



# Navigator Governance Strategy

Let's explore various governance models to optimize for expansion and sustainability

# Agenda

- ❑ Overview + Context
- ❑ Current Governance Model
- ❑ Alternative Models
- ❑ Recommended Approach
- ❑ Next Steps + Timelines



# Overview + Context

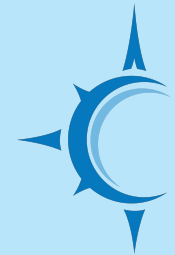
Following discussions with the OC Authorizer on the need for local expertise, we explored various governance models to assess how well they align with our criteria for centralized control with local flexibility, streamlined board structure, and political considerations

## Three Criteria for Governance Success

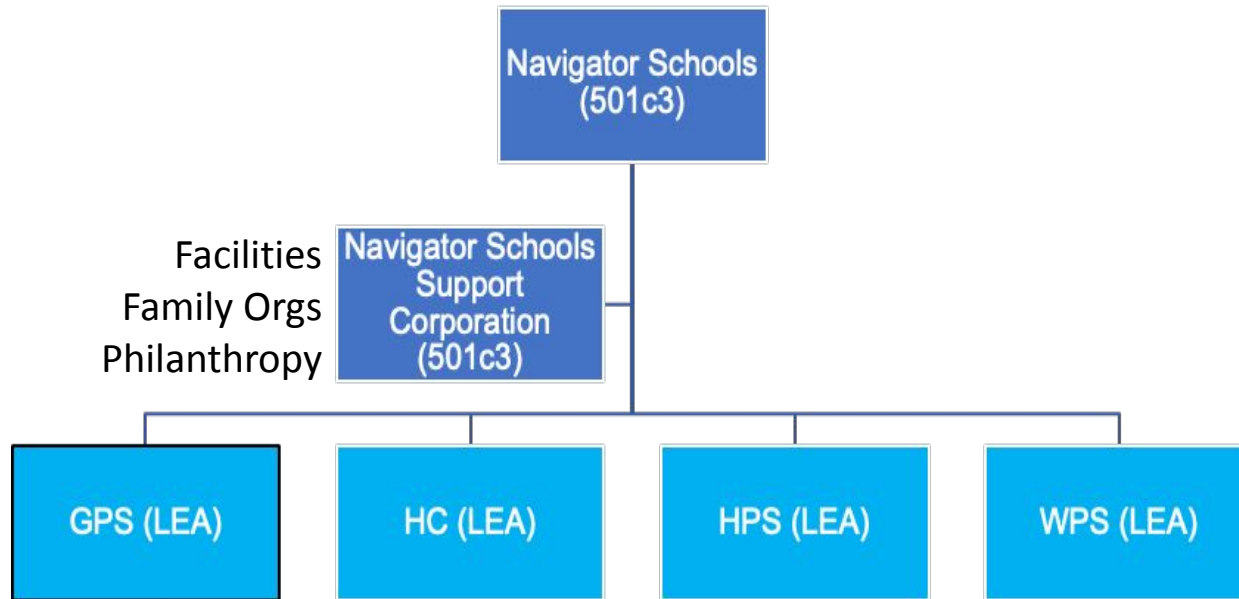
- ❑ Centralized Control with Local Flexibility
    - ❑ Ensure the governance model allows for centralized decision-making while accommodating regional needs.
  - ❑ Streamlined Board Structure
    - ❑ Maintain an efficient board structure that enables the CEO for both Navigator Schools and the Support Corporation.
  - ❑ Political Considerations
-

# 6 Governance Models

1. Current Model
2. Sole Statutory Member
3. Single Charter School Non-Profit and Separately Incorporated Support Office
4. Multiple Non-Profits Operating Regional Charter Schools
5. Regional Non-Profits and Separately Incorporated Support Office
6. Separate Non-Profits for each Schools and Separately Incorporated Support Office



# 1. Current Model



## Three Criteria for Governance Success

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- Political Considerations**



# 1. Current Model

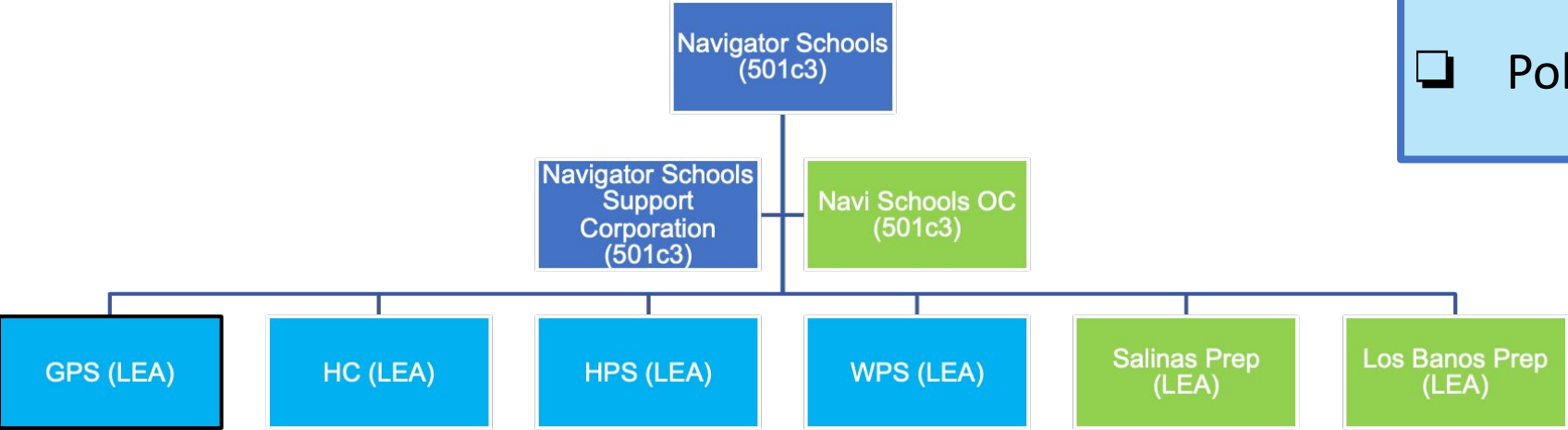
1. **Centralized Control with Local Flexibility:** Fully met; single board maintains strong centralized control, ensuring all schools align with the corporate mission and policies.
2. **Streamlined Board Structure:** Fully met; operates under a single board and legal entity, minimizing administrative burden and simplifying governance.
3. **Political Considerations:** Favorable; this model provides uniformity and operational efficiency, avoiding complications related to separate entities and complex oversight structures.

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- Political Considerations**

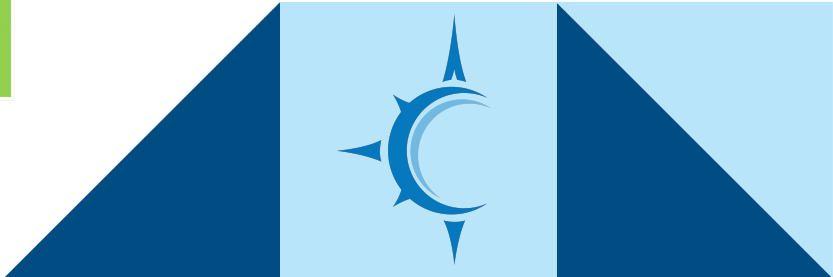


# 2. Sole Statutory Member



## Three Criteria for Governance Success

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- ❑ **Political Considerations**



## 2. Sole Statutory Member

1. **Centralized Control with Local Flexibility:** Met; sole statutory membership allows Navigator Schools to appoint/remove SoCal board members, providing strong control while meeting OCDE's local control requirements.
2. **Streamlined Board Structure:** Partially met; adds a separate board for the SoCal entity, increasing administrative tasks but minimally impacting the existing Navigator structure.
3. **Political Considerations:** Favorable; this model aligns with OCDE's expectations for local control without requiring major changes to Navigator's current structure. However, it involves additional costs and filings for the SoCal nonprofit.

### Three Criteria for Governance Success



#### Centralized Control with Local Flexibility

- ☐ Ensure the governance model allows for centralized decision-making while accommodating regional needs.



#### Streamlined Board Structure

- ☐ Maintain an efficient board structure that enables the CEO for both Navigator Schools and the Support Corporation.

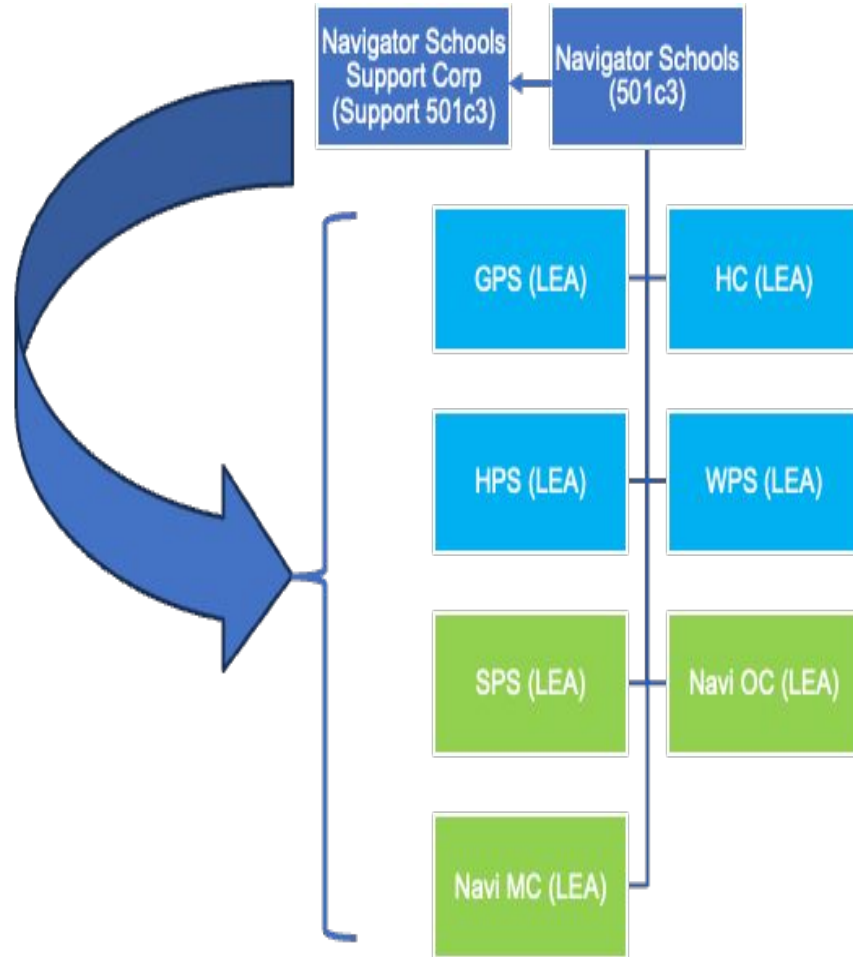


#### Political Considerations





### 3. Single Charter Non-Profit and Separately Incorporated Support Office



#### Three Criteria for Governance Success

- ☐ **Centralized Control with Local Flexibility**
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- ☐ **Streamlined Board Structure**
  - ☐ Maintain an efficient board structure that enables the CEO for both Navigator Schools and the Support Corporation.
- ☐ **Political Considerations**

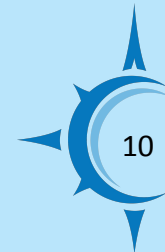


# 3. Single Charter Non-Profit and Separately Incorporated Support Office

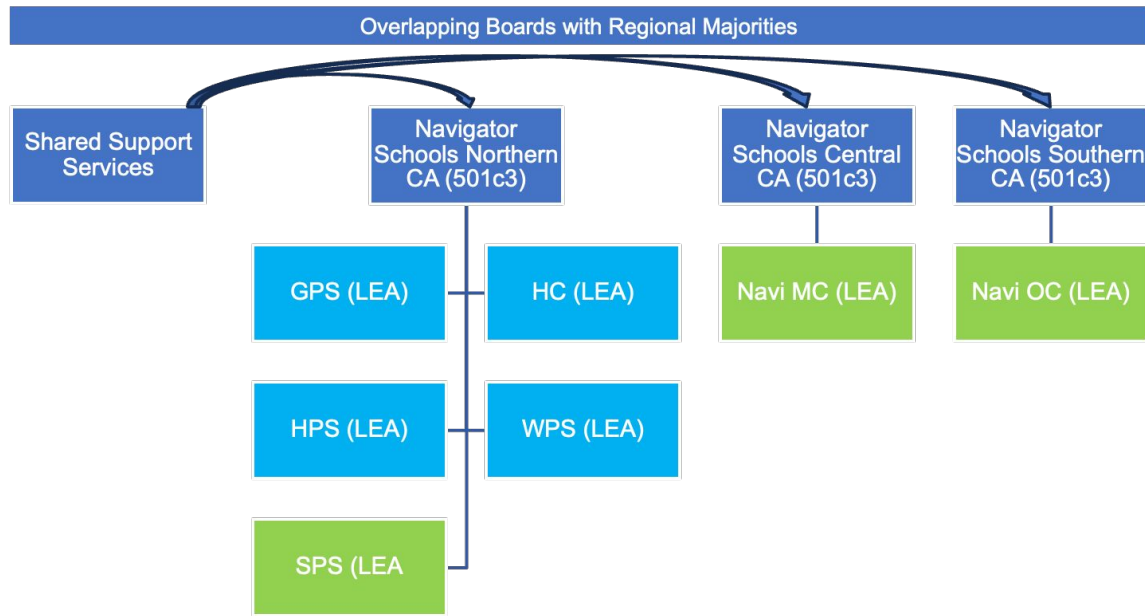
- 1. Centralized Control with Local Flexibility:** Partially met; control is indirect, relying on service and licensing agreements with the Support Office.
- 2. Streamlined Board Structure:** Not fully met; requires a separate board and filings for the Support Office, adding administrative layers.
- 3. Political Considerations:** Potential concerns; selling intellectual property to the Support Office could raise conflicts of interest and public fund concerns.

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# 4. Multiple Non-Profits Operating Regional Charter Schools



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## 4. Multiple Non-Profits Operating Regional Charter Schools

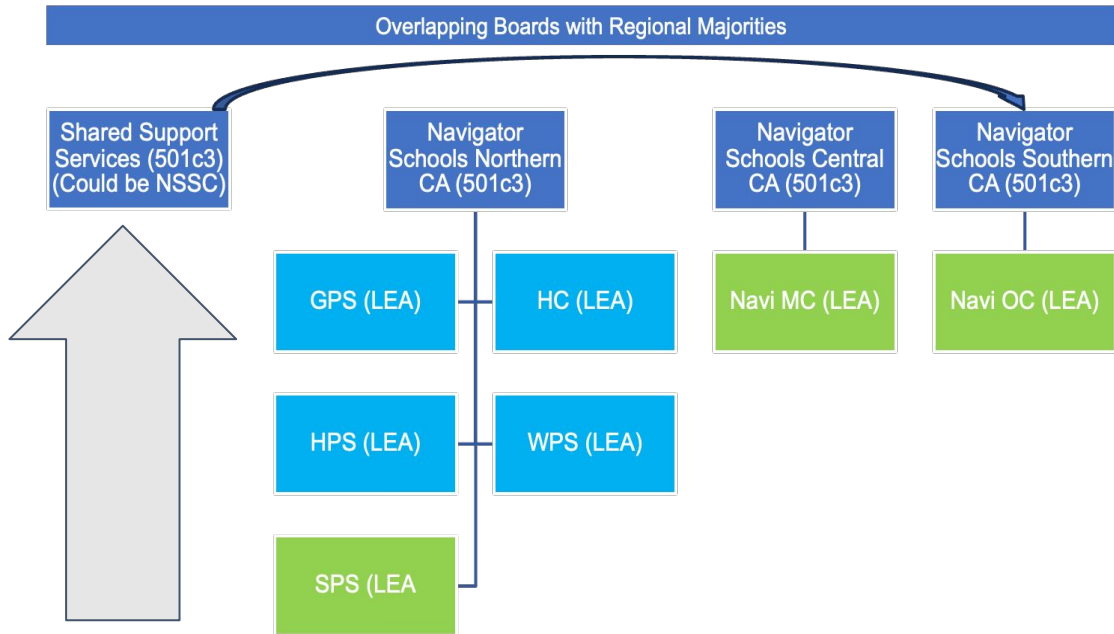
1. **Centralized Control with Local Flexibility:** Partially met; regional 501(c)(3) entities allow local governance but reduce centralized control, leading to potential inconsistencies.
2. **Streamlined Board Structure:** Not met; requires separate boards and administrative duplication, increasing complexity and resource needs.
3. **Political Considerations:** Potential challenges; overlapping roles and similar entity names may create oversight issues and confusion for external stakeholders, and could impact organizational culture consistency across regions.

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# 5. Regional Non-Profits and Separately Incorporated Support Office



## Three Criteria for Governance Success

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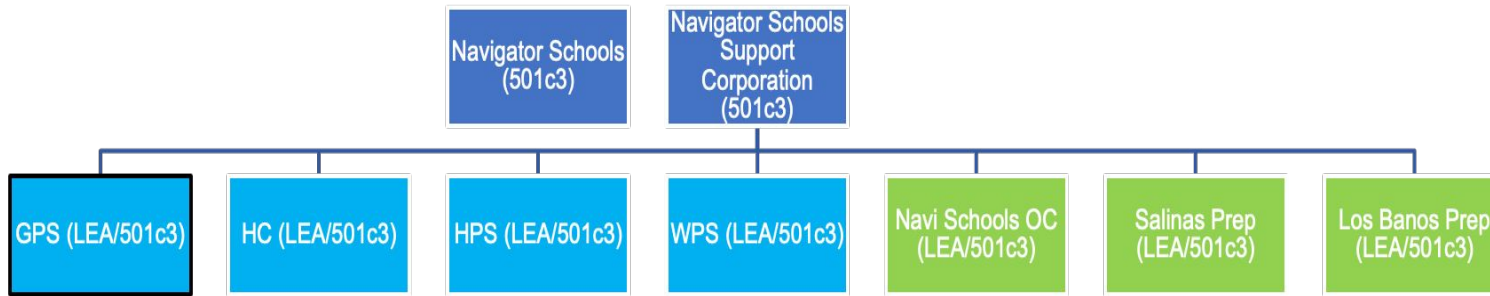
- 1. Centralized Control with Local Flexibility:** Partially met; allows for regional control and local board representation, but reduces centralized decision-making power.
- 2. Streamlined Board Structure:** Not met; requires separate incorporation, boards, and filings for each regional nonprofit, significantly increasing administrative complexity.
- 3. Political Considerations:** Potential challenges; separate entities require charter revisions and increased costs, which may impact consistency and stakeholder alignment across regions.

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## 6. Separate Non-Profits for Each School and Separately Inc. Office



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- ❑ **Political Considerations**



## 6. Separate Non-Profits for Each School and Separately Inc. Office

1. **Centralized Control with Local Flexibility:** Partially met; each school operates independently with its own board, limiting centralized control. Indirect control is maintained through service and licensing agreements with the Support Office.
2. **Streamlined Board Structure:** Not met; requires each school to incorporate separately, seat its own board, and meet annual filing requirements, creating significant administrative complexity.
3. **Political Considerations:** Potential challenges; self-governance may lead to concerns over administrative overhead and the indirect control model, as well as increased costs for separate incorporations and charter revisions.

### Three Criteria for Governance Success

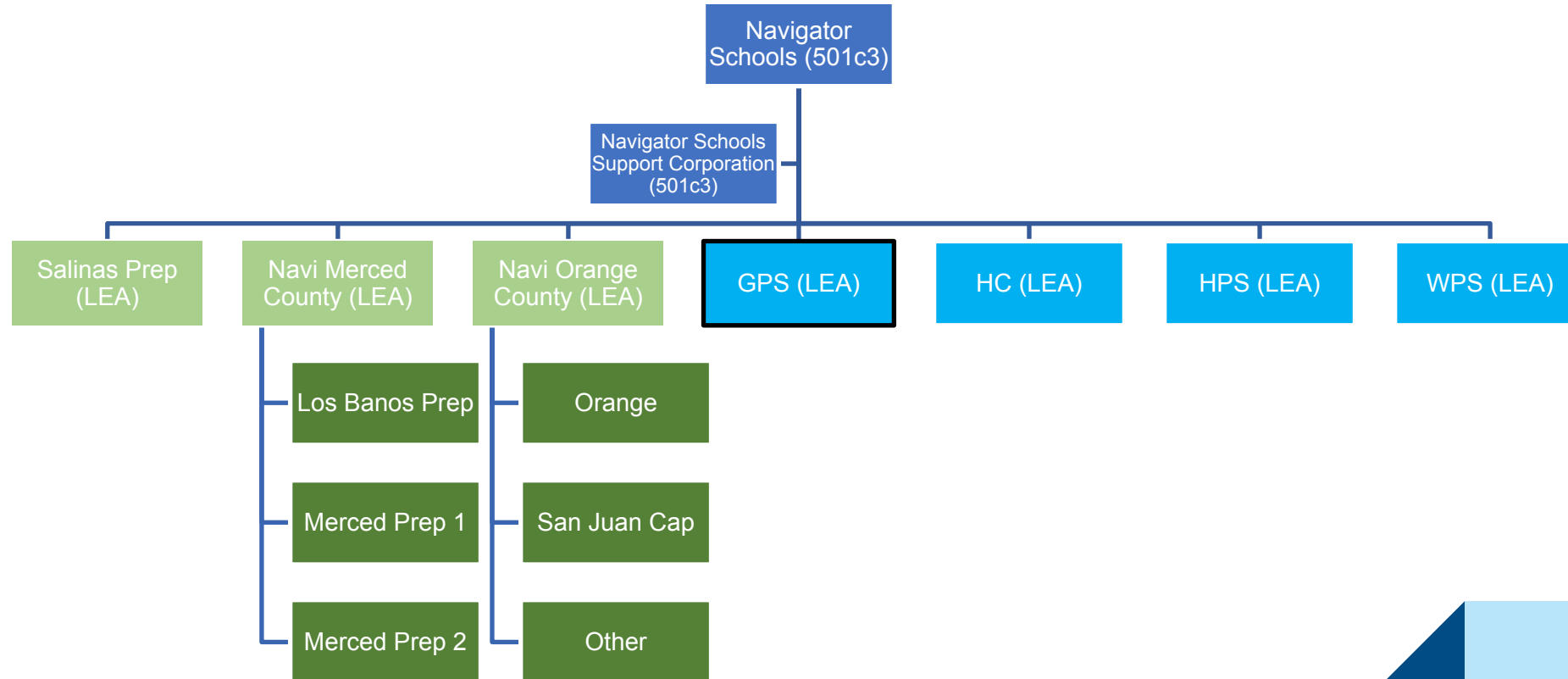
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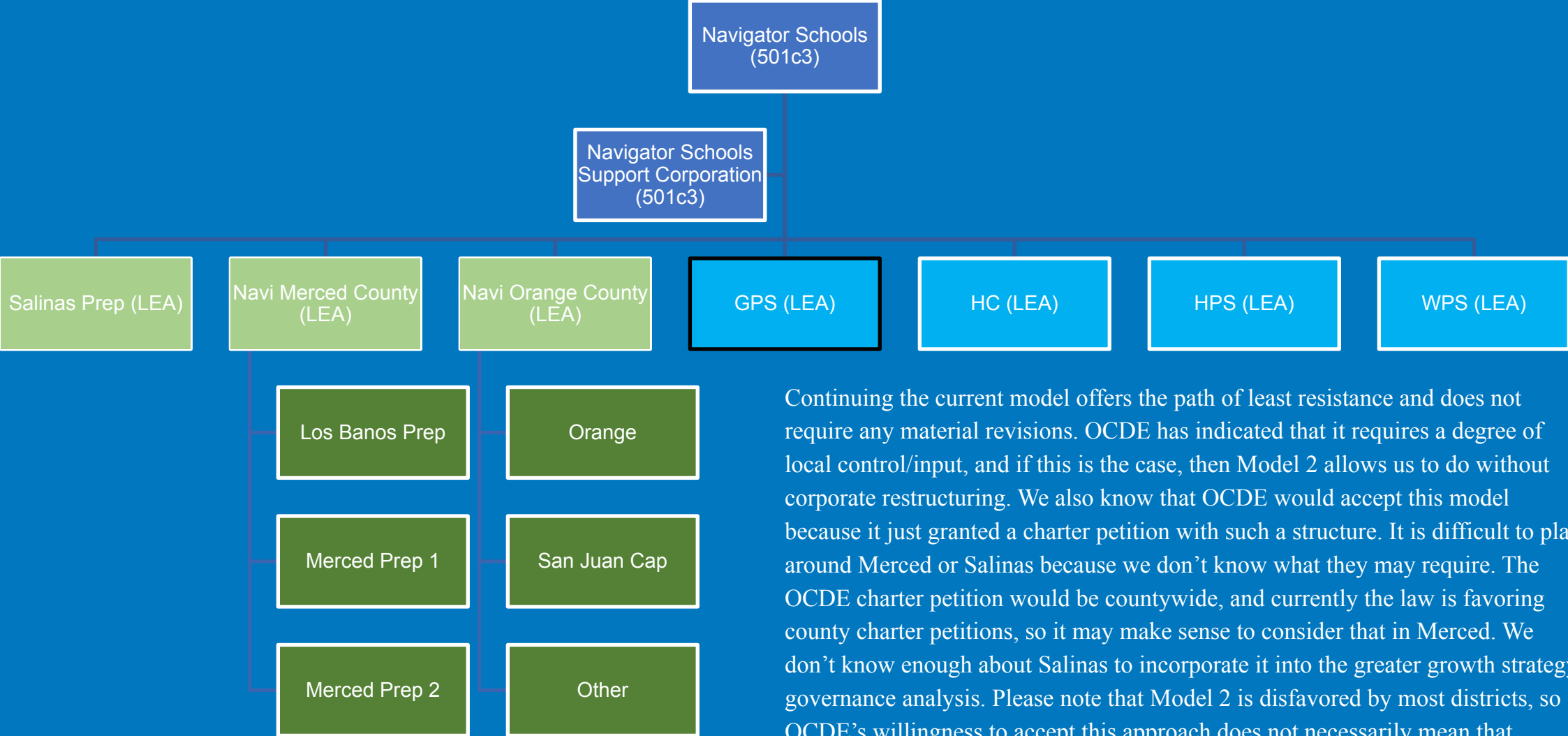


# Recommendation

We recommend for the board to approve continuing the same governance structure we are currently using as we expand.



# We recommend keeping our governance structure as is, knowing that this may cause complications later when we have counties with more students than Santa Clara



Continuing the current model offers the path of least resistance and does not require any material revisions. OCDE has indicated that it requires a degree of local control/input, and if this is the case, then Model 2 allows us to do without corporate restructuring. We also know that OCDE would accept this model because it just granted a charter petition with such a structure. It is difficult to plan around Merced or Salinas because we don't know what they may require. The OCDE charter petition would be countywide, and currently the law is favoring county charter petitions, so it may make sense to consider that in Merced. We don't know enough about Salinas to incorporate it into the greater growth strategy governance analysis. Please note that Model 2 is disfavored by most districts, so OCDE's willingness to accept this approach does not necessarily mean that Merced or Salinas would as well.