each year. In prioritizing and restructuring the Heads Up Program, Head-Royce gains a tangible exemplification of its community commitment.

The opportunity to highlight Heads Up within the scope of HRS' commitment to its neighbors, the greater Bay community, and its mission of civic leadership is currently in jeopardy. The Heads Up Program is facing rapid budget decreases that are quickly diminishing all of our financial reserves. It is a reality that by 2014, the Heads Up Program will have no money to operate. This reality can change and I have a four step proposal of how to create that change.

1. The first step of my proposal rapidly injects the Heads Up Program with cash. The Heads Up Program has averaged \$179,069 in fundraising for the past 7 years. Since the Heads Up Program is projected to run out of funds by 2014, I propose HRS ground its commitment to Heads Up by matching yearly Heads Up fundraising. This will infuse the Heads Up Program with sufficient funds to continue its annual programming. With this arrangement, HRS can tangibly present its community commitment; we can compellingly document our annual donation of nearly \$180,000 to OUSD, and thus the City of Oakland. Lastly, this step provides an extra motivation for donors to give to Heads Up, knowing that their contribution will have twice the impact. This first proposed step leverages the school to approach this financial quagmire proactively.

2. While the first step directly responds to Heads Up's immediate financial predicament, the following step works toward long-term financial sustainability. While not structurally necessary, step two recognizes the additional fundraising opportunity before us: step two of the proposal establishes a Heads Up Endowment Fund. Through the use of a check-box designation system, donors already giving to the building project next door can choose to designate a portion of their donation to a Heads Up Endowment Fund. In navigating how we will use and support the Lincoln Child Development Center space, there will undoubtedly be multiple fundraising projects, including a capital campaign, a programming fund, and an endowment fund. Because a healthy and sustainable Heads Up Program also means a healthy and sustainable HRS, as we plan for the future of HRS, we must also plan for the long-term future of Heads Up.

3. Steps three and four of this proposal will supplement the short term injection of cash and the proposed fundraising arrangement, thereby solidifying the financial sustainability of the program. Step three addresses our ineffective financial structuring by suggesting that Head-Royce covers all of Heads-Up's associated administrative costs. With the additional administrative salaries of the 2012-2013 year, Heads Up spending increased by over \$100k. This rapid budget increase greatly impacts this year's growing deficit. If HRS commits to covering the administrative costs of the program, we can assure all current and future donors that not only will all donations be matched, but all funds donated will be used

strictly for programming. In this way, as we demonstrate our unassailable commitment to Heads Up, our ability to market our civic responsibility will be significantly heightened.

4. The last and final step enables the long-term financial sustainability of the program. Fundraising efforts are currently managed through the HRS development office. Of the multiple projects and campaigns to which the development office dedicates time and energy, one staff member devotes approximately 5 percent of her time to Heads Up. Assigning our Development staff a larger allotment of time to Heads Up fundraising efforts would augment our financial health. Further, within this current structure, donations to the Heads Up Program primarily come from a large number of small gifts to the program. The Heads Up Walkathon, Mail Solicitations, and Big Night Out are the main fundraisers which solicit those donations. There has been insufficient energy dedicated to identifying individuals who might be compelled to donate larger gifts. Step four also suggests that HRS hire additional development staff, focused specifically on big gifts. Identifying, securing and cultivating relationships with individuals who can provide larger gifts will strengthen the Heads Up budget, while establishing cash reserves when small fundraising efforts fall short of yearly goals.

Finally, it is important to revisit the financial model within which Heads Up currently operates. Currently, Heads Up operations are funded directly by private donations. This puts us in a highly vulnerable and insecure position, wholly subject to the tides of the economy, and the whims of our donors. Heads Up fundraising might oscillate between wildly successful and woefully weak on a yearly basis. Since it takes nearly \$250k to run Heads Up programming, if the program only succeeds in raising \$150k in a given year, an entire component of the program would need to be abruptly cut. The services our students expect and rely upon would be ungracefully withdrawn. Our commitment to our students, our community, and our own mission would visibly wane.

According to the nonprofit data resource CompassPoint, 2013 charitable giving will follow last year's giving pattern, only rising approximately 1.5 percent. In this situation it will be extremely difficult to motivate additional giving. My four step approach thus takes a variety of angles to ensure Heads Up both has the money to operate year-to-year but is also financially sustainable.

I would now like to describe what this plan, if committed to, would look like.

In all likelihood, the Heads Up Program will maintain its fundraising average of approximately 180k for 2013-2014. Under this plan, HRS would then match the 180k, bringing the Heads Up operating budget to 360k. HRS would also cover administrative costs, averaging another 100k. The HRS contribution to the program for 2013-2014 year would thus be 280k.

The cost to frugally operate the program, in the absence of administrative salaries, is roughly 250k. That would provide the Heads Up Program with a budget surplus of 110k. A large percentage of these funds would be reserved for future years which do not attain the 180k fundraising goal. It would also allow Heads Up to add two crucial program components.

From a college admissions perspective, participation in the Heads Up program does not appear to be sustained. Although a student participates from 6-9th grade, the student can only list program involvement from 9-12th grade. On a college application, the program will not help a student as much as it could if the student was able to show sustained involvement through all 4 high school years. With additional funds, we can begin implementing an ambitious, yet necessary vision: extending the Heads Up Program from 6-12th grade.

In recognition that parent support is crucial to student success, we would also begin offering monthly programming for Heads Up parents. Workshops and trainings would involve such topics as establishing healthy study spaces at home, maintaining effective communication with teenagers, and expertly navigating the college application process. Monthly programming would culminate with an event at HRS: Heads Up faculty/staff would make and serve families dinner, provide guidance for checking-in and sharing as a family, and encourage future, resilient relationships between HRS and Heads Up parents.

Additional visions include establishing direct tutoring sites at OUSD schools, offering week-long California college tours to rising high-schoolers, creating a technology scholarship fund to allow Heads Up families access to computers and technology, developing a Counselor-in-training program, and launching programming in outdoor education.

Issue #3

***Problem:* Disconnection from the goals, administration, and community of the HRS.**

Heads Up is a product of HRS administration; it helps shape, define and fulfill what HRS is.

Yet though Heads Up has been around for 25 years and has served over 1000 students throughout its course, the components of the program, the full scope of its work, the Heads Up mission, and its impact is not sufficiently tangible on campus.

Further, Head-Royce currently contributes 15 percent in kind to Heads Up. Yet that same 15 percent is also decreased from the Heads Up budget, essentially inflating the budget increase while subtracting the same amount as a budget decrease. On paper, it is therefore nearly impossible to track how Head-Royce financially contributes to the program.

Heads Up, a program designed to reduce the marginalization of low-income students of color, thus becomes, in Head-Royce's attitude and actions, marginalized. Civic responsibility, such a crucial component to Head-Royce's identity, is not exemplified in our treatment of and philosophy toward Heads Up.

Issue #3

Solution:

Head-Royce takes great pride in its values of inclusiveness and collaboration. Yet in its relationship with Heads Up, Head-Royce has failed to fully express or realize those values. For the continued health of both Heads Up and Head-Royce, Solution 3 presents ways to reinvigorate the shared bond between Heads Up and HRS.

The first step to strengthening this bond requires additional support from the HRS administration. It would make a huge impact if, at least once a year, the Head of School participated in some element of our programming. The Head of School or a designee could also meet with the Superintendent of OUSD annually, significantly demonstrating HRS's commitment to its Heads Up students, and to the Oakland community. These suggestions alone would better illustrate HRS's community engagement, encourage

Heads Up students to feel valued and included on campus, and strengthen our unique partnership with OUSD.

The next step would encourage school leaders to participate in the Heads Up Program through the establishment of a Heads Up Advisory Committee. The committee, made up of Trustees, Administration, Faculty, Staff and students, would be tasked with advising and advocating for the program. By engaging such a diverse variety of individuals, the committee would gain, involve, and inform numerous novel stakeholders, from within and beyond the campus.

If, for example, the Upper School Dean of Community Life joined the committee, he or she would rapidly become mindful of Heads Up's initiatives, needs and goals. One of those goals would likely be increasing Head-Royce Upper School student participation in the Thursday Tutoring Program. The Upper School Dean of Community Life, newly informed about Heads Up, could easily direct students in search of Service Learning projects to our office. In this way, both Heads Up and Head-Royce could mutually benefit from our shared philosophies, knowledge, and resources.

The last step urges the continued expression of one of Head-Royce's primary values: that of collaboration. Between Head-Royce and Heads Up, there is an unfathomable opportunity for collaboration in the form of resource cooperation. Both HRS and Heads Up would greatly benefit from sharing resources in the form of shared curriculum, diversity training, space, and technology, joint training opportunities, and perhaps the greatest resource of Head-Royce, the Faculty.

One of the strengths of Heads Up (and thus of Head-Royce) is that we give select underserved students unprecedented access to an abundant wealth of educational resources. Yet in the estrangement and subsequent marginalization of Heads Up from Head-Royce, this intention has not been fully realized. This year alone, I have encountered considerable obstacles both in borrowing the iPad and laptop carts, accessing Middle School curriculum for the purposes of our Heads Up Summer Program. In addition to these difficulties, alongside the number of HRS faculty offering to teach and support the HRS Summer Program, as of 3/7 no HRS faculty will be directly working for the Heads Up Middle School Summer Program. By fortifying the collaborative bond between Head-Royce and Heads Up, we can not only address these logistical struggles, but also achieve our interrelated goals.

III. Final Steps

This October, two weeks before our Saturday session, I received a phone call. A social worker informed me that a current Heads Up student, a sweet student named Jennifer, was the unfortunate victim of cross fire from a drive by shooting. While Jennifer had graciously survived, I was asked to please pardon Jennifer's absence at our upcoming Saturday session. I quickly contacted Jennifer's family, expressing my, Heads Up's, and Head-Royce's support; I sent flowers; I told Jennifer we hoped to have her back as soon as she was healed and healthy. Only weeks later, on an otherwise soporific Saturday morning, Jennifer zealously walked into the octagonal room, eagerly rejoining her friends, her mentors, and her Heads Up community.

Throughout Heads Up's 25 year history, over 1000 students and families have demonstrated their unwavering commitment to and incalculable appreciation of the program. Each Heads Up student has devoted four consecutive summers, dozens of Saturday mornings, and myriad Thursdays, to rigorous programming at a school that for many, can be foreign and intimidating.

Their commitment has persevered through failings of mission creep, financial sustainability, and infrastructure-driven marginalization. Now it is our responsibility to parallel their commitment with our own--our commitment to the students as individuals; to the Greater Oakland community; to our personal mission of civic engagement. It is our responsibility, in other words, to halt the financial, structural, and visionary decline of the Heads Up Program.

The steps in this document are thoroughly achievable. They're also thoroughly necessary. Their enactment will position Head-Royce to parallel the commitment demonstrated by our Heads Up students and families. Their enactment will also halt an otherwise inevitable calamity--that by 2014, there will be no more money to operate the Heads Up Program. By investing in the turnaround of the Heads Up Program, Head-Royce has several opportunities: to bolster our standard of excellence; to visibly illustrate, both to our close neighbors and to the wider City of Oakland, our commitment to community engagement; to powerfully demonstrate our values of civic responsibility and global personhood.

That said, there is one final step necessary to ensure the health of Heads Up and Head-Royce. The Heads Up Program, currently housed in an auxiliary Programs Office, is not appropriately categorized. For the benefit of ASP, the Summer Program, and of Heads Up, we need to make a distinction between auxiliary programs which operate under a strategic goal, and programs which succinctly fulfill a crucial component of the Head-Royce mission. Housing Heads Up in a newly defined division of HRS, an Institute of Civic Engagement, would enrich both Heads Up and Head-Royce. Working alongside programs such as the Service Learning Department, Heads Up would have a full-time Director devoted to its specific needs; it would collaborate with programs seeking similar outcomes. Through the creation of this division, Head-Royce's somewhat intangible values of civic engagement and global education would be housed in realized space; they would be actualized through a flourishing Heads Up Program. Head-Royce and Heads Up would be visibly, thrillingly, exemplary.

Table of HRS Students' Home Locations 2012-2013

| | | |
|---------------|-----|--------|
| Oakland | 463 | 52.7% |
| Berkeley | 120 | 13.7% |
| Alameda | 58 | 6.6% |
| Piedmont | 46 | 5.2% |
| Orinda | 32 | 3.6% |
| Lafayette | 25 | 2.8% |
| San Leandro | 18 | 2.0% |
| Hayward | 17 | 1.9% |
| Castro Valley | 12 | 1.4% |
| Kensington | 10 | 1.1% |
| San Ramon | 10 | 1.1% |
| Danville | 9 | 1.0% |
| El Cerrito | 9 | 1.0% |
| Pleasanton | 7 | 0.8% |
| Walnut Creek | 7 | 0.8% |
| Union City | 6 | 0.7% |
| Moraga | 5 | 0.6% |
| Alamo | 3 | 0.3% |
| Albany | 3 | 0.3% |
| Concord | 3 | 0.3% |
| Hercules | 3 | 0.3% |
| Emeryville | 2 | 0.2% |
| Fremont | 2 | 0.2% |
| Pinole | 2 | 0.2% |
| Richmond | 2 | 0.2% |
| San Lorenzo | 2 | 0.2% |
| Benicia | 1 | 0.1% |
| Palo Alto | 1 | 0.1% |
| San Francisco | 1 | 0.1% |
| Total | 879 | 100.0% |

Based on 2012-2013 HRS Directory

GLASSDOOR.COM

Head-Royce School Reviews

Updated August 18, 2015

Employee Reviews

1. Aug 18, 2015



"Wondering what took the Trustees so long to make a change! "

- Senior Management

Former Employee - Anonymous Employee

I worked at Head-Royce School full-time (More than 5 years)

Pros

great campus, great faculty, top administrator had a vision but it was a vision that ultimately lost great talent (2 division heads, an assistant head of school and a number of great faculty and support staff). Really, it is great to know that the frame work at the institution is fairly strong...it is time for the school to recreate it's backbone with a person who really knows high standards, knows diversity in a ever changing world and knows how to grow that talent! It trickles down to the students as well! Show Less

Cons

There is no trust on many fronts. it will take real time to win over a culture that excels on a super high level yet reaches out to an ever changing world. Leadership is earned not appointed!

Advice to Management

Leadership is earned not appointed! Reach out to your recently departed administration (less conflict of interest) bring them on board as 2 month consultant. Appoint best valued interest and resolve current conditions as a fast track solution!

Helpful (0)

2. Apr 19, 2015



"Summer Camo"

Former Employee - Camp Counselor

I worked at Head-Royce School full-time (Less than a year)

Pros

Fun experience working with the children. Great hours. Very organized camp with a lot of things to do. Loved my experience.

Cons

The camp has very tough conditions and is really hard on feet. Parents could be a bit overbearing at times. Pay is below average for a summer camp.

Advice to Management

Keep running the camp as organized as you do. This is the best summer camp in the Bay Area and the staff is great. Please pay your workers a little bit better. Our work far exceeded our pay.

Helpful (0)

3. Dec 16, 2014

"A once great school on a steady downward spiral"

Current Employee - Upper School Teacher in Oakland, CA

Doesn't Recommend

I have been working at Head-Royce School full-time (More than 10 years)

Pros

colleagues are wonderful, students are strong and easy to work with

Cons

Very negative culture created by administrators. Low regard for teachers and seem to mostly seek high compensation for themselves. Marginal understanding of teaching by some admi. Very weak backbone by the administrators who know what is happening at the school is wrong but have been too weak to

stand up to the Head of the school. Poor teacher retention as many strong older teachers are leaving as fast as they can find other situations. Too many time wasting activities that are far too silly or easy for high school students. Constant belt tightening as far as class sizes is now impacting the quality of program that is offered. Local press seems oblivious to the major internal conflict at the school. Show More

Advice to Management

Be honest and have integrity in what you say and do. Be reflective as to whether or not you really understand great teaching. Stop trying to run the school like a sales force as teachers don't respond well to carrots and sticks, but rather mainly to being treated with respect. The school needs a formal tenure program of some sort at this point to slow the steady departure of great teachers. Decades of long effort at creating a stable school have been blown apart in just 4 years.

4. Apr 30, 2014

"disenchanted"

Current Employee - Anonymous Employee

Pros

campus, employees, students, benefits, duties, view

Cons

job insecurity, balance of duties within, lipservice, tactics,

Advice to Management

say what you mean, mean what you say. power hog

5. Dec 18, 2013

"The Administration Has Their Values in the Wrong Place"

Current Employee - Faculty Member

Doesn't Recommend

Negative Outlook

I have been working at Head-Royce School full-time (More than 5 years)

Pros

Great teachers, lovely campus, strong after school program

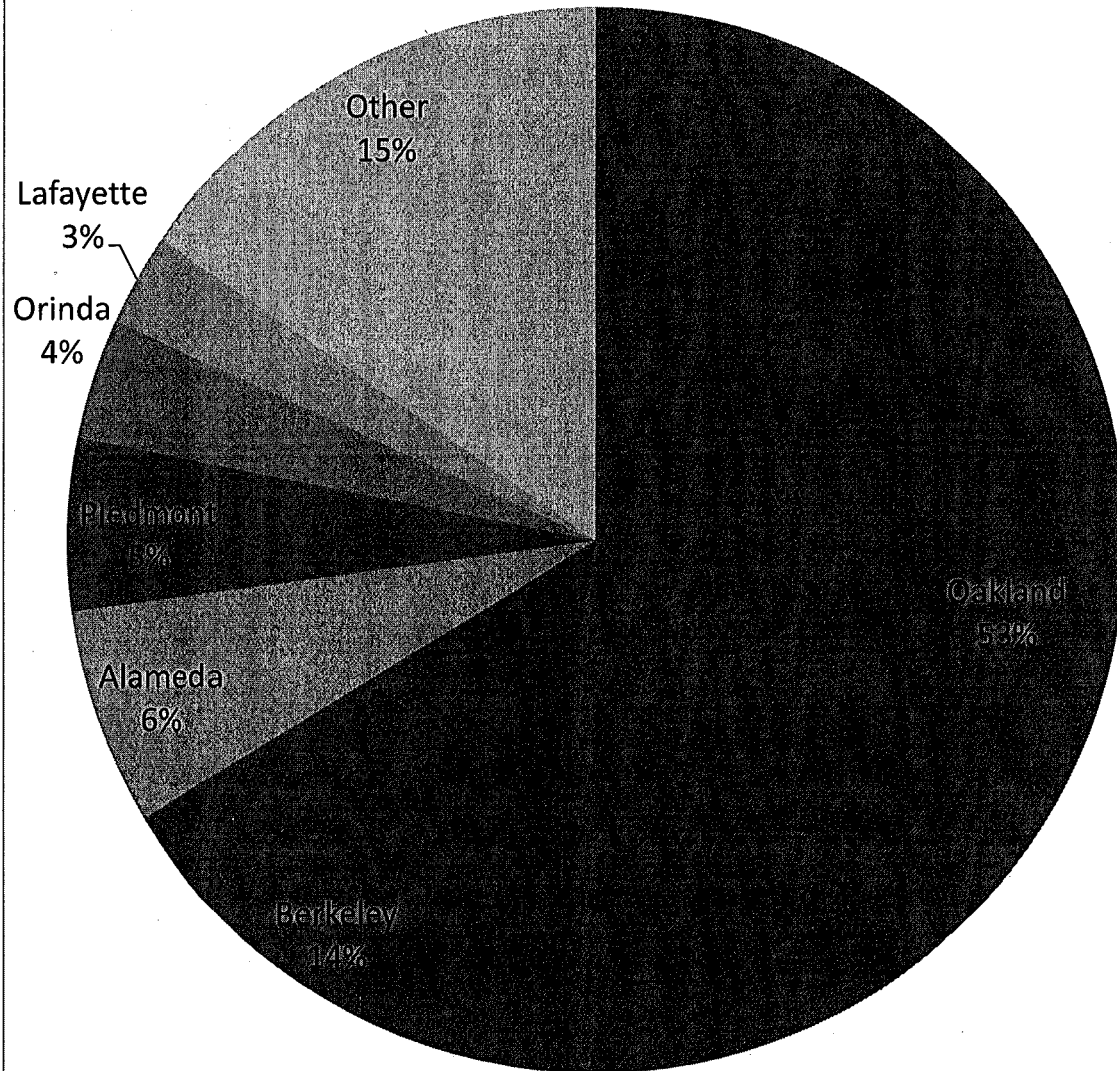
Cons

Administration is centered on its own monetary desires and does not communicate well with faculty. Most faculty members try to keep their heads low and fly below the radar because of the fear of being fired. It is not a happy or healthy environment for teachers.

Advice to Management

Change your ways. Head Royce has over 100 years of excellence behind it and currently that is being tossed aside. The teachers are at an all time low emotionally. Most want to quit but can't because of the economy. The administration is being run like a patriarchy with everyone else running scared. This institution and those who have worked tirelessly for years deserve so much more. Stand down.

Percentages of Students from Different Cities



Based on Head Royce Directory 2012-2013.

Based on HRS 2012-2013 Directory

TO: Planning Commission
FROM: NSC
DATE: October 30, 2015
RE: Head-Royce's Expansion

Head-Royce School is seeking to expand their enrollment to 906 students, over twice the number of students we have found on any individual Northern California private school campus. It is currently in violation of its use permit because it enrolled beyond the limit of that permit. However, it claims to be a major asset to the community, and therefore, its violation should be overlooked. It seeks even more students now and has continued encroaching into the surrounding residential neighborhood. It now owns 22 acres of institutional and residential properties. Attachment 1 is a flyer that went to alumni parents asking that they attend the planning commission public hearing and build up Head-Royce as a benefit to the community. The facts do not support that claim:

HRS Claim: Creator of Local Jobs - Head-Royce has been sued three times in Alameda County Superior Court over the last four years for wrongful termination based on discrimination, and for failing to pay employees what they were owed. The most recent Complaint was filed in March 2015 (Attachment 2), which details how Rob Lake, the Head of School bullied and then fired a 59-year-old employee, with the current CFO and Interim Head of School involved. The other lawsuits are: Action Number RG11580712; RG11580720 – wage and hour claim that was resolved by HRS issuing back pay to employees and producing an accounting.

Because of the allegedly abusive treatment of teachers and staff by Lake, in the 2013-2014 timeframe, they asked the board of trustees to fire Lake. The board instead requested a report from a consultant who interviewed employees. Attachment 3 is a letter from Lake to the employees, dated August 1, 2014, acknowledging that there were serious issues between him and the employees. Despite the apparently critical report and the allegations by teachers and staff of abuses by Lake, the relationship between HRS and Lake did not end for another year, on August 12, 2015 – Attachment 4. By then the alleged employee abuses had gone on, uncorrected by the board of trustees, for five years. Teacher and staff reviews in Attachment 5 on Glassdoor.com corroborate some of the complaints about the school's treatment of its employees.

HRS Claim: Heads Up and Summer Program - Heads Up includes a summer program, not to be confused with the summer camp-type program that HRS advertises to the public and hosts to generate funds for the school. An internal report, prepared by the then Associate Director of Programs in 2013 was allegedly leaked by a former board member. (Attachment 6.) It does not

support HRS' claims that Heads Up is an asset to the community. HRS had committed very little energy or funds to this program, which was supposed to assist 100 low-income OUSD students per year. As of 2013, only 66 of the 100 students even came from OUSD (page 8), the rest from 36 different school districts. The OUSD students in the program were not financially disadvantaged (page 10) and the program had a high turnover of directors (page 12). Despite that HRS received \$25 million per year (public 990 tax return), it only budgeted about \$200,000 for the program and that money was only available from donations (pages 15, 16). "Heads Up, a program designed to reduce the marginalization of low-income students of color, thus becomes, in Head-Royce's attitude and actions marginalized. Civic responsibility, such a crucial component to Head-Royce's identity, is not exemplified in our treatment of and philosophy toward Heads Up." (Page 17.)

HRS Claim: Diversity – Head-Royce has repeatedly claimed that a majority of its students are "of color," suggesting that it is contributing to diversity in Oakland. (See website.) However, the data does not support this claim. A 2012-2013 student directory prepared by Head-Royce listed the addresses of the students, showing that only 53% of them even resided in Oakland. The rest came primarily from Berkeley, Alameda, Piedmont, Orinda, and Lafayette. (Attachment 8.) A pie chart provides a visual breakdown. (Attachment 7.) After downloading the addresses of the students and the census tracts where they lived, we were able to obtain mapping from GIS professionals. Very few students were living in census tracts between Highways 580 and 880. Only 2.7% of the students lived within walking distance of the school.

The median income map was not a surprise, given the high tuition Head-Royce charges. However, the racial maps were of interest. They demonstrated that most students come from neighborhoods with a much higher percentage of white residents than residents "of color." This was less true for neighborhoods that had a high percentage of Asian residents than for neighborhoods that had a high percentage of Latinos. While there is no way to prove that Head-Royce does not have students "of color" or Latinos from wealthy or predominantly white neighborhoods, we can conclude that at least Head-Royce was not accepting students from neighborhoods where a high percentage of Latinos resided. Also, it was accepting almost no students from either East or West Oakland. Out of its 463 Oakland students in 2013, it did not appreciably contribute to diversity for children in Oakland. The maps are attached.