SACRAMENTO CITY UNIFIED SCHO

2964: Initial Charter Petition for Gateway Community Charters: Sacramento Academic and Vocational Acad

- ☐ Information Item Only
- ☐ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading
- ☐ Conference/Action
- ☒ Action
- ☐ Public Hearing

Division: Academic Office

Recommendation: To take action to approve or deny the Initial Charter Petition for Gateway Community Charters: Sacramento Academic and Vocational Academy-SCUSD.

Background/Rationale: Sacramento City Unified School District received Gateway Community Charters: Sacramento Academic and Vocational Academy-SCUSD's initial charter petition on September 8, 2017. The Governing Board held a public hearing in accordance with Education Code Section 47605 (b) to consider the level of support for the initial charter petition of Sacramento Academic and Vocational Academy-SCUSD on September 21, 2017. District staff met with Sacramento Academic and Vocational Academy-SCUSD for a capacity interview on September 20, 2017 and conducted a comprehensive review of the initial charter petition and related submissions. The staff's analysis will be presented for Board Action on November 2, 2017.

Financial Considerations: The financial considerations are outlined within the Executive Summary.

LCAP Goal(s): Family and Community Empowerment

Documents Attached:
1. Executive Summary
2. Resolutions 2963 and 2964
3. Charter Petition (Proposed): http://www.scusd.edu/charter-petitions
4. Appendices (Proposed): http://www.scusd.edu/charter-petitions

Estimated Time of Presentation: 10 minutes
Submitted by: Iris Taylor, Chief Academic Officer
Jack Kraemer, Director
Innovative Schools and Charter Oversight
Approved by: Jorge A. Aguilar, Superintendent

Board of Education Executive Summary

Academic Office

Consider Resolution No. 2963 and 2964: Initial Charter Petition for Gateway Community Charters: Sacramento Academic and Vocational Academy-SCUSD
November 2, 2017

I. OVERVIEW / HISTORY

Action Proposed:

Sacramento City Unified School District ("District") Staff and legal counsel have reviewed the charter petition ("Petition") submitted by Gateway Community Charters ("GCC"), a California nonprofit public benefit corporation ("Petitioner"), proposing the creation of the Sacramento Academic and Vocational Academy- Sacramento City Unified School District ("SAVA" or "SAVA-SCUSD" or "Charter School"). After careful review, District Staff has identified a number of concerns within the Petition, including, but not limited to, the Charter School's staffing plan, finances, and governance, which are set forth in this report. As a result, District Staff believes deficiencies in the Petition could warrant a denial of the Petition on the following grounds, pursuant to Education Code section 47605:of certain required
elements set forth in Education Code section 47605, subdivisions (b)(5)(A- P).

In order to deny a Petition on the grounds set forth above, Education Code section 47605, subdivision (b) requires the Governing Board to make "written factual findings, specific to the particular Petition, setting forth specific facts to support one or more" of the grounds for denying the charter. Therefore, if the District Board determines it will deny this Petition, District Staff recommends that the Board

teachers employed by the district, other employees of the district, and parents." (Ed. Code § 47605, subd. (b).)

The Petition proposes to establish a non-classroom based charter school to serve seventh (7th) through twelfth (12th) grade students for a period of five (5) years from July 1, 2018 to June 30, 2023. Petitioner aspires "to be a public, non-classroom based charter school with a career and vocational emphasis." (Petition, pg. 16.) The Petition states that the school will be open to all students who wish to attend and has a special focus on serving the following students populations: High risk, out-of-school youth; Disenfranchised students including wards of the court; Dropouts and pregnant/ parenting teens; Students who have not been successful in traditional schools for a variety of reasons; and 5th year seniors. (Petition, pg. 16.)

SAVA-SCUSD will be part of Gateway Community Charters ("GCC") which has been in operation since 2003 and currently serves over 4,500 transitional kindergarten through twelfth (12th) grade students throughout the Sacramento region. (Petition, pg. 7.) (g)1w(ude)4(nt(e)-6()4(nt) r)3(a)4(m)-

District Staff also looked at SAVA's current student proficiency data on the California Department of Education's website. In 2016, over eighty percent (80%) of all SAVA students failed to achieve proficiency in Reading and over ninety percent (90%) failed to achieve proficiency in Mathematics.[1] The District outperformed SAVA in all student groups in both English Language Arts and Mathematics. In science, eight (8th) grade student proficiency has declined for the last three years and tenth (10th) grader proficiency declined in 2015-2016. It is recognized, however, that SAVA largely provides alternative educational placement for students who have struggled in more traditional educational placements.

II. DRIVING GOVERNANCE

The Charter Schools Act of 1992 ("Act") governs the creation of charter schools in the State of California. The Act includes Education Code section 47605, subdivision (b), which provides the standards and criteria for petition review, and provides that a school district governing board considering whether to grant a charter petition "shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged." (Ed. Code, § 47605, subd. (b).) Specifically, the governing board may not deny a petition unless it makes written factual findings setting forth specific facts to support one, or more of six findings:

1) The charter school presents an unsound educational program for the students to be enrolled in the charter school;

2) The petitioner is demonstrably unlikely to successfully implement the program set forth in the petition;

3) The petition does not contain the number of signatures prescribed by Education Code section 47605, subdivisions (a)(1)(A) or (a)(1)(B);

4) The petition does not contain an affirmation of each of the conditions set forth in Education Code section 47605, subdivision (d), including that the charter school: (1) will be nonsectarian in its admission policies, employment practices and all other operations; (2) will not charge tuition; and (3) will not discriminate against any student on the basis of the characteristics set forth in Education Code section 220;

[1] https://caaspp.cde.ca.gov/sb2016/ViewReport?ps=true&lstTestYear=2016&lstTestType=B&lstCounty=34&lstDistrict=76505-0114272&lstSchool=0114272

5) The petition does not contain reasonably comprehensive descriptions of fifteen certain elements in its program and operations as set forth in Education Code section 47605, subdivision (b)(5) (A-O), which describes fifteen separate elements that must be addressed in every petition to establish a charter school. These elements include a description of the School's governance structure, admissions policy, health and safety and student discipline policies; or

6) The petition does not contain a declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for purpose of Chapter 10.7 of Division 4 of Title 1 of the Government Code.

Charter school petitions are also required to include discussion of the impact on the chartering district, including, the facilities to be utilized by a proposed charter school, the manner in which administrative services will be provided, potential civil liabilities for the school district, and a three year projected operational budget and cash flow. (Ed Code § 47605, subd. (g)).

Results of Petition Review (Findings of Fact Determinations):

The Petition evaluation that follows summarizes the consensus of the District reviewers with respect to the educational program and proposed school operations, pursuant to the petition review process. The following Findings of Fact, and specific facts in support thereof, have been grouped for convenience under the aforementioned grounds for denial of the Petition. Certain Findings of Fact support more than one ground for denial of the Petition.

A. Petitioner is Demonstrably Unlikely to Successfully Implement the Programs Set Forth in the Petition

When determining whether Petitioner is likely to successfully implement the program described in the Petition, it is the District's practice to evaluate the Petitioner's ability to: demonstrate that it is familiar with the content of the Petition and the requirements of law applicable to the proposed school, present a realistic financial and operational plan, have the necessary background in areas critical to the Charter School's success, or have a plan for securing the services of individuals with the necessary background, including curriculum, instruction, assessment, finance and business management. Based upon the information provided in the Petition, Petitioner is demonstrably unlikely to successfully implement the educational program for the following reasons:

Board of Education Executive Summary

Academic Office

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November 2, 2017

Rivers? Instead, Petitioner sought the assistance of Twin Rivers to procure a one-year waiver of the geographical restrictions from the California Department of Education, all but acknowledging that no exemption to the geographical restrictions was applicable.

More importantly, as explained below, the Charter School does not meet the requirements of the WIOA exemption, or any other applicable exemption, and therefore rsede

(b) Not younger than age 14 or (unless an individual with a disability who is attending school under State law) older than age 21 at time of enrollment;
(c) A low-income individual; **and**

(d) **One or more** of the following:

(1) Basic skills deficient;

(2) An English language learner;

(3) An offender;

(4) A homeless individual aged 14 to 21 or a runaway;

(5) An individual in foster care or who has aged out of the foster care system or who has attained 16 years of age and left foster care for kinship guardianship or adoption, a child eligible for assistance or in an out-of-home placement;

(6) An individual who is pregnant or parenting;

(7) An individual with a disability; or

(8) An individual who requires additional assistance to complete an educational program or to secure or hold employment.

(20 C.F.R. § 681.220). The qualifications of students eligible to enroll in the Charter School and the qualifications of students eligible to enroll in WIOA are not the same. In fact, it can be expected that several students enrolled in the Charter School will not be eligible to participate in a WIOA program. For example, some students in seventh and eighth

b. Even if the Charter School is permitted by law to operate outside of the boundaries of the District, the Petition fails to abide by the requirements of law for the addition of new facility locations.

In order for the District to properly perform its mandated oversight obligations, it is imperative that the District know where the Charter School's facilities are located at all times. With this oversight obligation in mind, the Charter Schools Act made it clear that a charter school must seek prior approval from its authorizer before adding facilities during the term of its charter:

> After receiving approval of its petition, a charter school that proposes to establish operations at one or more additional sites shall request a material revision to its charter. The authority that granted its charter shall consider whether to approve the proposed location at an open, public meeting. If the additional location is approved, it shall be deemed a material revision to the school's charter.

(Ed. Code, § 47605, (a)(4).) The Petitioner attempts to bypass this material revision process by indicating that it will simply provide notice to the District whenever it attempts to open a new facility:

> The Charter School shall provide to the District a list or of its facility locations and, if applicable, a copy of the lease and any appropriate permits/clearances for any new facilities.

The Petition fails to acknowledge the required material revision process for the addition of new facilities. Therefore, even if the Charter School was permitted by law to operate outside of the boundaries of the District (which it is <u>not</u>), the Petition fails to abide by the requirements of law for the addition of new facility locations.

ii. <u>The Petitioner Fails to Provide a Clear and Comprehensive Budget</u>

a. Inadequate Financial Plan

Petitioner fails to present an adequate financial plan for the Charter School's operations. Petitioner states, "SAVA-SCUSD plans to issue a loan from the California School Finance Authority Revolving Loan Program in the amount of $250,000 in 2018-2019." (Appx. R, pg. 313.) The Petition also indicates that the Charter School plans to 'borrow short term amounts from Gateway Community Charters and possibly from its already established line of credit from Wells Fargo for operating cash as it awaits it collection from the State of its various sources of

funds and in-lieu of property tax from the District." (Appx. R., pg. 313.) Additionally, the Petition claims that loans from GCC are "expected to cap out at $1,685,835 in 2018-19 and $106,479 in 2019-20." (Appx. R, pg. 313.)

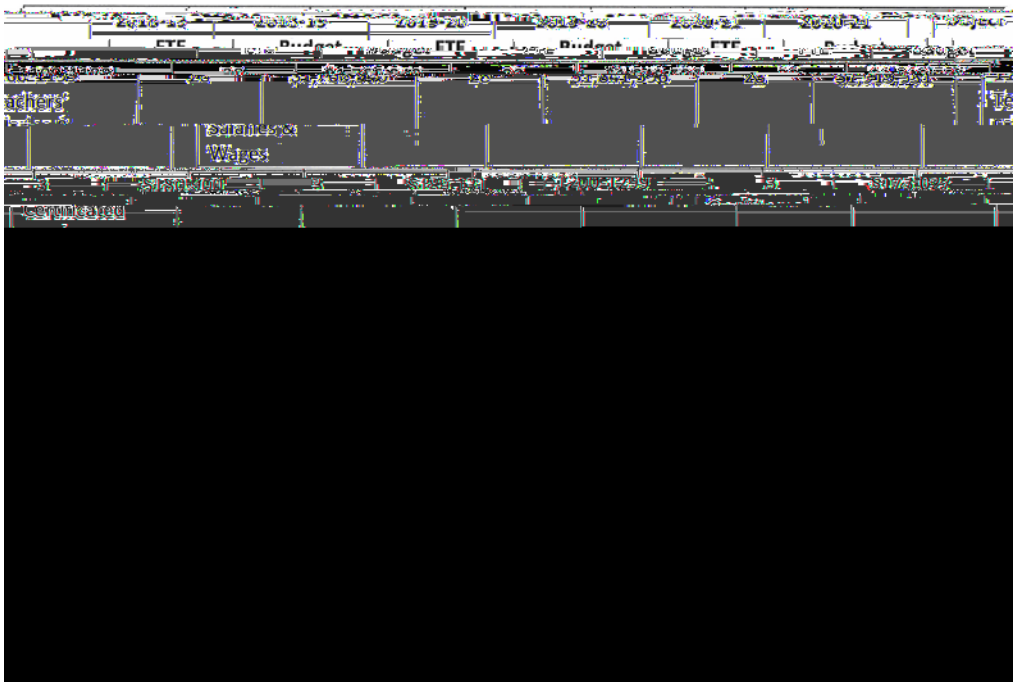
District Staff are concerned about the financial stability of the Petitioner's current financial plan. Specifically, the Petition states that the Charter School "plans" to take out loans from the California School Finance Authority Revolving Loan Program and GCC or Wells Fargo. (Appx. R, pg. 313.) District Staff are concerned what may happen if these planned loans are not approved or the school cannot receive financing. The planned loan from the California School Finance Authority Revolving Loan Program is expected to amount to $250,000. (Appx. R, pg. 313.) While it is unclear how much the short term loan amounts from Gateway Community Charters and possibly from Wells Fargo would amount to, the Petition indicates that the loans from GCC will cap out at $1,685,835 in 2018-19. (Appx. R, pg. 313.) When combining only the two loans cited above, the total loan amounts would equal $1,935,835. These loans would account for 26% of the total receipts for 2018-2019, which are estimated to total $7,416,145. (Appx. R, pg. 321.) These numbers are even more concerning when considering that the Petitioner indicates a net cash flow of only $414,019 after paying all expenses in 2018-2019. (Appx. R, pg. 321.) Therefore, if the Petitioner does not receive the planned loans, the Charter School would immediately be operating at a deficit of $1,521,816 during the 2018-2019 fiscal year.

b. Budget Impact of Inconsistent Average Daily Attendance Figures

While Petitioner claims that it is proposing the new SAVA-SCUSD in order to bring its current SAVA-TRUSD resource centers in the Sacramento area into compliance with the *Anderson* decision, the Petition is unclear regarding which currently operated SAVA-TRUSD resource centers will be a part of the new SAVA-SCUSD (Petition, pg. 16.) This creates unclear revenue projections because of inconsistent Average Daily Attendance ("ADA") figures for the proposed Charter School. (Petition, pg. 16.) Petitioner states that SAVA-TRUSD enrollment figures were 928 students in 2016-2017 and are 807 students for 2017-2018. (Petition, pg. 30.) However, the Petition also states that the 2016-2017 student enrollment was only 663 students for students at SAVA-TRUSD. (Petition, pg. 31.) The Petitioner's numbers vary even further when reviewing the proposed budget, which states, "Enrollment for SAVA-SCUSD is estimated to be flat at 455 beginning in 2018-19 through 2020-21." (Appx. R, pg. 311.) These differences may be due to the Petitioner only listing two (2) sites as transferring to SAVA-SCUSD in the Appendix (Appx. R, pg. 311.), while the Petition lists four (4) proposed sites for the location of SAVA-SCUSD. (Petition, pg. 151.) These varying ADA projections are a result of Petitioner's failure to clarify which resource centers will be a part of SAVA-SCUSD and how many students will attend each of those resource centers. This confusion is furthered caused by Dr. Cindy Petersen's letter of

intent that was submitted to the District on August 17, 2017, which states, "SAVA-SCUSD seeks to be a non-classroom based charter school serving grades 7-12 with an anticipated initial enrollment of 700 students and an anticipated year five enrollment of 1200 students."[2]

District Staff



(Appx. R, pg. 314.) Additionally, District Staff are concerned that the Petitioner's inconsistent staffing plan for teachers may impact the school's financial stability. Specifically, if the Charter School hired fifty-two (52) teachers, this would amount to a salary of only $33,979.62 per teacher, not including benefits. Whereas, if the Charter School hires only twenty-eight (28) teachers, this would amount to a salary of $63,105 per teacher, not including benefits. This salary difference amounts to a variance of $29,125.38 per teacher. For twenty-eight (28) teachers, the salary difference would amount to $815,510.64, and if the school hires fifty-two (52) teachers the salary difference would be $1,514,519.76. Therefore, the Petitioner's proposed certificated salaries create significant concerns due to the differences in the costs of staffing.

iv. <u>The Petition Provides an Inadequate Plan for Parental Participation and Lacks a Reasonably Comprehensive Description of the Charter School's Governance</u>

A charter petition must include a reasonably comprehensive description of, "the gove

The Petitioner states, "The GCC Board of Directors meets regularly, at least once a month (except during the summer) and in accordance with the Brown Act." (Petition, pg. 103.) The Petition lacks information regarding where the Board meetings are held or how parents can participate. When viewing the SAVA website, there is no mention of the Board or Board meetings. (

identify the number of computers that will actually be available to students or when these computers will be made available for student use. While the Appendix provides information regarding a student one-to-one Google Chromebook program, the Petition fails to provide any other details about this program. (Appx. X, pg. 353-358.) The budget also lacks any specific details regarding how such a program would be funded. (Appx. R., pg. 319.) Even if the one-to-one program is successfully implemented, the Petition fails to address how students without internet access at home would utilize the online curriculum. The Petitioner's only mention of internet access for students suggests that students could use a public library. (Appx. E, pg. 18.) Given that Petitioner's educational program relies on extensive online, non-classroom based instruction these are important issues that the petition fails to adequately address. District Staff are concerned that the Petitioner's lack of a detailed technology plan could result in many students not being able to successfully participate in the proposed online program.

B. <u>The Petition Does Not Contain Reasonably Comprehensive Descriptions of Certain Required Elements Set Forth in Education Code section 47605, Subdivisions (b)(5)(A-P).</u>

The Petition serves as the Petitioner's proposal for the Charter School's establishment and operation. As such, the Petition must provide reasonably comprehensive descriptions of certain essential elements in its program and operations as required in Education Code section 47605, subdivisions (b)(5)(A-O). The following elements do not meet this standard due to incomplete or inadequate information, which in some instances contradict the requirements of the law:

i. <u>The Petition Does Not Contain a Reasonably Comprehensive Description of the Educational Program</u>

As detailed below, the Petition's description of the proposed Charter School fails to provide a clear and comp in6te

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Petition fails to provide a reasonably comprehensive description of school health and safety procedures. Petitioner's health and safety policies assign specific duties to school staff members in the event of various emergency situations. (Appx. N.) Below are the general duties of a Principal in an emergency. (Appx. N, pg. 264.)

[redacted]

These various duties assigned to the Principal are critical to students and staff members being

general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted…" (Ed. Code, § 47605, subd. (b)(5)(G).) The Petition does not contain a reasonably comprehensive plan to achieve racial and ethnic balance.

The Petition states, "The Charter School shall implement a student recruitment strategy that strives to ensure a racial and ethnic balance among its students that is reflective of the general population residing within the territorial jurisdiction of the District that includes, but is not necessarily limited to, the following strategies": (Petition, pg. 119.)

- The development of promotional and informational material that appeals to all of the various racial and ethnic groups represented in the territorial jurisdiction of the District and surrounding area of the Charter School.
- The distribution of promotional and informational materials to a broad variety of community groups and agencies that serve the various racial, ethnic, and interest groups represented in the territorial jurisdiction of the District and surrounding area of the Charter School.
- SAVA-SCUSD utilizes recruitment strategies such as, Social Media, Radio, Website, Direct Mail, and Community Events. c8.6l of

failure to provide a detailed plan to ensure racial and ethnic balance with the District makes it seem as though this will not happen.

E7 Racial Ethnic Balance

[redacted]

(Revised E7 TableE7 [(R)-7(ev)]TJ[(TT)-140-1i7P6.77 -1.2 [(SC)4(U2-3(o0 -0)-1(t)- tT* it Tw20.0o.w [(E

that they simply complete an application and enroll at the same time, instead of having a separate application and enrollment period. (Appx. X, pg. 336.)

For students who exceed the school's capacity, they would be subject to a random public drawing. (Petition, pg. 119.) The Petition lacks a reasonably comprehensive description of how the Charter School's lottery process would be implemented. The Petition states, "Lottery rules, deadlines, dates (oul)-2(d9j4)-2(i)-2(o(w)2(i)-2(n)-10(g)10(. ()4(bl)-22(y)20(c)4(om)-2(pr)-7(e)4(h)5(u)2(le)6(

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2963
RESOLUTION TO APPROVE THE INITIAL CHARTER PETITION OF GATEWAY COMMUNITY CHARTERS: SACRAMENTO ACADEMIC AND VOCATIONAL ACADEMY-SCUSD

WHEREAS, petitioners for Gateway Community Charters ("Petitioners") submitted to Sacramento City Unified School District ("District") an initial charter petition ("Petition"), dated September 8, 2017 for Sacramento Academic and Vocational Academy-SCUSD; and

WHEREAS, the District's Governing Board held a public hearing on September 21, 2017 and took board action on November 2, 2017; and

WHEREAS, the Governing Board has considered the level of public support for Sacramento Academic and Vocational Academy-SCUSD and has reviewed the Petition, including all supporting documentation; and

WHEREAS, in reviewing the Petition, the Governing Board has been guided by the intent of the California Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged; and

NOW, THEREFORE, BE IT RESOLVED that the Sacramento City Unified School District Board of Education hereby approves the Petition of Sacramento Academic and Vocational Academy-SCUSD.

BE IT FURTHER RESOLVED the term of the charter shall be for five (5) years, beginning on July 1, 2018 and expiring June 30, 2023.

BE IT FURTHER RESOLVED that the Petition approval is conditional upon signed Memorandums of Understanding for Operations and Special Education by Petitioners and District no later than January 18, 2018.

PASSED AND ADOPTED by the Sacramento City Unified School District Board of Education on this 2nd day of November, 2017, by the following vote:

AYES: ____
NOES: ____
ABSTAIN: ____
ABSENT: ____
ATTESTED TO:

_____	_____
Jorge A. Aguilar	Jay Hansen
Secretary of the Board of Education	President of the Board of Education

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2964
RESOLUTION TO DENY THE INITIAL CHARTER PETITION OF GATEWAY COMMUNITY CHARTERS: SACRAMENTO ACADEMIC AND VOCATIONAL ACADEMY-SCUSD

WHEREAS, petitioners for Gateway Community Charters ("Petitioners") submitted to Sacramento City Unified School District ("District") an initial charter petition ("Petition"), dated September 8, 2017 for Sacramento Academic and Vocational Academy-SCUSD; and

WHEREAS, the District's Governing Board held a public hearing on September 21, 2017 and took board action on November 2, 2017; and

WHEREAS, the Governing Board has considered the level of public support for Sacramento Academic and Vocational Academy-SCUSD and has reviewed the Petition, including all supporting documentation; and