

**LOS ANGELES UNIFIED SCHOOL DISTRICT
CHARTER SCHOOLS DIVISION**

333 South Beaudry Avenue, 20th Floor, Los Angeles, CA 90017
Office: (213) 241-0399 ♦ Prop. 39: (213) 241-5130 ♦ Fax: (213) 241-2054

RAMON C. CORTINES
Superintendent of Schools

THELMA MELÉNDEZ DE SANTA ANA, PH.D.
*Chief Executive Officer
Office of Educational Services*

JOSÉ COLE-GUTIÉRREZ
Director, Charter Schools Division

Sent via e-mail and certified U.S. Mail

November 13, 2015

Grace Canada, Lead Petitioner
2069 W. Slauson Avenue
Los Angeles, CA 90047

Dear Ms. Canada:

On November 10, 2015, the Los Angeles Unified School District Board of Education voted to deny the charter petition for Celerity Rolas Charter School. When a school district denies a charter petition, the petitioner may file an appeal, in this case, to the Los Angeles County Board of Education. Please contact the Los Angeles County Office of Education, 9300 Imperial Highway, Downey, CA 90242, if you decide to appeal the District's decision. The phone number to the LACOE Charter Schools Office is (562) 922-8806. The Los Angeles County Office of Education will inform you of its procedures and requirements for filing an appeal. The Los Angeles County Office of Education will contact the LAUSD Charter Schools Division regarding the forwarding of documents.

The lead petitioner from your team should contact Ms. Melida Dominguez at the Charter Schools Division to arrange a date and time for pickup of the petition binder. She may be contacted at (213) 241-0399.

Sincerely,

A handwritten signature in black ink, appearing to read "José Cole-Gutiérrez".

José Cole-Gutiérrez
Director

c: Dr. Robert Perry, Administrative Coordinator
Dr. Joyce Johnson, Senior Coordinator
Dana Edlis, Specialist

BOARD OF EDUCATION OF THE CITY OF LOS ANGELES
Governing Board of the Los Angeles Unified School District

REGULAR MEETING STAMPED ORDER OF BUSINESS

333 South Beaudry Avenue, Board Room

1 p.m., Tuesday, November 10, 2015

Roll Call

Pledge of Allegiance

Board President's Reports

Labor Partner Updates

Committee Reports

Los Angeles Regional Adult Education Consortium Update

Superintendent's Reports

Report of the Independent Financial Review Panel

National Teacher of the Year Recognition, Daniel Jocz, Downtown Business Magnet (024-15/16)

Consent Items

Items for action below assigned by the Board at the meeting to be adopted by a single vote. Any item may be pulled off of consent for further discussion by any Board Member at any time before action is taken.

New Business for Action

1. Board of Education Report No. 095 – 15/16 **ADOPTED AS AMENDED BY CONSENT VOTE**
Procurement Services Division (Amended to withdraw Contract No. 4400003925, IBI Group, Inc.)
(Facilities Contract Actions) Recommends approval of actions that have been executed within the delegated authority of the Superintendent including the approval of the award of 1 advertised construction contract for \$1.689 million; the award of 7 job contract amendments for \$11 million; 44 change orders for \$412,564; the completion of 27 contracts; the award of 28 informal contracts totaling \$653,481; the rejection of 3 bids; the termination of 2 contracts; the award of 1 architectural and engineering contract for \$65,000; the award of 2 professional and technical service contract amendments for \$2.6 million; and extra services and amendments for \$496,512. Additionally, awards contracts not under the delegated authority, as detailed in Attachment B, for professional and technical services for environmental laboratory services for \$3 million with 6 firms and water remediation services with 4 firms for \$8 million; goods and services contracts for acoustical tile for \$593,000 and a contract for portable wheelchair lifts for \$3.5 million; and 1 architectural and engineering contract amendment for analysis of food services facilities for an additional \$642,521.

2. Board of Education Report No. 101 – 15/16 **ADOPTED AS AMENDED BY CONSENT VOTE**
Procurement Services Division **VOTE (Amended to withdraw Legal Services Bench Contracts)**
(Procurement Actions) Recommends approval of procurement actions taken by staff for professional services, agreement amendments and purchases within the delegated authority of the Superintendent as described in Attachment A for a total amount of approximately \$18.1 million for actuarial evaluations related to health benefits, drop-out prevention staff support at 3 schools, support for at-risk students at two schools, diabetes care assistance for Local District Nursing Offices, support for arts and entertainment field outreach at one school, a jazz training program at 17 schools, a mentoring program students participating in the marathon at 115 schools, physical education classes at one elementary school, recruitment and selection of 25 new special education teachers, contract amendment to provide SAP finance and procurement software implementation, amendment to provide technical assistance and coaching at one middle school, access to AVID online resources and support for AVID middle and high schools, and 11,220 procurement transactions and low value contracts. Also, 2 revenue contracts with the Los Angeles Community College District to provide work plans to support two high school programs. Additionally, recommends approval of professional services contracts goods and general services contracts with agreements and amendments for amounts over \$250,000 not under the delegated authority, as detailed in Attachment B, including capacity contracts for SAP resources with an aggregate value of \$4.5 million, contracts with 58 firms for legal services with a value of \$150 million, and a contract to develop Summer Bridge curriculum for approximately \$545,000.
3. Board of Education Report No. 131 – 15/16 **ADOPTED BY CONSENT VOTE**
Office of Accounting and Disbursements
(Report of Cash Disbursements, Request to Reissue Expired Warrants, Reimbursement of the Controller's Revolving Cash Fund, Donations of Money, and Report of Corporate Card Charges)
Recommends approval of warrants for things such as salary payments for a total value of \$472,548,817.63, the reissuance of 2 expired warrants totaling \$454.20, reimbursement of the Controller's revolving cash fund in the amount of \$100.00, the acceptance of 6 donations to the District totaling \$357,366.64; and the approval of corporate card charges totaling \$4,986.95.
4. Board of Education Report No. 128 – 15/16 **ADOPTED BY CONSENT VOTE**
Beyond the Bell
(Approval for Anti-Tobacco Grant Application) Approval for Beyond the Bell to submit an application for Tobacco Use and Prevention Education (TUPE) grant from the California Department of Education, seeking \$2 million for 3 years.
5. Board of Education Report No. 158 – 15/16 **ADOPTED**
Office of the Chief Financial Officer
(Authorization to Issue the General Obligation Bonds, Series 2016) Recommends authorization of the issuance of General Obligation Bonds, Series 2016, for school construction and modernization not to exceed \$900 million, and amends the master resolution adopted on April 14, 2015 regarding refunding bonds of the District. Recommends approval of the appointment of Public Resources Advisory Group (PRAG) as Financial Advisor; Hawkins, Delafield, & Wood as Bond Counsel; Orrick, Herrington and Sutcliffe LLP as Disclosure Counsel; and Citigroup, Wells Fargo Securities, JP Morgan, Hutchinson, Shockey, Erley & Co., Fidelity Capital Markets, Loop Capital and Alamo Capital as underwriters in connection with the issuance.

6. Board of Education Report No. 123 – 15/16 **ADOPTED BY CONSENT VOTE**
Human Resources Division
(Routine Personnel Actions) Recommends approval of 5,091 routine personnel actions such as promotions, transfers, leaves, terminations, etc.
7. Board of Education Report No. 124 – 15/16 **ADOPTED BY CONSENT VOTE**
Human Resources Division
(Nonroutine Personnel Actions) Recommends approval of the dismissals of one classified employee, the suspension-dismissal of two classified employees, and the rescission of dismissals of three classified employees.
8. Board of Education Report No. 071 – 15/16 **ADOPTED**
Facilities Services Division
(Amendment to the Facilities Services Division Strategic Execution Plan to Define and Approve 21 Projects that Address Critical School Repair Needs) Recommends approval of an amendment to the Strategic Execution Plan to define and approve 21 projects that address critical school repair needs for a combined budget of \$36,911,637.
9. Board of Education Report No. 072 – 14/15 **ADOPTED BY CONSENT VOTE**
Facilities Services Division
(Amendment to the Facilities Services Division Strategic Execution Plan to Define and Approve 3 Projects that Address School Needs Identified by Board District 3) Recommends approval of an amendment to the Strategic Execution Plan to define and approve 3 projects that address critical school repair needs in Board District 3 for a combined budget of \$526,186.
10. Board of Education Report No. 121 – 14/15 **ADOPTED BY CONSENT VOTE**
Facilities Services Division
(Amendment to the Facilities Services Division Strategic Execution Plan to Define and Approve 10 Board Member and Local District Priority Projects) Recommends approval of an amendment to the Strategic Execution Plan to define and approve 10 Board Member and Local District Priority projects and to authorize the Chief Facilities Executive and or designee to make any purchases associated with the projects. The combined budget for these projects is \$753,028.
11. Board of Education Report No. 122 – 14/15 **ADOPTED**
Facilities Services Division
(Amendment to the Facilities Services Division Strategic Execution Plan to Define and Approve School Information Technology Network Infrastructure, Equipment, and Phone System Upgrade Projects) Recommends approval of an amendment to the Strategic Execution Plan to define and approve school information technology network infrastructure, equipment, and phone system upgrade projects at 88 Early Education Centers for a combined budget of \$11,949,255. Additionally, recommends filing for E-Rate discounts in the amount of \$1,114,724.

12. Board of Education Report No. 126 – 14/15 **ADOPTED AS AMENDED BY CONSENT VOTE** (Amended to correct the funding source name under the Budget Impact Section)
Procurement Services Division
(Authorization to Enter into a Contract for the Design and Construction of the Porter Ranch Community School Addition Project) Recommends authorization for the Chief Facilities Executive and or designee to enter into a contract on behalf of the District with S.J. Amoroso Construction Co., Inc., not to exceed amount of \$10,788,888, for the design and construction of the Porter Ranch Community School addition project.
13. Board of Education Report No. 157 – 15/16 **ADOPTED**
Facilities Services Division
(Update to the School Upgrade Program) Recommends approval of an amendment to the Facilities Strategic Execution Plan to update the School Upgrade Program, to allocate \$528.25 million of bond program funding to undertake necessary changes to facilities to comply with Americans with Disabilities Act (ADA) Title II Regulations; approval of the reallocation of bond program funds targeted for the “to-be-determined needs” category of capital needs, approval of the cancellation of the Mandarin Foreign Language Immersion Program Elementary school project and the reallocation of \$339 million from categories detailed in Attachment A for the ADA projects and other critical school repairs including support of expansion of existing wellness clinics, and installation of air conditioning in gymnasiums and \$100 million for technology and infrastructure systems.
14. Board of Education Report No. 159 – 14/15 **ADOPTED**
Office of Environmental Health and Safety
(Certification of the Final Environmental Impact Report, Adoption of Findings of Fact, Statement of Overriding Consideration, and Standard Conditions of Approval for the School Upgrade Program) Recommends certification of Final Environmental Impact Report (EIR), adoption of the Findings of Fact, Statement of Overriding Considerations and Standard Conditions of Approval for the Final EIR of the School Upgrade Program to use school construction bond funds for building, modernizing, and repairing school facilities with a total expected budget of \$7,852,970,000.
15. Board of Education Report No. 142 – 15/16 **ADOPTED AS AMENDED**
Charter Schools Division (Amended to include Benchmarks)
(Renewal of the Charter for *Ánimo* Ellen Ochoa Charter Middle School) Recommends approval of the renewal of the charter for *Ánimo* Ellen Ochoa Charter Middle School for 5 years to serve 550 students in grades 6-8 at the school located in Local District East at 5156 Whittier Blvd., in Los Angeles.
16. Board of Education Report No. 143 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Renewal of the Charter for *Ánimo* Jackie Robinson Charter High School) Recommends approval of the renewal of the charter for *Ánimo* Jackie Robinson Charter High School for 5 years to serve 600 students in grades 9-12 at the school located in Local District Central at 3500 South Hill Street, in Los Angeles.

17. Board of Education Report No. 144 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Renewal of the Charter for *Ánimo James B. Taylor Charter Middle School*) Recommends approval of the renewal of the charter for *Ánimo James B. Taylor Charter Middle School* for 5 years to serve 525 students in grades 6-8 at the school located in Local District South at 810 E. 111th Place, in Los Angeles.
18. Board of Education Report No. 145 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Renewal of the Charter for *Ánimo Ralph Bunche Charter High School*) Recommends approval of the renewal of the charter for *Ánimo Ralph Bunche Charter High School* for 5 years to serve 625 students in grades 9-12 at the school located in Local District Central at 1655 East 27th Street, Suite B, in Los Angeles.
19. Board of Education Report No. 150 – 15/16 **ADOPTED**
Charter Schools Division
(Renewal of the Charter for Partnership to Uplift Communities [PUC] Early College Academy for Leaders and Scholars [eCALs]) Recommends approval of the renewal of the charter for Partnership to Uplift Communities Early College Academy for Leaders and Scholars for 5 years to serve 500 students in grades 9-12 at the school located in Local District Central at 2050 North San Fernando Road, in Los Angeles.
20. Board of Education Report No. 151 – 15/16 **ADOPTED**
Charter Schools Division
(Renewal of the Charter for PUC Triumph Charter Academy and PUC Triumph Charter High School) Recommends the approval of the renewal of the charter for PUC Triumph Charter Academy and PUC Triumph Charter High School for 5 years to serve 800 students in grades 6-12 at the school located in Local District Northeast at 13361 Glenoaks Blvd., in Sylmar.
21. Board of Education Report No. 152 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Renewal of the Charter for Rise Ko Hyang Middle School) Recommends approval of the renewal of the charter for Rise Ko Hyang Middle School for 5 years to serve 450 students in grades 6-8 at the school located in Local District Central at 3020 Wilshire Blvd., in Los Angeles.
22. Board of Education Report No. 146 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Renewal of the Charter for Bright Star Secondary Charter Academy) Recommends approval of the renewal of the charter for Bright Star Secondary Charter Academy for 5 years to serve 750 students in grades 7-12 at the school located in Local District West at 5431 West 98th Street, in Los Angeles.

23. Board of Education Report No. 132 – 15/16 **ADOPTED**
Charter Schools Division
(Approval of the Charter for Rise Ko Hyang High School) Recommends approval of a charter for Rise Ko Hyang High School for 5 years to serve 600 students in grades 9-12 to be located in the Koreatown area of Los Angeles.
24. Board of Education Report No. 133 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Approval of the Charter for Valor Academy Elementary School) Recommends the approval of a charter for Valor Academy Elementary School for 5 years to serve 468 students in grades TK-4 to be located in Panorama City area of Los Angeles.
25. Board of Education Report No. 153 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Renewal of the Charter for Synergy Quantum Academy) Recommends approval of the renewal of the charter for Synergy Quantum Academy for 5 years to serve 583 students in grades 9-12 at the school located in Local District South at 300 E. 53rd Street, Los Angeles.
26. Board of Education Report No. 149 – 15/16 **ADOPTED**
Charter Schools Division
(Renewal of the Charter for El Camino Real Charter High School) Recommends approval of the renewal of the charter for El Camino Real Charter High School for 5 years to serve 3,600 students in grades 9-12 at the school located in Local District Northwest at 5440 Valley Circle Blvd., in the Woodland Hills area of Los Angeles.
27. Board of Education Report No. 129 – 15/16 **POSTPONED TO DECEMBER 8, 2015**
Charter Schools Division
(Contingent Approval of the Charter for El Camino Real K-8 Charter School at the Former Highlander Campus) Recommends approval of the charter for El Camino Real K-8 Charter School at the Former Highlander Campus for 5 years to serve 525 students in grades K-8 contingent upon the Board of Education approval at a future meeting to allow El Camino Charter Alliance to redevelop and use the Highlander School site.
28. Board of Education Report No. 130 – 15/16 **FAILED**
Charter Schools Division
(Contingent Approval of the Charter for El Camino Real K-8 Charter School at the Former Oso Campus) Recommends approval of the charter for El Camino Real K-8 Charter School at the Former Oso Campus for 5 years to serve 525 students in grades K-8 contingent upon the Board of Education approval at a future meeting to allow El Camino Charter Alliance to redevelop and use the Oso School site.
29. Board of Education Report No. 147 – 15/16 **ADOPTED**
Charter Schools Division
(Renewal of the Charter for Celerity Cardinal Charter) Recommends approval of the renewal of the charter for Celerity Cardinal Charter for 5 years to serve 490 students in grades K-8 at the school located in Local District Northeast at 7330 Bakman Avenue, in the Sun Valley area of Los Angeles.

30. Board of Education Report No. 148 – 15/16 **ADOPTED**
Charter Schools Division
(Renewal of the Charter for Celerity Palmati Charter) Recommends approval of the renewal of the charter for Celerity Palmati Charter for 5 years to serve 490 students in grades K-8 at the school located in Local District Northeast at 6501 Laurel Canyon Blvd., in the North Hollywood area of Los Angeles.
31. Board of Education Report No. 134 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Denial of the Charter Petition for Celerity Himalia Charter School) Recommends denial of the charter petition for Celerity Himalia Charter School and adoption of the Findings of Fact in Support of the denial.
32. Board of Education Report No. 135 – 15/16 **ADOPTED BY CONSENT VOTE**
Charter Schools Division
(Denial of the Charter Petition for Celerity Rolas Charter School) Recommends denial of the charter petition for Celerity Rolas Charter School and adoption of the Findings of Fact in Support of the denial.
33. Board of Education Report No. 155 – 15/16 **ADOPTED BY CONSENT VOTE**
Office of Curriculum, Instruction and School Support
(Acceptance of Skills for Success Federal Grant Application for 2015-2018 Funding Cycle)
Recommends acceptance of the 2015 Skills for Success grant from the U.S. department of education to enhance the GEAR UP 4 L.A. program for the amount of \$1,497,661 million over three years.

Board Member Resolutions for Action

34. Ms. Ratliff, Dr. Rodriguez, Dr. McKenna - Parent Centers That Speak to Our Parents
(Res-011-15/16) (Noticed October 13, 2015) **ADOPTED AS AMENDED BY CONSENT VOTE**

Whereas, The Los Angeles Unified School District has established Parent Centers at District schools to promote parent and family engagement;

Whereas, Many parents or guardians of students throughout the District are most comfortable speaking, or exclusively speak, a language other than English;

Whereas, In enacting Sections 45400 through 45403 of the California Education Code, the California Legislature determined that “a serious educational disadvantage results” when a K-12 public school has a substantial number of pupils who, together with their parents or guardians, speak a single primary language other than English, and such school does not employ one or more bilingual employees fluent in both English and the primary language of such pupils and their parents or guardians;

Whereas, A similar parental engagement disadvantage ostensibly results when a school’s Parent Center staff are unable to effectively communicate with the parents or guardians of the school’s students in their home language; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby directs the Superintendent to study the implications of requiring each school ~~to~~ that chooses to hire staff for its Parent Center with to include one or more employees who are, at a minimum, bilingual in English and each single primary language spoken by the parents or guardians of at least fifteen (15%) percent of the pupils enrolled in such school;

Resolved further, That such study shall examine the interaction of such requirement with the District's labor agreements and the job duties of affected Certificated and Classified staff, among other relevant issues; and, be it finally

Resolved, That the Superintendent shall report back to the Board with the findings of such study by ~~December 12, 2015~~ February 8, 2016.

35. Ms. Ratliff — Measuring Progress Towards California Assessments (Res-012-15/16)
(Noticed October 13, 2015) **ADOPTED BY CONSENT VOTE**

Whereas, The Los Angeles Unified School District currently requires that schools administer periodic assessments at every grade level, giving schools the choice of either Interim Smarter Balanced Assessment Consortium (SBAC) Assessments or District-provided periodic assessments;

Whereas, The State of California has mandated that students in school districts, including the Los Angeles Unified School District, participate in the SBAC's summative assessments for certain grade levels (SBAC Tests);

Whereas, The State of California may use the results of the SBAC Tests for accountability purposes, which could ultimately have profound effects on the distribution of State funds to, and/or imposition of requirements upon, the District;

Whereas, The SBAC offers interim assessments, which can be used (i) to gauge student progress towards the SBAC Tests, (ii) to provide students an opportunity to practice taking assessments under conditions and using technology similar to that employed for the SBAC Tests, and (iii) to inform instruction and assess performance and progress towards college and career readiness; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby directs the Superintendent to encourage schools to administer the Interim SBAC Assessments to students in grades 3 through 8 and high school.

36. Ms. Ratliff – Recognizing Substitute Educators Appreciation Day (Res-013-15/16)
(Noticed October 13, 2015) **ADOPTED BY CONSENT VOTE**

Whereas, The Los Angeles Unified School District seeks to recognize and commend those who are dedicated in their service to public education;

Whereas, The District makes it a priority to ensure that all students are taught in equitable and enriching environments, with highly effective instructors;

Whereas, In 2006, the California State Legislature decreed the Friday of the first full week before Thanksgiving as “California Substitute Educators Day,” in official recognition of substitute educators, by passage of House Resolution No. 32 (Karnette);

Whereas, Substitute educators are a vital part of the District community, with 483,145 requests for substitute educators in the 2014-15 school year alone (an increase of 20,268 such requests for the 2013-14 school year);

Whereas, The District currently employs 4,944 substitute educators; and

Whereas, Substitute educators provide continuity in the learning process, provide a safe and healthy learning environment for pupils, and contribute to the establishment and promotion of a positive instructional environment within the District; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby recognizes and honors the contributions of substitute educators to quality education in the State of California and in the District, and extends its gratitude and appreciation for their dedicated service; and, be it finally;

Resolved, That the Board hereby declares November 20, 2015, as Substitute Educators Appreciation Day in the Los Angeles Unified School District.

37. Ms. Ratliff, Ms. García, Mr. Zimmer – Recognizing National Homeless Youth Awareness Month (Res-014-15/16) (Noticed October 13, 2015) **ADOPTED BY CONSENT VOTE**

Whereas, On July 11, 2007, both the U.S. House and the Senate passed a Resolution making November, “National Homeless Youth Awareness Month”;

Whereas, According to the National Coalition for the Homeless, 1.6 million U.S. teenagers are homeless on any given night, with this population equally divided between male and female, between the ages of 15 and 17;

Whereas, Homeless children are nine times more likely to repeat a grade;

Whereas, Within a single school year, 42% of homeless students transferred at least once, and 51% of those students transferred twice or more;

Whereas, An estimated 200,000 youth under the age of 18, and thousands more ages 18 to 24, experience homelessness each year in California;

Whereas, In the Los Angeles Unified School District alone, in 2014 approximately 13,606 students were identified as homeless;

Whereas, Homeless children are three times more likely than their peers to be placed in special education;

Whereas, Homeless children are four times more likely than their peers to drop out of school;

Whereas, The future well being of our schools and city depends on the value we place on our youth and, in particular, on our actions to provide these most vulnerable of our young people with opportunities to acquire the knowledge, skills and abilities they need;

Whereas, Although there are many organizations dedicated to removing barriers for our homeless students in our District, including District staff, the services and supports available to homeless youth in Los Angeles are only a fraction of what is needed to fully address the needs of these young people;

Whereas, The LAUSD Homeless Education Program empowers homeless students and families through educational advocacy and support while promoting awareness in schools and the community;

Whereas, Assistance provided by the LAUSD Homeless Education Program includes:

- Facilitation of the school enrollment process to ensure equal access to educational and meal programs, as well as tutoring and other services available at school sites;
- Professional development trainings for school personnel and community agencies regarding the rights and responsibilities of homeless students;
- Technical assistance regarding the proper identification, enrollment, and service needs of homeless students and their families;
- Assistance with transportation, backpacks, school supplies, and clothing;
- Medical, dental, and mental health referrals;
- Assistance for unaccompanied youth (with enrollment procedures, school placement options, and retrieval of immunization records);
- Advocacy services for parents and students during school related educational meetings, such as Student Study Team (SST), Individualized Educational Program (IEP), and Student Attendance Review Team (SART) or School Attendance Review Board (SARB);
- Participation in the mediation of school enrollment disputes;
- Assistance to specialized populations of homeless students, including preschoolers, homeless teen parents, children with special needs, and unaccompanied youth;

Whereas, The Governing Board of the Los Angeles Unified School District recognizes that youth homelessness continues to be a serious problem for many students and families in Los Angeles; and

Whereas, Despite the extraordinary educational challenges faced by homeless youth, homeless students do not comprise a distinct category of unduplicated pupils under California's Local Control Funding Formula; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby declares November "Homeless Youth Awareness Month" in the Los Angeles Unified School District; and, be it finally

Resolved, That by adoption of this resolution, the Board encourages all students, faculty, administrators, and parents to support the efforts to remove barriers to success for homeless youth.

38. Ms. Ratliff, Ms. García, Mr. Zimmer - Recognizing Native American Heritage Month (Res-015-15/16) (Noticed October 13, 2015) **ADOPTED BY CONSENT VOTE**

Whereas, Native Americans have made distinct and important contributions to California, the United States and the rest of the world in many fields, including the fields of agriculture, medicine, music, language, and art, and Native Americans have distinguished themselves as inventors, entrepreneurs, spiritual leaders, and scholars;

Whereas, The United States Bureau of the Census determined in 2010 that there were over 720,000 individuals in the State of California of Native American descent, making it the largest Native American population in the 50 states;

Whereas, *The State of American Indian and Alaska Native Education in California 2014* study found that Native American high school students continue to fall disproportionately below State achievement levels for graduation and completion of college entry requirements, including:

- 72.3% high school graduation rate, 6.4% lower than the State average
- 18.5% high school drop out rate, 5.4% higher than the State average; and
- 24.9% A-G requirement completion rate. 13.4% lower than the State average;

Whereas, The City of Los Angeles is the municipality with the second largest Native American population in the United States, comprising over 54,000 individuals;

Whereas, In the Los Angeles Unified School District, 2,328 students throughout the District are identified as American Indian or Alaska Native;

Whereas, Since 1975, the Indian Education Program of the District has worked to meet the unique educational and cultural needs of American Indian and Alaska Native students by providing the resources and tools needed to achieve academic success to Native American students and their families and promoting and reinforcing tribal traditions and knowledge;

Whereas, The Indian Education Program organizes:

- Monthly Family Fun Days to promote traditional crafts, games, and storytelling;
- The Annual Indian Education Student Art Show to exhibit student work at the Autry National Center;
- The Annual Indian Education Student Recognition Ceremony to acknowledge and celebrate student achievement;
- Indian Education Program Schools at 10 District sites;
- Partnerships with Indian Community Organizations to further extend opportunities for Indian families;
- American Indian cross-curricular lesson plans focusing on a different region every school year;
- American Indian guest speakers who are available to give presentations to schools on various topics; and
- Indian Education Professional Development.

Whereas, Native American Heritage Month is an opportunity for the District to honor the contributions, achievements, sacrifices, and cultural and historical legacy of the original inhabitants of what is now the United States and their descendants; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District hereby recognizes the month of November 2015 as “Native American Heritage Month”;

Resolved further, That the Superintendent be, and he hereby is, authorized and directed to work with all schools of the District to recognize the Native American contributions and Native American perspectives in school curriculum and to celebrate the contributions that Native Americans have made to California and the United States; and, be it finally

Resolved, That, by adoption of this resolution, the Board encourages all students, faculty, administrators, and parents to make year-round efforts to remove barriers to success for Native American students.

39. Ms. García, Dr. Rodriguez, Dr. McKenna – Support of President Obama’s My Brother’s Keeper Challenge and Support for a Bold, United Los Angeles County Initiative (Res-016-15/16) (Noticed October 13, 2015) **ADOPTED BY CONSENT VOTE**

Whereas, The Los Angeles Unified School District is the largest public school district in California and the United States of America with an elected Board of Education;

Whereas, The Governing Board of the Los Angeles Unified School District is guided by the goals of: 100% graduation, Proficiency Plus for All, 100% attendance for students and staff, engaged parents and community, and safe schools;

Whereas, The District community has been the leader in urban transformation on multiple initiatives such as A-G for All; a \$28 billion Facilities Bond Program; School Mental Health Services; Student Climate Bill Of Rights and the Positive Behavior Intervention and Support Policy; Nutrition Policy; Suicide Prevention and Intervention Now!; Master Plan for English Learners and Standard English Learners; Equity is Justice; and Zero Dropouts;

Whereas, In February 2014, President Obama launched the My Brother’s Keeper (MBK) initiative to address persistent opportunity gaps facing boys and young men of color. The My Brother’s Keeper Community Challenge seeks to inspire community leaders and encourages their commitment to ensuring all people can succeed;

Whereas, In April 2015, the Los Angeles County Board of Supervisors accepted the Challenge and invited District leadership to participate in a Local Action Summit on September 10, 2015;

Whereas, The My Brother’s Keeper Community Challenge encourages communities to convene leaders, identify effective strategies, and work together towards achieving the following goals:

1. Ensure all children enter school cognitively, physically, socially, emotionally ready;
2. Ensure all children read at grade level by third grade;
3. Ensure all youth graduate from high school;

4. Ensure all youth complete post-secondary education or training; and
5. Ensure all youth remain safe from violent crime; now, therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District accepts the President's challenge, expresses its enthusiastic support and commitment to the goals of the MBK Challenge, and directs the Superintendent to communicate to the White House and our County leadership our solidarity in this mission;

Resolved further, The Superintendent will convene a MBK leadership group to identify:

1. Existing and innovative strategies to improve outcomes for boys and men of color;
2. Propose alignment with national and state momentum to interrupt poverty and see more lives thrive; and
3. Present data that demonstrates points of engagement with boys and men of color with respect to need, services, and achievement; and, be it finally

Resolved, That the Board will discuss system wide data and budget implications at a Board meeting in February 2016 in celebration of the second anniversary of the initiative, and will expect an action plan 45 days after that.

Board Member Resolutions for Initial Announcement

40. Ms. Ratliff – Keeping Parents Informed: Charter Transparency (Res-017-15/16)

FOR ACTION DECEMBER 8, 2015

Whereas, Charter schools were established in 1992 by the California Education Code as a way to encourage innovation, increase opportunities for teaching and learning and expand school choice for parents and students;

Whereas, A Board of Education or other authorizing entity grants a charter with the expectation that a school will adhere to the procedures outlined in its petition and uphold the public's trust in carrying out the agreement;

Whereas, California Education Code 47607 allows an authorizing entity to grant a charter for a period not to exceed five years and to grant one or more renewals of five years each;

Whereas, California Education Code 47606(c)(2) states, "Charter schools shall, on a regular basis, consult with their parents, legal guardians and teachers regarding the school's educational programs";

Whereas, California Education Code 47604.32 requires the authorizing entity, including the Governing Board of the Los Angeles Unified School District, to provide oversight of a charter school's operations, including its fiscal conditions and financial operations;

Whereas, California Ed Code 47604.3 requires charter schools to respond to all reasonable inquiries from its chartering authority, including those regarding its financial records;

Whereas, The District requires every charter school to cooperate with investigations of waste,

fraud, abuse and other material violations of law related to its operation;

Whereas, California Education Code 47607(c) states that the authorizing entity may revoke a charter through the showing of substantial evidence that the school did any of the following: Committed a material violation of any of the conditions, standards or procedures set forth in the charter; failed to meet or pursue any of the pupil outcomes identified in the charter; failed to meet generally accepted accounting principles or engaged in fiscal mismanagement; violated any provision of the law;

Whereas, California Education Code 47607(c)-(e) and corresponding state regulations require the chartering authority to adhere to the following procedures when revoking a charter: Issuance of a Notice of Violations; issuance of a Notice to Revoke and Notice of Facts in Support of Revocation; a public hearing; and a final vote;

Whereas, The District currently requires charter schools to notify parents and guardians within 72 hours of a closure action and to simultaneously provide proof of the notification to the Charter Schools Division, but does not mandate any such notice when the revocation process is initiated or underway; and

Whereas, When a school has a renewal hearing before the Board, there is currently no requirement that a school must inform parents, legal guardians, and teachers of the outcome; now, therefore, be it

Resolved, That the Los Angeles Unified School District expects a charter management organization or charter school to be transparent with its stakeholders regarding all aspects of its operation, including the possible revocation of its charter;

Resolved further, That a charter school be required to notify all parents, guardians and teachers in writing within 72 hours when the district issues a Notice of Violations, a Notice of Intent to Revoke and/or the Recommendation for Non-renewal; and that the notification include the District's rationale for the action. The school shall also be required to simultaneously provide proof of the notification to the Charter Schools Division;

Resolved further, That a charter management organization or charter school be required to have available, as allowed by law, to parents, guardians, and staff, information regarding:

- Field Act compliancy
- Available play space/density
- Teacher credential status
- Chanda Smith Consent Decree compliance (including, but not limited to proper documentation displayed and made available to parents)
- Staff pay scale (including, but not limited to teachers, administrators, clerical staff, custodial staff, aides, etc.)
- Instructional materials
- Brown Act compliancy
- Food service/caloric content
- Special Education services (including, but not limited to SELPA affiliation)

- Curriculum content
- Special Education by type (high incident, low incident)

Resolved further, That this information be available to parents both manually and electronically through a written disclosure form in the preferred language of the family;

Resolved further, That for the 2015-16 academic year, this information be available to parents, guardians, and staff no later than March 1, 2016;

Resolved further, For the 2016-17 and subsequent academic years, this information be available to parents, guardians, and staff no later than August 31st of the applicable academic year. If at any time, a change occurs with regards to the available information, the charter management organization or charter school will have 72 hours to have available the updated information; and, be it finally

Resolved, That the Governing Board of the Los Angeles Unified School District encourages each charter school to inform parents, legal guardians, and other stakeholders of the outcome of its renewal hearings.

41. Dr. Rodriguez, Mr. Schmerelson, Ms. García, Ms. Ratliff- Creating a Collaborative to Focus on the Middle Grades (Res-018-15/16) **FOR ACTION DECEMBER 8, 2015**

Whereas, The middle grade years in K-12 education play a pivotal role in high school success, and they are part of LAUSD's plan to eliminate dropouts and ensure students graduate high school college prepared and career ready;

Whereas, The middle grade years are a time of heightened vulnerability, as the years between 6th and 8th grade are known for an increase in disciplinary problems, motivational decline, and initiation in risky behaviors;

Whereas, Chronic absenteeism and behavioral problems in middle grades are clear warnings signals of leaving high school, and without early intervention, struggling middle school students will continue to leave school;

Whereas, Los Angeles County has some of the largest middle schools in the nation, with some grade sizes at least seven times larger in middle school than in elementary school. These large environments can be intimidating for both students and parents and can impede learning;

Whereas, In response to *The Forgotten Middle* report that described how critical it is for students to be on target for college and career, the U.S. Department of Education now recommends that students begin planning for college as early as 6th grade;

Whereas, Middle grades education is the first step in the secondary to post-secondary pipeline, and the last chance to get students on track for a high school curriculum that will make them college and career ready;

Whereas, Students not adequately prepared in the middle grades for core high school subjects, such as mathematics and English Language Arts, can have difficulty catching up on college-readiness requirements; and

Whereas, The demand for workers with postsecondary education in California is projected to grow in the 21st century economy, college and career planning needs to begin in the middle grades, so that students are prepared for the rigorous curriculum of high schools; now, therefore, be it

Resolved, That the creation of a collaborative team of parents, students, educators, school leaders, researchers, District staff, and other experts on the Middle Grades will work together to create a framework for collective action on reimagining the middle grades;

Resolved further, That the collaborative team's membership should include, but not be limited to, a representative from each of the following:

- A middle school parent
- A middle school student
- A representative from United Teachers Los Angeles
- A representative from the LAUSD Division of Student Health and Human Services
- A representative from the Associated Administrators of Los Angeles
- The LAUSD Division of Instruction
- The LAUSD Office of Educational Services

Resolved further, That the collaborative team will identify best practices in LAUSD and across the nation around social emotional supports, grade level configurations, and practices that motivate and engage our middle grade students and will provide recommendations on next steps to improve and support middle grade education across LAUSD; and, be it finally

Resolved, That the collaborative team will be formed by January 2016 and will present the framework for collective action to the Board of Education by June 2016.

42. Mr. Schmerelson - Excellent Public Education for Every Student (Res-019-15/16)
FOR ACTION DECEMBER 8, 2015

Whereas, The recently released report from the Los Angeles Unified School District (LAUSD) Independent Financial Review Panel indicates that declining enrollment is one of the critical issues that LAUSD needs to proactively address in order to remain fiscally viable and be able to provide a high quality, full service public education for every child who enters public schools in Los Angeles;

Whereas, The recently released "Plan for Great Public Schools" from the Eli Broad Foundation seeks to aggressively move over 250,000 students from LAUSD public schools to privately operated, unregulated charter schools;

Whereas, The Broad Foundation plan does not address the impact, implications and potential for collateral damage to the approximately 300,000 students who would be left in an LAUSD system precariously drained of resources, programs and support systems; and

Whereas, The Board of Education passed the “Believing in our Schools Again” resolution directing the Superintendent to identify successful programs within the LAUSD including but not limited to magnets, International Baccalaureate programs, Dual Language Immersion programs, STEM/STEAM programs, and Pilot schools and develop a comprehensive strategy to grow these programs and strengthen instruction and support at neighborhood schools;

Whereas, The Independent Financial Review Panel made similar recommendations for investment in successful LAUSD programs;

Whereas, The Board of Education serves as both the authorizer of the largest number of charter schools in the nation and is responsible for ensuring an excellent educational program for over 540,000 students in LAUSD schools and programs;

Whereas, Rather than sharing the best practices between robust LAUSD programs and innovative charter schools, the recent tactics of saturation and strangulation create unnecessary competition for precious resources and divides students and communities;

Whereas, The Board of Education is committed to the most important and comprehensive education equity mission in the nation and must have the needed resources to implement the A-G for All resolution, the School Climate Bill of Rights, the Equity Index and other essential initiatives to ensure 100% graduation of all students who are college and career ready; now, therefore, be it

Resolved, That the LAUSD Board of Education of the City of Los Angeles opposes the Broad Foundation plan and all initiatives that present a strategy designed to serve some students and not all students;

Resolved further, That the LAUSD Board of Education directs the Superintendent to analyze all external proposals targeting LAUSD for their impact in terms of enrollment, fiscal viability and LAUSD’s ability to provide an outstanding public school education with comprehensive student and family supports before that proposal is considered by the Board; and, be it finally

Resolved, That the Board of Education redouble its efforts and its investments in growing programs of instructional excellence that serve all our students.

Miscellaneous Business

Public Hearings

PUBLIC HEARING - REPORT RECEIVED

43. SB77 Certificated Employees Effectiveness Grant (Rep-156-15/16)

44. New Charter Petitions for Public Hearing (027-15/16) **PUBLIC HEARING STATEMENT READ**

Ánimo Charter Middle School No. 8

Consideration of the level of support for a start-up independent charter petition requesting a 5-year term to serve 600 students in grades 6-8 with a proposed location in Los Angeles, in the 90001 area.

CHIME High School

Consideration of the level of support for a start-up independent charter petition requesting a 5-year term to serve 480 students in grades 9-12 with a proposed location in the Woodland Hills area.

L.A.'s Promise High School No. 1

Consideration of the level of support for a start-up independent charter petition requesting a 5-year term to serve 400 students in grades 9-12 with a proposed location in the Vermont and Slauson area of Los Angeles.

L.A.'s Promise Middle School No. 1

Consideration of the level of support for a start-up independent charter petition requesting a 5-year term to serve 435 students in grades 6-8 with a proposed location in the Western and Vernon area of Los Angeles.

Correspondence and Petitions

45. Report of Correspondence including Williams/Settlement Uniform Complaint – Quarterly Report Summary (022-15/16) **APPROVED BY CONSENT VOTE**

Minutes for Board Approval (025-15/16) APPROVED BY CONSENT VOTE

46. 1 p.m., Regular Board Meeting, June 10, 2014
1 p.m., Regular Board Meeting, October 14, 2014
1 p.m., Regular Board Meeting, November 18, 2014
4 p.m., Regular Board Meeting (Williams), October 6, 2015

Announcements

47. Motion to find Board Member Mónica García and Board Member Richard Vladovic absent from the October 6, 2015, Regular Board Meeting, due to hardship. (026-15/16)
- **ADOPTED BY CONSENT VOTE**

Motion to schedule a meeting on November 17, 2015, 1 P.M. **ADOPTED BY CONSENT VOTE**

Public Comment

Adjournment

Please note that the Board of Education may consider at this meeting any item referred from a Board Meeting five calendar days prior to this meeting (Education Code 54954.2(b)(3)).

The Board of Education may also refer any item on this Order of Business for the consideration of a committee or meeting of the Board of Education, which meets on the Thursday immediately after this meeting.

Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to the Board Secretariat in person or by calling (213) 241-7002.

Individuals wishing to speak at a Board meeting must sign up at the meeting. There will be no sign ups in advance of the meeting. Speakers must sign up prior to the item being acted upon by the Board. Speakers should plan to arrive early as items with no speakers may be acted on at the beginning of the meeting.

If you or your organization is seeking to influence an agreement, policy, site selection or any other LAUSD decision, registration may be required under the District's Lobbying Disclosure Code. Please visit www.lausd.net/ethics to determine if you need to register or call (213) 241-3330.

Materials related to an item on this Order of Business distributed to the Board of Education are available for public inspection at the Security Desk on the first floor of the Administrative Headquarters, and at:
<http://laschoolboard.org/11-10-15RegBd>

Items circulated after the initial distribution of materials are available for inspection at the Security Desk.

**Findings of Fact in Support of Denial of the Charter Petition for
Celerity Rolas Charter School
By the Los Angeles Unified School District**

BOARD OF EDUCATION REPORT 135-15/16
November 10, 2015

The charter review process requires the authorizer to evaluate whether the charter petition meets the criteria for approval. Education Code Section 47605 (b) states the required petition elements and conditions for denial. Education Code Section 47605 outlines additional petition criteria.

I. INTRODUCTION.

On September 16, 2015, the Los Angeles Unified School District ("District") received a charter petition ("Petition") from Celerity Educational Group ("CEG"), a California nonprofit public benefit corporation, requesting that the District's Board of Education grant the Celerity Rolas Charter School's ("Charter School" or "Petitioner") charter for a term of five years. Petitioner seeks approval to operate a school that will serve, at full capacity, either 565 students or 590 students in Grade K-8. (Petition, p. 10, 13.) It is unclear which grade levels Petitioner seeks to roll-out in the 2016-2017 school year because Petitioner presents inconsistent enrollment plans for the first year of operation. For example on page 10, Petitioner indicates that the Charter School will operate grades K-8 in the first year. On page 13 they indicate that the Charter school will operate grades K-5 in the first year, while adding additional grades in subsequent years.

California Education Code section 47605(b) provides that a school district governing board shall grant a charter for the operation of a school if it is satisfied that granting the charter is consistent with sound educational practice. Section 47605(b) provides that the governing board shall not deny a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one or more of the following:

- (1) The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.
- (2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
- (3) The petition does not contain the number of signatures required by subdivision (a) of Education Code 47605.
- (4) The petition does not contain an affirmation of each of the conditions described in subdivision (d) of Education Code 47605.
- (5) The petition does not contain reasonably comprehensive descriptions of certain required elements as set forth in Education Code section 47605, subdivision (b)(5)(A-P).

II. STAFF SUMMARY AND RECOMMENDATION:

After a careful and thorough review of the Petition and all supporting documentation provided by Petitioner, District staff recommend that the District Governing Board adopt these Findings of Fact for the Denial of the Celerity Rolas Charter School based on the following grounds:

- (1) Petitioner is demonstrably unlikely to successfully implement the programs set forth in the Petition; (Ed. Code § 47605(b)(2);
- (2) The Petition does not contain a reasonably comprehensive description of all required elements. (Ed. Code § 47605(b)(5).)

III. FINDINGS OF FACT FOR DENIAL

Please note that while these findings of fact have been grouped for convenience, certain findings of fact may support more than one ground for denial.

A. The Petitioner is demonstrably unlikely to successfully implement the program set forth in the Petition for Celerity Rolas Charter School (Ed. Code § 47605(b)(2).)

In reviewing the past history of a charter operator, it is appropriate to look to the record of performance of the petitioner and its board members that will operate the charter school. An essential part of operating a successful educational program is compliance and performance in all areas, including academic achievement, governance, operations, and finance. In reviewing the record of the Celerity Education Group (CEG), while staff acknowledges an overall positive record of achievement outcomes, staff has noted serious concerns about the organization's financial, operational, and governance practices which limits CEG's ability to successfully expand and implement the full program as required by applicable law.

Under the Charter Schools Act ("Act") (Ed. Code, § 47600, *et seq.*), the District is responsible for monitoring the Charter School for compliance with the law and its own charter. Petitioner has operated in the District for several years, and is familiar with District protocols. Petitioner's poor track record of responding to District requests for information in a timely manner, or at all, impacts the District's ability to effectively carry out its oversight functions.

On, or about, August 2013, District staff communicated several concerns to Petitioner regarding Petitioner's financial practices, and requested financial documents in order to clarify or address some of these concerns. Although Petitioner provided some of the information requested, several concerns identified back in 2013 remain unaddressed to date, particularly as to credit card expenditures. As part of the District's oversight visits in the 2014-15 school year, the District reported that, for the second year in a row, Petitioner failed to provide District staff with timely submissions of financial documentation as required by law. Communications between Petitioner and the District continue in regard to the District's outstanding concerns. For these reasons, the District has concerns about Petitioner's expansion in the District at this time.

i. Petitioner's Use of "Internal Loans" Raises Concerns

Petitioner operates multiple charter schools within, and outside of, California. The District authorizes some, but not all, of Petitioner's charter schools. It has come to the attention of the District that Petitioner "loans" funds between its current charter schools without appropriate documentation or adequate explanation. This practice raises several concerns.

For example, when Petitioner develops the educational program for a particular charter school, the charter school's budget is the financial plan that outlines how Petitioner intends to deliver that educational program. If Petitioner is "loaning" money from one charter school to another, then it must provide the terms and conditions regarding these loans, such as repayment schedules, interest, purpose for the loan and plans in the event of a default. Loans may also have a direct impact on the school that is providing the cash. When funds are "loaned", the charter school loaning the money has less access to cash on hand, which in turn affects whether the charter school can still deliver the educational program as originally promised in its Charter.

However, if Petitioner is not facilitating loans, but rather is making "receivable and payable transactions" between charter schools, as it states in its response to the District regarding these issues, then Petitioner must explain the benefits and impacts on the originating school and the purposes for the transfer involved in these transactions. (See CEG Response to the District's October 5, 2015 Request for Documentation.) Regarding the question of whether they are facilitating "internal loans," Petitioner had the following response:

There are no debt instruments between CEG, Celerity Schools and Celerity Global, and there is no board-adopted policy in that regard for the use of such loans per se. Among the Celerity Schools, you may be referring to receivable and payable transactions, sometimes referred to as intracompany "loans". That terminology may have caused confusion. There is no debt associated with those types of transactions, and there is no specific policy in that regard. Such uses of funds are board approved, in keeping with applicable statutory requirements. In light of your inquiry, Celerity will consider some clarifying policy regarding the description of such transactions so as to avoid any further confusion. Celerity Educational Group's Response to LAUSD's October 5, 2015 Request for Documentation.)

At best, Petitioner's response is that its use of the phrase "internal loans" is misapplied, and that Petitioner intends to clarify the description of these transactions. However, staff's concerns regarding these transactions go beyond their label, and Petitioner must provide adequate documentation to address staff's concerns regarding these transactions. Whether these transactions are loans or payables, Petitioner has not provided adequate explanations of these transactions. Assuming that Petitioner will continue with this practice, Petitioner must comply with requests for information from District staff so that staff can determine whether funds are being used appropriately.

ii. Concerns Regarding The Commingling Of Funds And Expenses

Petitioner does not have adequate monetary safeguards in place to ensure that funds are expended lawfully. This concern is evidenced by certain anomalies associated with credit card spending. One concern is that Petitioner appears to be commingling expenses with other separate legal entities. Another concern is that the credit card appears to have been used for non-Charter School expenses. This is of particular concern because some of Petitioner's credit card statements had balances in excess of \$300,000. It is not clear to staff whether the Charter School is liable for the debts incurred by the other legal entities.

Petitioner operates under the name of Celerity Educational Group ("CEG"). Although Petitioner is legally responsible for operating its own charter schools, there are other separate, but affiliated, legal entities, that participate in the operation of the same charter schools. For example, Celerity Global Development ("CGD") and Celerity Development, LLC ("CD") provide administrative support and property management services to Petitioner's charter schools. When District staff reviewed Petitioner's credit card expenses, District staff identified several purchases that were either redacted, or appeared to be inappropriate. In response to staff's concerns, Petitioner stated that many of the questioned charges did not belong to CEG, and were incurred by CGD and CD. (Email from CEG President/CEO Vielka McFarlane, dated 09/12/13, attached as "Attachment A".)

The fact that other separate legal entities have access to, and use, Petitioner's credit cards raises significant concerns. Even if the non-CEG purchases on the credit card were lawful, Petitioner appears to be equally, if not solely, financially responsible for such purchases. Petitioner has not adequately explained its relationship with these other entities, or demonstrated how the Charter School would be insulated from the debt incurred by the other entities.

iii. There Are Potential Conflicts Of Interests.

The Charter Schools Division (CSD) has identified potential conflicts of interests and the commingling of financial transactions between the Charter School's managing Non-Profit and other separate, but affiliated, legal entities.

It has been long settled by the Fair Political Practices Commission, the agency charged with interpreting the Political Reform Act ("PRA"), that charter schools, their governing boards, and their employees are subject to the PRA. (See Walsh Advice Letter, No. A-98-234; Fadely Advice Letter, No. A-02-223; and Eisenberg Advice Letter, No. I-11-027.) In addition to being legally required to follow the PRA, Petitioner has voluntarily committed to comply with the terms of the PRA. (Conflict of Interest Code of the Celerity Charter Schools, effective 10/15/14.) By agreeing to follow the PRA in its charters, employees of CEG are treated as "public officials" for the purposes of the PRA and ultimately for determining whether conflicts of interest exist. (Gov. Code § 82048, subdivision (a), defining "public official" to mean every member, officer, employee or consultant of a [charter school].) A violation of the PRA by Petitioner's employees in conducting business with CEG, would constitute both a violation of the Charter, and a violation of law.

The PRA disqualifies a public official from (1) making, (2) participating in making, or (3) using his position with the charter school to influence a charter school decision if it is reasonably

foreseeable the decision will have a material effect on the public official's financial interests. (See Gov. Code, §§ 87100, 87103.) Voting on or approving a matter is considered "making" a decision. (Cal. Code Regs., tit. 2, § 18702.1.) "Participating" in a decision includes actions such as negotiating, studying, making recommendations, providing advice, or other actions that involve the exercise of judgment. (Cal. Code Regs., tit. 2, § 18702.2.) "Influencing" a charter school decision could include acts such as contacting the charter school or appearing before it. (Cal. Code Regs., tit. 2, § 18702.3.) Practically speaking, CEG employees may never make or participate in the making of a decision that will have a material financial effect on themselves.

Documents dating back to 2011 state that Vielka McFarlane held the following positions and conducted financial transactions between each of the following entities:

- **President and CEO of Celerity Educational Group**
(Email from CEG President/CEO Vielka McFarlane, dated 09/12/13, attached as "Attachment A");
- **CEO of Celerity Global Development**
(Agreement for Management Services between Celerity Global Development and Celerity Educational Group, date July 2013, attached as "Attachment B"); and
- **CEO of Celerity Development, LLC.**
(\$2.4 million Promissory Note executed between Celerity Development, LLC. and Celerity Educational Group, date October 2011, attached as "Attachment C").

Additionally, Ms. McFarlane is listed as the agent for process of service for the CEG, CGD and CD. (California Secretary of State Website, last viewed on 10/20/15.) However, such potential conflicts are not limited to Ms. McFarlane. Petitioner has provided staff with financial documentation that shows other CEG employees may have facilitated transactions between CEG, CGD and CD while currently, or formerly, employed with those entities. Due to the lack of information from Petitioner, the full extent of the potential conflicts of interests are not currently known, but there are enough examples to raise serious concerns at this time. CEG changed CEO leadership (promoting an internal administrator) in the past several months.

iv. Inadequate Fiscal Controls.

Petitioner has failed to provide the District with fiscal policies and procedures that adequately control the use of the Petitioner's credit cards and cell phones. In addition to the concerns stated prior regarding the access to Petitioner's credit cards by separate legal entities, Petitioner has not provided adequate policies restricting credit card use to educational purposes, or limited the proliferation of school credit cards. In response to staff's concerns, Petitioner provided a document titled, "Celerity Charter Schools Fiscal and Operating Policies 2013-2014", which states, in part:

Celerity Charter Schools' credit cards should only be issued with the formal approval of the Chief Executive Officer and with proper justification. The cost/benefit to the Celerity Charter Schools should be fully reviewed to ensure that no other method is appropriate. All charges must be supported by invoices or travel

reports to be eligible for payment by the Charter Schools. (Celerity Educational Group's Response to LAUSD's October 5, 2015 Request for Documentation, Attachment A – Celerity Charter Schools Fiscal and Operating Policies 2013-2014.)

Petitioner's policy language only addresses the issuing of credit cards and documentation required for reimbursement, and does not address the larger concerns over credit card usage. For example, over the past two years, Petitioner has used the credit card for what appears to be excessive amount of travel to Ohio, Louisiana and Florida. One credit card expense, made in 2013, was in excess of \$2,000 for a 20-day stay at the Homewood Suites in Fort Myers, Florida. These travel related expenses may relate to Petitioner's expansion efforts outside of California. (See <<http://www.celerityschools.org/>>, last viewed on 10/27/15.) While in some instances, Petitioner provides receipts that support certain credit card transactions, Petitioner has not consistently provided an explanation of the charter school-related purpose of such transactions.

Petitioner has also issued a large number of cell phones to its employees. District staff has concerns regarding Petitioner's lack of adequate usage and reimbursement policies. In response to staff's concerns, Petitioner provided the 2015-2016 Employee Handbook, which simply states that cell phones issued by CEG are the property of CEG and that employees should not have an expectation of privacy when using these devices. However, the statements on cell phones within the Employee Handbook fail to address the overall number of cell phones to be issued, and the circumstances when employees are expected to reimburse CEG for personal use, such as text or data overages. The financial impact of unregulated phone usage remains an unaddressed concern, and Petitioner should do more to address this issue.

On October 20, 2015, District staff issued a Notice to Cure to Petitioner regarding several deficiencies such as timely and accurate financial reporting, credit card purchases, and cell phone usage. On October 22, 2015, Petitioner's governing board adopted several policies, presumably in response to the Notice to Cure. District concerns remain. The fact that Petitioner adopted these policies without working with the District to see whether the policies would assuage the District's concerns is a continuation of the lack of communication/response by Petitioner that precludes sufficient District oversight. Further, the policies do not respond to some of the concerns raised by the District in its recent Notice to Cure letter. For example, language in the credit card policy that simply requires credit card expenses "clearly be linked to the business of Celerity charter schools," is too broad. Several of the concerns that will be raised in regard to credit card expenses, conflicts of interest, etc., have not been remedied to the District's knowledge. For example, reimbursements of improper credit card expenses have not been shown at this point. Finally, while the policies have been adopted, and based on concerns of past practice, Petitioner has not shown how or if it will actually implement these policies.

While CEG changed CEO leadership (promoting an internal administrator) in the past several months, staff notes that the prior CEO now leads Celerity Global and active contracts remain between the two organizations, all of which require further review along with the close monitoring of the organization's implementation of new policies and procedures through oversight.

The petitioners also have recent history of involvement with a charter school that has ceased operation for reasons within the Petitioner's control. Celerity Exa, a CEG-operated charter school authorized by Pasadena Unified School District, ceased operation shortly after the start of the 2014-15 school year due to facilities issues, including concerns raised by the Los Angeles County Fire Department.

B. The Petition does not contain a reasonably comprehensive description of all required elements. (Ed. Code § 47605(b)(5).)

The Petition serves as Petitioner's proposal for the Charter School's establishment and operation. As such, the Petition must provide reasonably comprehensive descriptions of certain elements in its program and operations as required in Education Code section 47605, subdivisions (b)(5)(A-P). 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. District Required Language:

As a preliminary matter, the District has developed "required language" that must be included in all charter school petitions, all of which has been provided to the Petitioner. The Petition does not comply with the District's required language, specifically in the following required elements:

- Assurances and Affirmations (Petition, p. 5)
- Educational Program (Petition, p. 9-10)
- Governance (Petition, p. 99-100)
- Health and Safety Procedures (Petition, p. 120)
- Suspension and Expulsion Procedures (Petition, p. 137)
- Charter School Closure Procedures (Petition, p. 159-160)

ii. Educational Program (Element 1): The Petition does not contain a reasonably comprehensive description of the Charter School's educational program.

(1) Special Education

The Petition fails to provide a reasonably comprehensive description of the Charter School's plan to recruit students with disabilities. The District has concerns with the Petitioner's outreach to, and recruitment of, students with disabilities. According to the U.S. Department of Education, Office for Civil Rights, charter schools should "recruit [students] from all segments of the community served by the school, including *students with disabilities* and students of all races, colors and national origins." (United States Department of Education's Office for Civil Rights, Applying Federal Civil Rights Laws to Public Charter Schools (May 2000), <<https://www2.ed.gov/offices/OCR/archives/pdf/charter.pdf> > [as of Oct. 28, 2015], emphasis added.) At its current schools, CEG's enrollment rate of special education-eligible students is noticeably lower than the surrounding public schools where students would otherwise have been required to attend. For example, a review of the Celerity Cardinal Charter School ("Cardinal") reveals that students eligible for special education encompass 7% of Cardinal's population. (Celerity Cardinal Petition, p. 23-25.) In contrast, in the surrounding District schools, students

eligible for special education encompass an average of 11.56% of the student population, and a median of 11% of the student population. In other words, Cardinal's percentage enrollment of special education eligible students is approximately 60%-65% lower than the enrollment in surrounding District schools. Petitioner fails to provide a reasonably comprehensive description of the outreach strategies it intends to employ for the recruitment of students with disabilities.

(2) Transitional Kindergarten

The Petition fails to provide a reasonably comprehensive description of the proposed transitional kindergarten ("TK") program. Petitioner describes the TK program as "the first year of a two-year kindergarten program that uses an age and developmentally appropriate modified kindergarten academic curriculum that includes social, emotional, and cognitive outcomes and benchmarks." (Petition, p. 50.) However, Petitioner fails to provide any further insight into its TK program. For example, Petitioner fails to describe a targeted differentiated curriculum, policies and procedures for the identification and enrollment of students eligible for TK, and the staffing of the program.

(3) Technology

Additionally, Petitioner notes that parents of students who attend the Charter School will also benefit from the technological aspects of the Charter School's educational program. "Parents will have access to their child's grades, attendance information, and meal participation via the internet...[and] access to technology resources which they can use from home to assist their child with learning grade-level content standards." (Petition, p. 15.) Petitioner's stated goal is to serve the student population surrounding 115 N. Avenue 53, Los Angeles CA. (Petition, p. 11.) Nearly all families in this community have limited financial means. (Petition, p. 13 ["On average, 81% of the community's students qualify for the free or reduced lunch program."]) As a result, it is imperative that Petitioner adopts policies or procedures that ensure that parents who do not own a computer, or who have limited access to a computer or the internet, will be able to utilize these technological aspects of the educational program.

iii. Measurable Student Outcomes (Elements 2/3): *The Petition does not contain a reasonably comprehensive description of measurable pupil outcomes and methods to assess pupil progress toward outcomes.*

At a minimum, a charter petition must include measurable student outcomes that describe the extent to which all students of the school will demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the school's educational program. When describing expected pupil outcomes, the Petition must, "...include outcomes that address increases in pupil academic achievement both schoolwide and for all groups of pupils served by the charter school." (Ed. Code § 47605(b)(5)(B).)

Many of the pupil outcomes are measured by what is referred to as the "Cumulative Internal Benchmarks." (Petition, p. 20, 25, 29.) The Petition does not include a definition of these Benchmarks, does not describe how they are formulated, and does not describe who is responsible for formulating them. Similarly, one measurable outcome is measured by what is referred to as

the “facilities inspection tool” without any explanation of what this “tool” entails, how it is formulated, and who is responsible for formulating it.

Other measurable pupil outcomes are improperly measured by the Academic Performance Index (API). Petitioner provides that the Charter School will “annually achieve its state API Growth Targets schoolwide and for all numerically significant subgroups...” (Petition, p. 21.) However, the API has been suspended for the prior two school years, and continues to be suspended. At present, Petitioner will not be able to use the API as a viable metric for its measurable student outcomes.

iv. Governance (Element 4): *The Petition does not contain a reasonably comprehensive description of Charter School’s governance structure.*

(1) Site-Based Advisory Council

Petitioner provides an incomplete description of the Site-Based Advisory Council. Petitioner proposes a Site-Based Advisory Council that is deemed a “self-selecting body” consisting of the “principal, parents, teachers, classified staff representation, and local community members.” (Petition, p. 107.) The “self-selection” of the council is ratified by consensus of a body that is referred to as the “General Assembly.” (Petition, p. 108.) As the ratifying body, this General Assembly performs an inherently important function, yet the Petition does not detail who is included in the General Assembly, and how this group procedurally takes action to “ratify” the members of the Council.

Furthermore, Petitioner later references a group known as the “Site-based Management Council.” It is unclear whether this “Management Council” is the same group as the “Advisory Council” or a separate site-based governance group.

v. Employee Qualifications (Element 5): *The Petition does not contain a reasonably comprehensive description of the individuals to be employed by the Charter School.*

Petitioner also provides an inconsistent set of qualifications for teachers in charge of instructing English Learners (“EL”). Petitioner notes that all EL teachers employed at the Charter School must hold the appropriate credential: “Teachers selected to insure that the needs of English language learners are met have CLAD, BCLAD, LDS, BCC or SB 1969 certification and all teachers are trained in the effective use of Sheltered English.” (Petition, p. 114.) However on page 80 of the Petition, Petitioner seemingly lowers the qualification requirements for its EL instructors: “Celerity Charter Schools makes every effort to recruit teachers who are bilingual or have state authorization to teach English learners such as BCLAD, CLAD, SB 1969...” (Petition, p. 80; emphasis added.) Not only does Petitioner concede that its EL instructors may simply be “bilingual” instead of holding the appropriate credentials, it further indicates that these qualifications are merely a goal that the Charter School will “make every effort” to meet.

vi. Closure Procedures (Element 16): *The Petition does not contain a reasonably comprehensive description of the procedures to be used if the Charter School closes.*

Pursuant to Education Code section 47605, subdivision (b)(5)(P) a charter school petition must include a reasonably comprehensive description of the "procedures to be used if the charter school closes. The procedures shall ensure a final audit of the school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records." Petitioner has not met this legal threshold because it does not identify the specific position that will serve as the school's closure agent in the event that the school closes.

- vii. *Facilities: The Petition does not contain a reasonably comprehensive description of the facilities to be used by the Charter School.*

Education Code section 47605, subdivision (g) requires Petitioner to, "...provide information regarding the proposed operation and potential effects of the school, including, but not limited to, the facilities to be used by the school, [including] where the school intends to locate." While Petitioner indicates that it intends to locate in "South Los Angeles," it fails to propose a plan for procuring facilities in the South Los Angeles area. (Petition, p. 10.)

Again, as noted above, an essential part of operating a successful educational program is compliance and performance in all areas, including academic achievement, governance, operations, and finance. In reviewing the record of the Celerity Education Group (CEG), while staff acknowledges an overall positive record of achievement outcomes, staff has noted serious concerns about the organization's financial, operational, and governance practices which limits CEG's ability to successfully expand and implement the full program as required by applicable law.

While CEG changed CEO leadership (promoting an internal administrator) in the past several months, staff notes that the prior CEO now leads Celerity Global and active contracts remain between the two organizations, all of which require further review along with the close monitoring of the organization's implementation of new policies and procedures through oversight.

Attachment A

Manuel F. Martinez

From: Vielka McFarlane [vmcfarlane@celerityschoools.org]
Sent: Thursday, September 12, 2013 12:12 PM
To: Echavarria, Lourdes
Cc: Eairleywine, Aaron; Cole-Gutierrez, Jose; Perry, Robert; Diaz, Ruben; Ellis, Dana; Vellanoweth, Leticia; Virgadean Richmond CSMCI; Grace Canada
Subject: RE: CELERITY EDUCATIONAL GROUP - 2012-13 FISCAL EVALUATION FOLLOW-UP
Attachments: Attachment 1 - CEG Credit Card Statement.pdf; Attachment 2 - Original Invoices for CEG.pdf

Dear Mr. Eairleywine:

Below is the additional information you requested in response to your follow-up letter to your site visit for 2012-13.

Attachment 1 is the unredacted credit card statement for the month of July 9, 2012 to August 6, 2012. This statement contains charges incurred and paid by Celerity Educational Group ("CEG") as well as charges incurred and paid by two other Celerity corporations. To identify the CEG charges, Attachment 1 also contains the redacted credit card statement showing only the CEG portion of the bill.

Attachment 2 contains the original invoices for the CEG charges. The "ship to" addresses are not redacted except for two invoices for Blue Dove Rehabilitation, Inc. (special education services), where our back office service provider has redacted the "ship to" address because it is a CEG employee's home address.

CEG does not possess or retain copies of the bylaws of Celerity Global Development or Celerity Development LLC. Those are separate legal entities. Please note that LLCs typically do not have corporate bylaws at all, because they are not corporations.

The statement of activities for the fiscal year ended June 30, 2012 contains a line item for miscellaneous revenue, which includes:

Home Office (CEG)

1. Revenues from consulting with other charter and private schools
2. Revenues from residential, commercial and school maintenance or construction
3. Management Fee
4. Interest from LLC note to CEG

LLC

1. Rent from Dyad

Global

1. Revenues from residential, commercial and school maintenance or construction
2. Revenues from consulting with other charter schools

Please note the "miscellaneous revenue" line item on CEG's statement of activities no longer exists, but in the past this item was used to keep revenue from non-charter-school services provided by the corporation separate from charter school revenue.

Vielka McFarlane
President/CEO
Celerity Educational Group

Cell: 310-486-6620

Fax: 323-843-9313

2069 W. Slauson Avenue

Los Angeles, CA 90047

Visit us at: www.celerityschoools.org

"This email may contain material that is confidential, and proprietary to Celerity Educational Group, for the sole use of the intended recipient. Any review, reliance or distribution by others or forwarding without express permission is strictly prohibited. If you are not the intended recipient, please contact the sender and delete all copies."

10/21/2015



From: Echavarria, Lourdes [mailto:lourdes.echavarria@lausd.net]
Sent: Tuesday, September 10, 2013 3:43 PM
To: Vielka McFarlane
Cc: aaron.eairleywine@lausd.net; Cole-Gutierrez, Jose; Perry, Robert; Diaz, Ruben; Ellis, Dana; Vellanoweth, Leticia
Subject: FW: CELERTY EDUCATIONAL GROUP - 2012-13 FISCAL EVALUATION FOLLOW-UP

On behalf of Aaron Eairleywine

Dear Vielka,

We are doing a follow up review of our fiscal oversight visit for 2012-13 and we need some additional information from Celerity Educational Group. Please see attached letter for details.

Thank you,

Lourdes Echavarria
Fiscal Services Manager
Charter School Division
333 S Beaudry Ave, 20th FL
Los Angeles, CA 90017
213-241-0451 phone
213-241-2054 fax

From: LOURDES.ECHAVARRIA@LAUSD.NET [mailto:LOURDES.ECHAVARRIA@LAUSD.NET]
Sent: Tuesday, September 10, 2013 3:28 PM
To: Echavarria, Lourdes
Subject: CELERTY EDUCATIONAL GROUP - 2012-13 FISCAL EVALUATION FOLLOW-UP

Attachment B

**FIRST AMENDED
AGREEMENT FOR MANAGEMENT SERVICES
BETWEEN
CELERITY GLOBAL DEVELOPMENT AND
CELERITY EDUCATIONAL GROUP**

This First Amended Agreement for Management Services (“Agreement”) is entered into on July 1, 2013, by and between Celerity Global Development, a California nonprofit public benefit corporation (“CGD”), and Celerity Educational Group, a California nonprofit public benefit corporation (“CEG”), with respect to the following facts:

A. CEG is a California nonprofit public benefit corporation organized under California law for public and charitable purposes. CEG operates California public charter schools.

B. CEG’s charitable purposes specified in its Articles of Incorporation are to serve at-risk children, youth and their families by establishing and operating charter schools and by implementing programs and activities, including without limitation, after school, evening and summer programs, and to accept monetary and non-monetary contributions for the purpose of furthering these activities;

C. In addition to the charitable purposes specified in its Articles of Incorporation, CEG has also historically been performing additional charitable functions, which include the promotion, expansion and replication of the CEG model by creating and opening new CEG schools; support of other schools that provide education based on the CEG model; incorporation of the United Nations’ Millennium Development Goals into the CEG curriculum, teaching concepts, methods, models and systems; and the provision of services and support to contribute to the achievement of the United Nations’ Millennium Development Goals worldwide;

D. CGD is a California nonprofit public benefit corporation organized under California law for public and charitable purposes, including to support, promote and carry out the purposes of CEG and other public charter schools based on the CEG model, and to perform the additional charitable functions CEG has historically provided, as described above.

E. CGD is the Sole Statutory Member of CEG, as defined in Section 5056 of the California Corporations Code.

F. On or about April 4, 2012, CGD and CEG entered into an Agreement for Management Services (“Original Agreement”) for CGD to provide the CEG schools with certain services.

G. Pursuant to Section 10 of the Original Agreement, any modification or amendment of the Original Agreement must be in writing and signed by the parties thereto.

H. CGD and CEG desire to modify the Original Agreement as set forth herein, to update the day-to-day school management, programmatic support services, staff development and supervisory oversight CGD provides to CEG schools, as specifically identified in Section 1 below, over the term of this Agreement.

I. This Agreement amends, replaces, and supersedes the Original Agreement in its entirety.

NOW, THEREFORE, the Original Agreement is hereby amended to read in its entirety as follows:

1. SCOPE OF SERVICES.

1.1. CGD shall provide services and support, including the staff necessary to provide this support, to existing and new CEG schools so that they operate in a manner consistent with the terms of their Charters and agreements with authorizers. These services shall include, but are not limited to:

1.1.1. Coordination with real estate and financial consultants to identify facilities for CEG schools, negotiation and execution of financing for lease and/ or purchase of facilities;

1.1.2. Assistance in procurement of startup funding and operational funding up to the third year of operation for new CEG schools, assistance in researching and securing grants to support the CEG schools;

1.1.3. Assistance in drafting, review and revision of charter petitions, as necessary, to reflect CEG core principles of best practices in instruction and financial management, tailored to reflect specific community needs, needs of authorizing district, key leaders, community-based organizations in target communities, and educators;

1.1.4. Startup assistance for new CEG schools, including student recruitment, master program planning, ordering textbooks and supplies, initial baseline student assessment, locating vendors, technical assistance and hands-on support to establish operational systems for payroll and general accounting;

1.1.5. Identification, recruitment and training of leaders to operate CEG charter schools, development of a pool of highly qualified teachers for CEG schools to use for teacher hiring;

1.1.6. Design and implementation of a leadership development program for principals, as well as day-to-day principal training, coaching and support, and assistance to principals in developing and implementing the professional development programs for teachers;

1.1.7. Oversight and technical assistance with CEG hiring and firing, legal compliance and certification of required credentials;

1.1.8. Oversight of CEG schools' special education programs to ensure compliance with applicable laws

1.1.9. Assistance with development of emergency procedures, food program, communications and technology, health services and authorizer relations;

1.1.10. Procurement of all outsourced vendors to generate economies of scale in purchasing products and services for CEG schools;

1.1.11. Assistance in retention of appropriate legal counsel, as well as liability, property and professional insurance policies;

1.1.12. Development and provision of standards for appropriate technology systems and oversight of use while providing technical assistance;

1.1.13. Development of marketing strategies, management of public relations, community outreach to parents and community members through local organizations in target communities, and oversight of all CEG schools' local community relationship building and political advocacy;

1.1.14. Management of all CEG facilities and real estate, including all facility operations, maintenance, inspection, security, repairs and improvements, coordination of maintenance schedule and staff, development and updates of facility safety and emergency procedures, retention of facility records, and coordination of facility inspections as necessary;

1.1.15. Administration, licensing, development and management of CEG educational curriculum, instructional model, strategies, classroom structure and behavior management methods;

1.1.16. Administration, licensing, development and management of CEG arts, service, community or other programs and projects;

1.1.17. Assistance to ensure CEG compliance with applicable local, state and federal laws, regulations, and reporting requirements;

1.1.18. Coordination of CEG board meetings, agendas, media and public relations;

1.1.19. Development, coordination and presentation to CEG Board of recommended school policies and procedures, both operational and financial; and

1.1.20. Provision of other programmatic and educational support services, staff, teacher and administrative services, supervisory oversight, and other duties as requested by the CEG board of directors.

1.2. CGD shall also perform some charitable functions historically performed by CEG, including the promotion, expansion and replication of the CEG model by creating and opening new CEG schools; support of other schools that provide education based on the CEG model; incorporation of the United Nations' Millennium Development Goals into the CEG curriculum, teaching concepts, methods, models and systems; and the provision of services and support to contribute to the achievement of the United Nations' Millennium Development Goals worldwide;

2. COMPENSATION

2.1. As compensation for the services described in Section 1 above, CEG agrees to pay CGD twelve (12) percent of the revenue of each CEG school.

2.2. CGD shall invoice CEG every three months for services performed. CEG shall submit payment to CGD for each school within twenty (20) calendar days of the deposit by the State with the County Treasurer of the state aid portion of each CEG school's total general purpose entitlement and categorical block grant.

3. TERM.

3.1 This Agreement shall continue in effect for a term of twelve (12) months, beginning on July 1, 2013, and ending on twelve months thereafter. This Agreement shall automatically renew at the end of this term, and for consecutive successive terms, on the same terms and conditions herein, unless terminated by either party in accordance with Section 3.2 below.

3.2 This Agreement may be terminated by either CEG or CGD upon one hundred twenty (120) days prior written notice to the other party, with or without cause.

4. LIABILITY.

4.1 Insurance.

4.1.1 CEG will maintain customary and reasonable insurance, including coverage for professional liability for errors or omissions and/ or directors and officers, comprehensive general liability coverage, and automobile liability coverage. CEG will name CGD as an additional insured under all CEG policies.

4.1.2 CGD will procure and maintain customary and reasonable insurance, including coverage for professional liability for errors or omissions and/ or directors and officers, comprehensive general liability coverage, and automobile liability coverage.

4.1.2 Each party is responsible for obtaining and maintaining workers' compensation coverage and unemployment insurance for its employees.

4.2 It is the intent of the parties that CEG be responsible for its own debts and obligations. Nothing in this Agreement shall be construed as imposing on CGD any liability

arising out of the operations of CEG except such liability that may result from the provisions of services by CGD to CEG. CGD is acting solely as the agent of CEG in performing services under this Agreement.

4.3 The parties agree to defend, indemnify, and hold each other, their employees, officers, directors and agents, free and harmless against any liability, loss, claims, demands, damages, expenses and costs (including attorneys' fees, expert witness fees, and other costs of litigation or other proceedings) of every kind or nature arising in any manner out of the performance of their obligations under this Agreement, except for such loss or damage caused solely by the negligence or willful misconduct of the other party.

5. NOTICE.

All notices, requests, offers or demands or other communications (collectively "Notice") given to or by the parties under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served on the party to whom Notice is to be given, or seventy-two (72) hours after mailing by United States mail first class, registered or certified mail, postage prepaid, addressed to the party to whom Notice is to be given, at such party's address set forth below:

For CEG:	Celerity Educational Group	For CGD:	Celerity Global Development
	2069 W. Slauson Ave.		2069 W. Slauson Ave.
	Los Angeles, Ca 90047		Los Angeles, Ca 90047
	Attn: Miguel Portillo		Attn: Vielka McFarlane

6. FIDUCIARY OBLIGATIONS.

The Boards of Directors for each party has reviewed the scope of services and compensation provided in this Agreement in good faith, and in a manner in which they believe to be in the best interests of their respective organizations, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances, and have determined that the services contained herein are in the best interests of CEG, and that the compensation to be paid by CEG to CGD for said services is fair and reasonable.

7. HEADINGS.

The descriptive headings of the Sections and paragraphs of this Agreement are inserted for convenience only, are not part of this Agreement, and do not in any way limit or amplify the terms or provisions of this Agreement.

8. ASSIGNMENT.

No party shall assign this Agreement, any interest in this Agreement, or its rights or obligations under this Agreement without the express prior written consent of the other party hereto. This Agreement shall be binding on, and shall inure to the benefit of, the parties and their respective permitted successors and assigns.

9. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein and supersedes all agreements, representations and understandings of the parties with respect to such subject matter made or entered into prior to the date of this Agreement.

10. AMENDMENTS.

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties.

11. WAIVER.

No waiver of any provision of this Agreement shall constitute, or be deemed to constitute, a waiver of any other provision, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

12. CONTROLLING LAW.

This Agreement shall be governed by and interpreted under the laws of the State of California.

13. ATTORNEYS' FEES.

In the event any action at law or in equity or other proceeding is brought to interpret or enforce this Agreement, or in connection with any provision of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and other costs reasonably incurred in such action or proceeding.

14. ARBITRATION.

Any controversy or claim arising out of this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

15. AUTHORITY TO CONTRACT.

Each party warrants to the other that it has the authority to enter into this Agreement, that it is a binding and enforceable obligation of said party, and that the undersigned has been duly authorized to execute this Agreement.

16. ENFORCEMENT.

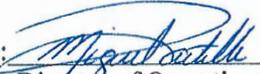
If any provision of this Agreement is invalid or contravenes California law, such provision shall be deemed not to be a part of this Agreement and shall not affect the validity or

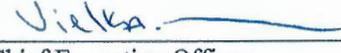
enforceability of its remaining provisions, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CELERITY EDUCATIONAL GROUP:

CELERITY GLOBAL DEVELOPMENT:

By: 
Its: Director of Operations _____

By: 
Its: Chief Executive Officer _____

Address: 2069 W. Slauson Ave. _____
Los Angeles, Ca 90047 _____

Address: 2069 W. Slauson Ave. _____
Los Angeles, Ca 90047 _____

Date: July 1, 2013

Date: July 1, 2013

Attachment C

PROMISSORY NOTE

\$ 2,447,687.65

October 19, 2011
Los Angeles, California

1. Obligation. FOR VALUE RECEIVED, CELERITY DEVELOPMENT, LLC, a California limited liability company ("Maker"), hereby promises to pay to the order of CELERITY EDUCATIONAL GROUP, a California non-profit public benefit corporation or any subsequent holder hereof (each, a "Payee") at its office located at 3401 W. Jefferson Blvd., Los Angeles, CA 90018, or at such other place as Payee may designate, the principal sum of Two Million Four Hundred Forty Seven Thousand Six Hundred Eighty Seven Dollars and 65 cents (\$ 2,447,687.65), with simple interest on the unpaid principal owing from time to time at the rate of three percent (3%) per annum.

2. Payments. Payments shall be made as follows:

2.1 Maker shall repay the amount of this Note in one hundred and eighty (180) equal monthly fully amortizing installments (each, a "Periodic Installment") of principal and interest in the amount of Sixteen Thousand Nine Hundred Sixty Three Dollars and twenty eight cents (\$16,903.28) each. The first Periodic Installment shall be due and payable on the date that is thirty (30) days after the date hereof and each subsequent Periodic Installment shall be due and payable on the same day of each following month (each, a "Payment Date").

2.2 The entire unpaid balance of principal and accrued interest shall be due and payable on June 30, 2026 (the "Maturity Date").

3. Prepayment. The privilege is reserved to make, at any times, without penalty or charge, principal payment(s). If any principal payment is made, interest accrued to the date of the payment will be paid together with the principal payment. Any payments shall be credited first to unpaid and accrued interest.

4. Application of Payments. All payments shall be applied first to interest then to principal. The acceptance by Payee of any payment which is less than payment in full of all amounts due and owing at such time shall not constitute a waiver of Payee's amounts due and owing at such time shall not constitute a waiver of Payee's right to receive payment in full at such time or at any prior or subsequent time. Interest shall be calculated on the basis of a 365 day year.

5. This Note is a full recourse note against Debtor.

6. Time is of the Essence: Default and Remedies. Time is of the essence hereof. If any Periodic Installment or any other sum due under this Note is not received within ten (10) days after its due date, the Maker agrees to pay, in addition to the amount of each such installment or other sum, a late payment charge of five percent (5%) of the amount of said installment or other sum, but not exceeding any lawful maximum. In the event that (i) Maker fails to make payment of any amount due hereunder within ten (10) days after the same

becomes due and payable; then the entire principal sum remaining unpaid, together with all accrued interest thereon and any other sum payable under this Note, at the election of Payee, shall immediately become due and payable, with interest thereon at the lesser of eighteen percent (18%) per annum or the highest rate not prohibited by applicable law from the date of such accelerated maturity until paid (both before and after any judgment).

7. Usury Savings. It is the intention of the parties hereto to comply with the applicable usury laws; accordingly, it is agreed that, notwithstanding any provision to the contrary in this Note, in no event shall this Note require the payment or permit the collection of interest in excess of the maximum amount permitted by applicable law. If any such excess interest is contracted for, charged or received under this Note, or in the event that all of the principal balance shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under this Note on the principal balance shall exceed the maximum amount of interest permitted by applicable law, then in such event (a) the provisions of this paragraph shall govern and control, (b) neither Maker nor any other person or entity now or hereafter liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by applicable law, (c) any such excess which may have been collected shall be either applied as a credit against the then unpaid principal balance or refunded to Maker, at the option of the Payee, and (d) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate allowed under applicable law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under this Note which are made for purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness evidenced hereby, all interest at any time contracted for, charged or received from Maker or otherwise by Payee in connection with such indebtedness; provided, however, that if any applicable state law is amended or the law of the United States of America preempts any applicable state law, so that it becomes lawful for the Payee to receive a greater interest per annum rate than is presently allowed, Maker agrees that, on the effective date of such amendment or preemption, as the case may be, the lawful maximum hereunder shall be increased to the maximum interest per annum rate allowed by the amended state law or the law of the United States of America.

8. Consents and Waivers by Maker. Maker consents hereby to any and all extensions of time, renewals, waivers or modifications of, and all substitutions or releases of, security or of any party primarily or secondarily liable on this Note or any term and provision of either, which may be made, granted or consented to by Payee, and agrees that suit may be brought and maintained against Maker, any surety, endorser, guarantor or any other person who may at any time become liable for the payment hereof or any one or more of them, at the election of Payee, without joinder of any other as a party thereto, and that Payee shall not be required first to foreclose, proceed against, or exhaust any collateral securing the Note in order to enforce payment of this Note. The Maker hereby waives presentment, demand for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, and all other notices in connection herewith and diligence in collecting this Note.

9. Entire Agreement. This Note and any of the other documents executed in connection therewith constitute the entire agreement of Payee and Maker with respect to the subject matter hereof and supersedes all prior understandings, agreements and representations, express or implied.

10. Successors and Assigns; Assignment by Maker Prohibited. This Note, and the obligations and rights of Maker and the Payee of this Note hereunder, shall be binding upon and inure to the benefit of Maker, the Payee of this Note, and their respective heirs, successors and assigns; except that Maker may not assign or transfer any of its obligations or rights under this Note without the prior written consent of the Payee of this Note. This Note and/or any of the other documents executed in connection therewith may be assigned, in whole or in part, by Payee without notice to Maker, and Maker hereby waives any defense counterclaim or cross-complaint by Maker against any assignee, agreeing that Payee shall be solely responsible therefor.

11. Waivers. Changes in or additions to this Note may be made or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively), upon written consent of Maker and the Payee of this Note.

12. Payment Currency. All payments shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender therein for the payment of public and private debts.

13. Notices. Any notices given under this Note shall be in writing and shall be served either personally or delivered by U.S. mail, postage prepaid, registered or certified mail, return receipt requested. Notices may also effectively be given by transmittal over an electronic transmitting device (with confirmation of receipt), such as a telecopy machine, if the party to whom the notice is being sent has such a device in such party's office and has notified the other party in writing of the facsimile number, provided a complete copy of any notice so transmitted shall also be mailed in the same manner as required for a mailed notice. Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in U.S. mail, postage prepaid. From time to time Maker and Payee may designate a new address for purposes of notice hereunder by notice to the other parties hereto in the manner provided above. Initial notice locations are as follows:

To Maker: CELERITY DEVELOPMENT, LLC
3401 W. Jefferson Blvd.
Los Angeles, CA 90018
Attention: Vielka McFarlane

To Payee: CELERITY EDUCATIONAL GROUP
2069 W. Slauson Avenue
Los Angeles, CA 90047
Attention: Miguel Portillo

14. Saturdays, Sundays and Holidays. If any date that may at any time be specified in this Note as a date for the making of any payment of principal or interest under this Note shall fall on Saturday, Sunday or on a day which in the State of California shall be a legal holiday, then the date for the making of that payment shall be the next subsequent day which is not a Saturday, Sunday or legal holiday.

15. Governing Law. This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California.

16. Severability. Any provision in this Note which is in conflict with any statute, law or applicable rule shall be deemed omitted, modified or altered to conform thereto.

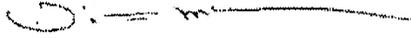
17. Costs of Enforcement; Attorneys' Fees. Maker agrees to pay or reimburse the Payee of this Note for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Note, including, without limitation, Payee's actual attorneys' fees and any attorneys' fees incurred in connection with any bankruptcy or insolvency proceedings.

[The Remainder of this Page Intentionally Left Blank.]

IN WITNESS WHEREOF, this Note has been executed and delivered on the date first above written by
the duly authorized representative of Maker.

MAKER:

CELERITY DEVELOPMENT, LLC,
a California limited liability company



By:
Printed Name: Vielka McFarlane
Title: Chief Executive Officer

CELERITY EDUCATIONAL GROUP,
a California non-profit public benefit corporation



By:
Printed Name: Miguel Portillo
Title: Director of Operations



**CELERITY ROLAS' RESPONSE TO
LOS ANGELES UNIFIED SCHOOL DISTRICT'S
FINDINGS FOR DENIAL OF THE CHARTER PETITION**

**This document tracks the format of the "Findings of Fact in Support of Denial of the Charter Petition for Celerity Rolas Charter School by the Los Angeles Unified School District" ("LAUSD") dated November 10, 2015.*

FINDING 1: LAUSD improperly found the petitioner is demonstrably unlikely to successfully implement the program set forth in the charter for Celerity Rolas Charter School ("Celerity Rolas"). (Ed. Code, § 47605(b)(2).)

We note that under the law, this finding is about a charter operator's capacity to run a successful school: whether the operator has a history of charters that have been revoked, whether the operator is unfamiliar with the charter or charter law, whether the operator's financial and operational plan is realistically able to be implemented, and whether the operators have an adequate educational background. (5 C.C.R. § 11967.5.1(c).) Here, petitioner Celerity Educational Group ("CEG") already operates seven successful charter schools—including six successful charter schools authorized by LAUSD, two of which were renewed in the past year. CEG has never had a charter revoked. CEG has, *in fact*, been successful in operating California charter schools for over ten years—in terms of finances, leadership and operations, and educational program. There is absolutely no credible basis for LAUSD's finding that CEG is "unlikely to succeed" in implementing the Celerity Rolas school.

Indeed, at the same meeting where the charter for Celerity Rolas was denied, the LAUSD board approved the renewal of two Celerity charter schools (Celerity Palmati and Celerity Cardinal), thereby specifically finding that CEG was demonstrably likely to successfully implement the sound educational program described in the charters for those schools—the same educational program described in the charter for Celerity Rolas.

- **Track Record of Responses to LAUSD Requests for Information.** LAUSD denied the Celerity Rolas charter on the basis that LAUSD requested financial documents from CEG in 2013 and considers these requests "unaddressed."

CEG's Response.

CEG has had a working relationship with the LAUSD Charter Schools Division for the past decade and has always promptly responded to all reasonable inquiries from LAUSD staff. CEG promptly responds to information requests even when such requests are last-minute and demand an unreasonable turnaround, and even when LAUSD staff members make separate and repeated requests for the same information. For instance, when LAUSD renewed two of CEG's charters last Fall (Celerity Cardinal and Celerity Palmati, at the same time LAUSD denied this charter), CEG responded to *five rounds* of requested eleventh-hour revisions from LAUSD, and many responses were same-day. In one case, LAUSD staff sent an email at 9:00 a.m. demanding responses to comments and a redlined charter by 11:00 a.m. that same day, on a school day when CEG's employees and staff were fully occupied with instruction and operation of the charter school. Just last October, CEG received a "Request for Documentation" from LAUSD dated October 5th that asked for copies of various documents and explanations of certain transactions, and CEG responded four days later on October 9th providing all of the requested explanations, policies and CEG Board resolutions. CEG heard nothing for weeks, then received a "Notice to Cure" on October 20th asking for the *very same* information as in the previous request, which we had already provided weeks ago. We quickly responded that LAUSD already had the requested information and asked LAUSD staff to confirm, but we received no acknowledgment. Despite the unreasonable duplication of requests, short windows to respond, and lack of communication *on the District's part*, CEG continues to provide prompt and substantive responses to all requests for information.

As for the issues raised in 2013, we are surprised LAUSD considers the credit card expenditures "unaddressed." We want to be very clear that CEG has done all it could do to fully address LAUSD's questions and concerns about credit card expenditures. At LAUSD's request, we adopted a credit card usage policy that ensures there is robust documentation to back up *all* credit card expenditures, as described in more detail below.

- **Internal Loans.** LAUSD denied Celerity Rolas' charter because of "loans" among CEG charter schools.

CEG's Response.

Like many successful charter schools in California, CEG is a single nonprofit public benefit corporation that operates multiple charter schools. All seven Celerity charters are held by CEG and the CEG Board oversees the operations of all seven schools. LAUSD denied the Celerity Rolas charter because there are some receivable and payable transactions between the Celerity schools (sometimes referred to as intracompany loans). These transactions are evidenced by CEG board resolutions and are shown on the schools' separate books, but there

are no formal loan agreements because all the schools are operated by the same entity (CEG). Each school keeps separate books, as required by law, but CEG does not, and cannot, “loan” money to itself nor enter into a contract with itself. In fact, having formal loan agreements would be a Catch 22. Any loan or other agreement between two CEG schools would have the same Board and the same CEO on both sides of the transaction—a scenario LAUSD has flagged as a potential conflict of interest. The transactions LAUSD calls “loans” are intra-company transfers that sometimes take place between the CEG-operated charter schools, *and are carefully documented*. All intra-company transfers are approved by the CEG Board and comply with all applicable statutory requirements. These transfers are not an indicator that the school is unlikely to succeed. To the contrary, these transfers *help* CEG deliver the promised educational program in each charter by providing additional temporary resources where needed. The alternative would be for each new school to spend *more* to obtain commercial loans. There is nothing improper about these transfers. Indeed, school districts and charters throughout the State do this.

CEG has provided all the information that exists about these transactions to LAUSD: the CEG board resolutions, the books of all the schools clearly documenting such transactions, and many explanations responding to questions. It is unclear what further information could be provided.

- **Commingling.** Based on credit card transactions from 2012, LAUSD found CEG has inadequate procedural safeguards to prevent the commingling of charter school funds.

CEG’s Response.

CEG does not commingle charter school funds. The email attached to LAUSD’s findings as “evidence” relates to credit card transactions from 2012, and the issue is one of *recordkeeping*—not commingling or misuse of funds. To be clear, CEG does not, and never has, commingled charter school funds.

Moreover, since 2012, CEG has worked very hard on this issue to *completely address in detail, explain, document, and where needed, cure and implement new controls*.

CEG adopted a robust credit card usage policy in response to LAUSD’s concerns. CEG does not commingle funds with any other organization, nor do we allow any other entity access to the school credit card. Neither “Celerity Global Development” (a separate entity that provides services to and is the sole statutory member of CEG) nor “Celerity Development, LLC” (a single-member LLC that holds property leased to Celerity charter schools—an extremely common structure among charter schools that receive SB 740 funds) has access to CEG’s credit cards or funds.

CEG is operated by a board of directors and maintains its finances as an independent entity. *All* of CEG's finances are open and transparent to our authorizers. We are unsure how CEG could further "insulate" itself from outside debts, as LAUSD suggests.

- ***Potential Conflicts of Interest.*** LAUSD denied Celerity Rolas based on transactions from 2011 and 2013, stating "the full extent of the potential conflicts of interests are not currently known, but there are enough examples to raise serious concerns at this time."

CEG's Response.

The "potential" conflicts of interest cited by LAUSD are, in fact, *not* conflicts of interest.

Throughout the findings, LAUSD cites *possible* gaps in financial controls, *concerns* about commingling of funds, and *potential* conflicts. It is notable that despite *years* of record review by LAUSD and the OIG, there is *no actual evidence* of any of these serious allegations. A charter authorizer cannot deny a new charter based on its unfounded suspicions.

Almost every concern in this section is related to CEG's former CEO Vielka McFarlane. Even though Ms. McFarlane did in fact fill the roles described in the findings, there was never a point in time when those roles created an actual conflict of interest. Ms. McFarlane never had any financial interest in Celerity Global Development or Celerity Development, LLC while she was employed by CEG. Under the law, a conflict only arises when a public official has a *financial interest* in a decision or contract. Without the financial interest—*a fundamental requisite*—there is no conflict under the law. Further, *Ms. McFarlane is no longer employed by CEG and is not the lead petitioner for Celerity Rolas.*

The findings summarily accuse "other CEG employees" of facilitating transactions that may have created conflicts of interest, but the findings provide absolutely no information about which employees or transactions they are concerned with, and so it is impossible for CEG to respond.

The findings claim LAUSD lacks adequate information to evaluate whether CEG has capacity to operate a school, but that simply cannot be the case. LAUSD has authorized CEG charter schools for over a decade and continues to renew CEG charters.

The LAUSD Board renewed the charters for two of our Celerity schools *on the same day* it denied the charter to establish Celerity Rolas. We find it disingenuous that it is only for *new* charters submitted *years* after the transactions cited in the findings, LAUSD would have "serious concerns."

CEG follows the Political Reform Act, as required.

- **Fiscal Controls.** LAUSD found CEG has failed to provide the District with fiscal policies and procedures that adequately control the use of petitioner's credit cards and cell phones.

CEG's Response.

We are surprised by this finding because CEG has continued to approve, develop and implement the very internal control policies and procedures LAUSD has requested.

CEG routinely reviews the internal controls of the organization and revises these policies accordingly. In the past several months alone, the CEG Board adopted several new policies to tighten fiscal controls (e.g. business expense reimbursement policy and conflict of interest training policy), which were all provided to LAUSD. Prior to adoption, CEG even asked LAUSD for feedback on these policies to ensure they were adequate.

One such policy is a new credit card usage policy that was provided to LAUSD. The CEG Board recognizes it has a responsibility to ensure that credit card expenses incurred by Celerity charter schools are clearly linked to the business of the schools, and we have taken steps to fulfill that responsibility. Our credit card policy clearly delineates who can use the school credit card, the procedures for making purchases, what purchases are allowed and disallowed, and requires discipline for those who violate the policy. Only certain CEG employees are authorized to use CEG's credit card and there are monthly spending limits according to job functions. No other legal entities have access to or use a CEG credit card whatsoever. Credit cards are reconciled on a monthly basis by individuals who are not cardholders to provide adequate segregation of duties and ensure compliance with the policy.

Another new policy—also provided prior to the findings' adoption—is for the use of CEG-provided cell phones. Under the policy, cell phones are only provided to those employees who, by the nature of their work, are required to be accessible by telephone during and after regular work hours for the purpose of conducting business for the Celerity schools. Each month's bills and invoices are reviewed for any overages or unusual charges. Any employee who exceeds the basic phone plan due to personal use is required to reimburse CEG for the difference, and any misuse of a CEG cell phone will result in confiscation of the phone and revocation or suspension of cell phone privileges.

Despite our prompt response to LAUSD's request for these new policies, the findings indicate LAUSD is now concerned that the policies will not be "implemented." This is unfair. We have done everything LAUSD asked. We continue to follow the policies.

- **Celerity Exa Charter School.** LAUSD found CEG has a recent history of involvement with a charter school that "ceased operation for reasons within the petitioner's control."

CEG's Response.

Celerity Exa Charter School was a CEG-operated school located in Pasadena and authorized by the Pasadena Unified School District ("PUSD"). Celerity Exa leased space from a private university (William Carey International University) and the site had an approved Master Plan for K-12 schools, which CEG provided to the authorizer prior to opening the site as evidence for school occupancy. For three years, Exa operated successfully at the site and even hired a fire inspector to come out annually to inspect the facility. In August 2014, CEG received a surprise notice from a Fire Marshal commissioned by PUSD that the space was "unsafe" due to occupancy of what was incorrectly described as a "basement" area. Our leaders reacted quickly and when they could not resolve the "basement" issue with the Fire Marshal, in less than 48 hours CEG was able to find two adequate alternative sites that could have allowed the school to stay open, including space at a former charter school located at 1206 Lincoln Avenue in Pasadena that already had "E" occupancy. But when CEG presented the new location options to its authorizer, PUSD refused to review them based on a 60-day location-review period in PUSD's own MOU which it refused to waive. CEG's Board of Directors met and considered its options. There were Celerity schools nearby enough that could absorb all of the Exa teachers, staff and most of the Exa students. CEG's Board of Directors made the decision to voluntarily surrender the charter rather than continue at odds with PUSD. CEG is proud that no Exa teachers or staff lost their jobs as a result of the charter surrender, and the nearby Celerity Octavia and Celerity Troika Celerity schools enrolled 234 of the Exa students (all but 50). Nothing about Celerity Exa or its closure was "unsuccessful." In fact, Celerity Exa's 2013 API score was an outstanding 810—well above the local district's average of 751.

Finding 2: LAUSD improperly found the petition does not contain reasonably comprehensive descriptions of certain required elements. (Ed. Code, § 47605(b)(5).)

- **District Required Language ("DRL").** LAUSD denied the charter because it found the petition does not comply with the DRL in the following elements: (1) assurances and affirmations; (2) educational program; (3) governance; (4) suspension and expulsion procedures; and (5) charter school closure procedures.

CEG's Response.

The DRL consists of many extra-legal "requirements" enforced by LAUSD against all charter schools. These portions of a charter are not actually required by law.

LAUSD denied the Celerity Rolas charter because CEG failed to copy-paste the DRL into the charter *exactly* as it is drafted by LAUSD. In fact, CEG *did* copy-paste the DRL into the

charter except for a few words. For example, in Element 6 Health & Safety, the Celerity Rolas charter mirrors the DRL except for a typo on page 119 that left one single letter missing. Aside from the one "t" that was inadvertently deleted from the word "Department," the DRL is untouched. It is patently unreasonable for LAUSD to consider a missing letter as a reason to deny a charter.

- **Element 1**. LAUSD found: (1) the petition fails to provide a reasonably comprehensive description of the Charter School's plan to recruit students with disabilities; (2) the petition fails to provide a reasonably comprehensive description of the proposed transitional kindergarten program; and (3) petitioner must adopt policies and procedures that ensure parents with no access to a computer or the internet will be able to utilize the technological aspects of the educational program described in the petition.

CEG's Response.

The Celerity Rolas charter explicitly states that it is part of CEG's core mission to recruit students with disabilities:

"We actively recruit low-achieving, economically disadvantaged, and students with disabilities by placing our schools in locations where there are overcrowded schools and schools that are identified for program improvement. We recruit these subgroups by training our staff who are recruiting as well as including in our orientation presentation details of how the school's program specifically addresses the needs of these subgroups."

(Petition, p. 129-130.) The petition also describes the general recruiting strategy of CEG:

"Celerity Rolas Charter School conducts orientation meetings year round to inform interested parents and students on what the school has to offer. Open houses and school tours are conducted on a regular basis during the school year as well.

The school specifically targets families in South Los Angeles. Celerity has developed promotional materials, in both English and Spanish, such as a school brochure and flyers which are distributed by employees and parent volunteers at pre-schools, parks, super markets, churches, libraries, day care centers and community group meetings. The school also regularly publishes ads in local newspapers such as the Penny Saver, and La Opinion in English and Spanish."

(Petition, p. 127.) The Celerity Rolas charter clearly indicates that we *actively recruit* students with disabilities through targeted recruitment, in addition to our general recruitment efforts.

LAUSD cites another Celerity school—Celerity Cardinal—as an example of low special education enrollment, but LAUSD cites the wrong numbers. As described in its recent renewal, Celerity Cardinal’s rate of special education-eligible students was 9.5% in 2014-2015 (not 7%). That number has steadily increased each year over the past three years as the community has become familiar with the school through word of mouth and targeted community outreach. LAUSD also notably fails to cite Celerity Troika, which enrolls and retains special education students at 10.5% of total enrollment—*higher* than its nearby schools.

As for transitional kindergarten, it is confusing how LAUSD could deny the Celerity Rolas charter on this basis since the description of Celerity Rolas’ proposed program is the same as the description of the program at LAUSD-authorized Celerity Nascent and Celerity Octavia charter schools. The description is legally adequate as-is, and we would have been amenable to adding more detail if the District had requested it. At CEG, Transitional Kindergarten (TK) is part of our two-year Kindergarten program, which is expressly stated in the charter (pp. 50), and the proposed curriculum is described throughout the charter. Celerity Rolas will use an age and developmentally appropriate academic curriculum that includes social, emotional, and cognitive outcomes and benchmarks. (Charter, p. 50.) An example of a day in the TK program is described on page 56 of the charter and includes a 30-minute read aloud, 40 minutes of mathematics instruction, 60 minutes of alternating social studies and science instruction, a 30-minute block where EL students receive targeted ELD instruction and non-EL students work in small groups on activities such as re-teach or pre-teach activities, partner reading, and journal writing, and a 50-minute block of PE and visual and performing arts. Instructional materials in each subject are described on page 44 of the charter, a proposed bell schedule is found on page 55, and sample instructional schedules are provided on pages 58 and 59.

LAUSD denied Celerity Rolas because “it is imperative that Petitioner adopts policies or procedures that ensure that parents who do not own a computer, or who have limited access to a computer or the internet, will be able to utilize the[] technological aspects of the educational program.” This finding has absolutely no basis. CEG has been successfully implementing its educational program in communities of “limited financial means” for over a decade, and it does so better than most district schools. Consistent with all of our other Celerity Schools, Celerity Rolas will have 3 computer stations set up in the main office for parents to access their child’s grades, attendance information, meal participation, and other technological aspects of the educational program. The Computers are available at any time between 7:30 am and 6:00 pm, Monday through Friday, without the need for an appointment should parents not own their own computer.

- **Element 2-3.** LAUSD found: (1) the petition does not include a definition of “Cumulative Internal Benchmarks” or “facilities inspection tool,” nor describe how they are

formulated and who is responsible for formulating them; and (2) the petition contains measurable pupil outcomes improperly measured by the Academic Performance Index, which has been suspended.

CEG's Response.

One of the ways CEG measures student progress is by its own internal benchmarks. During this period of transition in state accountability, all schools (not just charter schools) have been encouraged to find and use alternative methods for measuring academic achievement. Contrary to what the findings say, the benchmark assessments that will be utilized at Celerity Rolas *are described* on page 95 of the charter, and include weekly teacher-created curriculum-based assessments, bi-monthly Smarter Balanced Interim and/or Study Islands standards-based assessments, and SchoolNet assessments administered every two months. The final administration of each test is a cumulative assessment of the information learned throughout the school year. The results of these assessments are analyzed by teachers and curriculum specialists on a weekly basis to monitor student progress.

It is confusing that LAUSD's findings claim the charter should have defined the Facilities Inspection Tool ("FIT"). The FIT was developed by the California Office of Public School Construction, a division of the California Office of General Services, as an objective tool to evaluate the condition of school facilities. It is widely used by districts and county offices of education, including the Los Angeles County Office of Education, to annually assess the safety, cleanliness, and adequacy of school facilities as required by law. (Ed. Code, § 33126(b)(8).) Use of the FIT for this purpose is encouraged by the California Department of Education. As the charter indicates, Celerity Rolas intends to use the FIT to assess its facility to ensure all students are educated in a learning environment that is safe and conducive to learning, which is a state priority.

We fully understand that API scores are currently suspended. However, until accountability is fully revised, Celerity Rolas will use the State metrics that are available (including API if the State re-tools the API and continues to use it under the new system of standardized testing). Indeed, numerous provisions in the Education Code require consideration of a school's API score when evaluating whether the school qualifies for a right, privilege, or obligation, including the minimum criteria for renewal of a charter school. In the meantime, however, the charter clearly states that other assessments will be used to measure academic achievement. (Petition, pgs. 20, 95.)

- **Element 4.** LAUSD found the petition provides an incomplete description of the Site-Based Advisory Council and the Site-Based Management Council.

CEG's Response.

The Parent Advisory Council, which is also referred to as the “Site-Based Advisory Council” in the charter, is the school’s volunteer parent group and, as described in the charter, the Council will be composed of school staff, parents, and community members and will provide suggestions and recommendations to the CEG Board on issues including budgeting, curriculum, school policies, and the general direction of the school. Potential new members may self-nominate themselves, but as a self-selecting body, the existing members of the Council—the “General Assembly”—must ratify any new members. The ratification will take place at a meeting of the Council in accordance with common election procedures, but that information does not have to be included in the charter.

There is one later reference in the petition to a “Site-Based Management Council” on page 127, but that was a typo. To clarify, these two councils are the same body and will be referred to as the Site-Based Advisory Council.

- ***Element 5.*** LAUSD found the petition provides an inconsistent set of qualifications for teachers in charge of instructing English Learners.

CEG's Response.

Charter schools are given flexibility with regard to teacher credentialing requirements in noncore, noncollege preparatory classes. (Ed. Code, § 47605(l).) The charter lists English Language Development as a noncore part of curriculum. (Petition, p. 38.) Because of the flexibility under the Charter Schools Act, an ELD teacher at Celerity Rolas is not required to hold the same teaching credential that a teacher in a traditional district school would. However, we understand the importance of attracting and retaining quality teachers, especially in light of the high number of students that are limited English proficient in the area to be served by the school. The petition makes clear our intention to recruit teachers who hold a valid credential with a bilingual or ESL endorsement, and who also have experience teaching second language learners and sheltered English classes. (Petition, pgs. 73, 79.) We believe teachers with these qualifications are well suited to educate our English learner students.

- ***Element 16.*** LAUSD found the petition does not identify the specific position that will serve as the school’s closure agent in the event that the school closes.

CEG's Response.

With this finding, LAUSD is alleging that its own, district-drafted language “does not meet the legal threshold” because Element 16 of the petition is entirely made up of LAUSD DRL. The DRL states:

“Prior to or at the time of the taking of a Closure Action by either the governing board of Charter School or the LAUSD Board of Education, the governing board of Charter School shall designate a person or persons responsible for conducting and overseeing all closure-related procedures and activities...”

(Petition, p. 159.) The DRL only requires the school’s board to designate a person responsible for closure actions when closure is imminent. There is nothing in the law that requires a single person or position to be designated as a “closure agent” in the petition. However, CEG would have been happy to designate a position to serve as closure agent.

- **Facility.** LAUSD found the petition fails to propose a plan for procuring facilities in the South Los Angeles area.

CEG’s Response.

A charter is not required to name a facility where the school will open, nor describe a detailed plan that “secures” a facility. The law requires: “[t]he description of the facilities to be used by the charter school shall specify where the school intends to locate.” (Ed. Code, § 47605(g).) Our charter does so. In almost every instance, a charter school *cannot* secure a facility until it has an approved charter in place. As described in the charter, we intend for Celerity Rolas to be located in Highland Park near the intersection of N. Avenue 53 and N. Figueroa Street, in the 90042 zip code—where students have historically been underserved and where schools have historically underperformed. As soon as our charter is approved, we will begin the process of securing a facility, as we have done on numerous occasions in the past for the other Celerity schools.



Los Angeles County Office of Education

Serving Students ■ Supporting Communities ■ Leading Educators

June 28, 2016

*Via First Class Mail and E-mail:
gcanada@celeritycalifornia.org*

Arturo Delgado, Ed.D.
Superintendent

Dr. Grace Canada, Lead Petitioner
Celerity Educational Group
2069 W. Slauson Ave.
Los Angeles, CA 90047

Los Angeles County
Board of Education

Thomas A. Saenz
President

Dear Dr. Canada:

Confirmation of County Board Action on the Celerity Himalia and Celerity Rolas Charter Petitions

Douglas R. Boyd
Vice President

This letter serves as confirmation of the action taken by the Los Angeles County Board of Education (County Board) on the petitions for the Celerity Himalia Charter School and Celerity Rolas Charter School.

Katie Braude

Gabriella Holt

Alex Johnson

Monte E. Perez

Rebecca J. Turrentine

At its regular meeting held Tuesday, June 21, 2016, the County Board took action to deny the petitions for Celerity Himalia Charter School and Celerity Rolas Charter School received on appeal from Los Angeles Unified School District.

Attached are copies of the findings of fact and approved actions taken by the County Board, which constitutes the final order in this matter.

Please contact the Charter School Office (CSO) at (562) 922-8806 by **Tuesday, July 5, 2016**, if you wish to schedule a date and time to pick-up the submitted charter petition binders.

Should you have any questions, please do not hesitate to contact the CSO at (562) 922-8806.

Sincerely,

A handwritten signature in black ink, appearing to read "Dina L. Wilson".

Dina L. Wilson
Director II
Charter School Office
Division of Accountability, Support and Monitoring

DW:ls
Attachments

c: Cindy Chan, Director, Charter Schools Division, CDE
Judie Hall, Education Administrator, Charter Schools Division, CDE
Michelle King, Superintendent, LAUSD
José Cole-Gutiérrez, Director, Charter Schools Division, LAUSD
Debra Duardo, M.S.W., Ed.D., Superintendent, LACOE
Dayton Gilleland, Ed.D., Chief Academic Officer, Educational Services, LACOE
Scott Price, Ph.D., Chief Financial Officer, Business Services, LACOE
Olivia Fuentes, Director III, Division of Accountability, Support and Monitoring, LACOE

Board Meeting – June 21, 2016

Item VI. Reports / Study Topics

- B. Staff Findings on the *Celerity Rolas Charter School, Grades K-8: Appeal of a Petition to Establish a Charter Previously Denied by the Los Angeles Unified School District Board of Education*

The petition for the Celerity Rolas Charter School is presented to the Los Angeles County Board of Education (County Board) pursuant to Education Code (EC) section 47605. Upon denial by the Los Angeles Unified School District Board of Education, the petitioner exercised the statutory right of appeal to the County Board.

EC section 47605(b) limits the reasons for denying a charter petition to the following:

- (1) The charter school presents an unsound educational program.*
- (2) The petitioners are demonstrably unlikely to successfully implement the program.*
- (3) The petition does not contain the required number of signatures.*
- (4) The petition does not contain an affirmation of specified assurances.*
- (5) The petition does not contain reasonably comprehensive descriptions of 16 required elements of a charter.*

The County Board shall evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial.

Summary of Key Findings:

A summary of the key findings is presented through the table on the following page.

The complete Report on the written Findings of Fact is attached.

LACOE staff will present the report to the County Board.

Board Meeting – June 21, 2016

Staff Findings on the *Celerity Rolas Charter School, Grades K-8: Appeal of a Petition to Establish a Charter Previously Denied by the Los Angeles Unified School District Board of Education*

- 2 -

Celerity Rolas Charter School
 Petition Received on Appeal

Summary of Required Charter Elements Pursuant to <i>Education Code</i> Section 47605(b)			
Findings 1-5 are Grounds for Denial Pursuant to <i>EC</i> 47605(b)		Meets Requirements*	
Finding 1	Sound Educational Practice	Yes	
Finding 2	Ability to Successfully Implement Intended Program	No	
Finding 3	Required Number of Signatures	Yes	
Finding 4	Affirmation of Specified Conditions	Yes	
Finding 5: The charter petition contains a reasonably comprehensive description of all required elements.	1	Description of Educational Program	No
	2	Measureable Pupil Outcomes	Yes*
	3	Method for Measuring Pupil Progress	Yes*
	4	Governance Structure	No
	5	Employee Qualifications	No
	6	Health and Safety Procedures	Yes*
	7	Racial and Ethnic Balance	No
	8	Admission Requirements	Yes*
	9	Annual Independent Financial Audits	Yes*
	10	Suspension and Expulsion Procedures	Yes*
	11	Retirement Coverage	Yes
	12	Public School Attendance Alternatives	Yes
	13	Post-employment Rights of Employees	Yes
	14	Dispute Resolution Procedures	Yes*
	15	Exclusive Public School Employer	Yes
	16	Closure Procedures	Yes*
Finding 6: The charter petition meets the additional statutory requirements EC 47605 (c), (e) – (h), (l) and (m)	(c)	Standards, Assessments and Parent Consultation	Yes
	(e)	Employment is Voluntary	Not applicable
	(f)	Pupil Attendance is Voluntary	Not applicable
	(g)	Effect on Authorizer and Financial Projections Facilities, Administrative Services, Civil Liability and Financial Statements	No
	(h)	Targets Academically Low Achieving Pupils**	Does not qualify
	(l)	Teacher Credentialing	Yes
	(m)	Transmission of Audit Report	Yes
<p>*Elements marked as meeting requirements may need further explanation, adjustment, or technical changes; however, they are reasonably comprehensive and/or substantively comply with regulatory guidance and the LACOE standard of review described in Board Policy and the Superintendent's Administrative Regulations.</p> <p>**Charters created to target academically low achieving pupils are given a priority for authorization.</p>			

Los Angeles County Office of Education
Charter School Office
Date: June 21, 2016

Staff Findings on the *Celerity Rolas Charter Petition*, Grades K-8
Appeal of Petition to Establish a Charter Previously Denied by the Los Angeles Unified School District
Board of Education

Background Information

The charter petition for Celerity Rolas Charter School (Rolas) seeks to establish a school serving students in grades K-8. The first year enrollment projection is 390 students with expansion to 565 students by the fifth year of operation.

The petition states the school is operated by a Charter Management Organization (CMO), Celerity Educational Group (CEG). The CMO currently operates six (6) charter schools authorized by the Los Angeles Unified School District (LAUSD) Board of Education. Beginning in 2012, CEG has contracted out most of the day-to-day management of its schools to Celerity Global Development (Global), a non-profit benefit corporation that is affiliated with CEG. Further information on this organizational structure is contained in **Findings 2 and 5** of this report.

Two (2) of CEG's schools, Celerity Palmati and Celerity Cardinal, were granted renewals by the LAUSD Board of Education on November 10, 2015, the same date the initial petition for Rolas was denied. The LAUSD Board of Education Reports on the renewal of both Celerity Cardinal and Celerity Palmati indicate that the CMO is under investigation by LAUSD's Office of Inspector General and state:

"In reviewing the record of the Celerity Education Group (CEG)...staff has noted serious concerns about the organization's finances, operations, and governance. For example:

- Through ongoing oversight, Charter Schools Division (CSD) has determined that the organization has demonstrated that it has insufficient controls and policies to address potential misuse of public funds and credit cards.
- The organization has not fully complied with general accepted accounting principles and has inconsistently responded to reasonable requests by the charter school's authorizer in a timely manner thus impacting the District's ability to effectively carry out its oversight functions.
- The Charter Schools Division has identified potential conflicts of interest and the comingling of financial transactions between CEG and other separate, but affiliated, legal entities, such as Celerity Global. In addition, CEG has heretofore not provided the District with fiscal policies and procedures that adequately control the use of the organization's credit cards and cell phones.
- CEG has a track record of expending funds on non-school related transactions, and has been reluctant to explain the basis for these transactions. These areas of concern are still being analyzed by the District." (LAUSD Board of Education File #: Rep-147-15/16, p. 5 and File #: Rep-148-15/16, p. 5)

The Los Angeles County Board of Education (County Board) is the authorizer for Celerity Sirius Charter School (Sirius) through the end of its current charter term on June 30, 2016. On February 2, 2016, the County Board took action to renew the charter for Sirius subject to specific conditions. Due to the school's failure to meet several of the required conditions within the specified timeline, the Los Angeles County Office of Education (LACOE) sent CEG a *Notice of Noncompliance with Conditions of Authorization* (Notice) on March 8, 2016. A second *Notice* was sent on March 25, 2016, after additional conditions had not been met. On April 1, 2016, LACOE received a letter from the Chief Executive Officer (CEO) of CEG stating, "Celerity does not agree to LACOE's requested conditions." The letter

Staff Findings on the Celerity Rolas Charter Petition

renege on matters agreed to previously. Subsequently, on April 12, 2016, the County Board took action to terminate authorization of the renewal charter for Sirius due to CEG's refusal to fulfill conditions of authorization (see County Board Report dated April 12, 2016).

The petition states the charter school's mission is to *provide a school where at risk students will thrive in an atmosphere of high expectations and engaging curriculum with challenging learning activities.*

The school's vision is to be *a community of diverse individuals where students will develop their intellectual, artistic, and physical talents to the highest degree.* The vision encompasses five areas:

- *Academic Excellence*
- *Mutual Respect*
- *Highly Qualified Teachers and Paraprofessionals*
- *Parental Investment and Community Involvement*
- *Respect and Diversity*

Academic and Demographic Data for Elementary and Middle Schools Located within a 2-Mile Radius of Proposed Site[^]

Schools (grades)	2013 Growth API	2013 State Rank	2013 Similar Schools Rank	Weighted 3-year Average API	Demographics					
					% Hispanic or Latino	% Black or African American	% White	% Low Income	% EL	% Students with Disabilities
Aldama Elementary (K-6)	608	4	5	772	88	0.8	8.4	81.1	33.7	6
Annandale Elementary (K-6)	314	5	7	802	92.7	0.6	2.2	86	23.9	10
Aragon Avenue Elementary (K-5)	373	3	4	769	95.2	0.5	2.9	94.9	52	14
Buchanan Street Elementary (K-6)	508	3	2	773	91.5	0	2.6	82.5	25.6	14
Bushnell Way Elementary (K-6)	343	2	3	712	89.5	2.6	2.9	59.5	37	14
El Sereno Middle (6-8)	1276	3	3	710	90.8	1	2.3	87.4	13.3	16
Garvanza Elementary (K-6)	392	5	7	823	89.5	1.5	2.3	90.6	28.3	8
Glassell Park Elementary (K-6)	452	2	3	742	93.6	0.9	0.7	86.5	52.4	12
Glen Alta Elementary (K-8)	203	3	4	761	89.7	4.4	3.4	92.1	19.2	11
Hillside Elementary (K-5)	274	2	2	752	88.3	2.2	0.4	93.8	36.5	15
Huntington Drive Elementary (K-6)	451	2	4	731	92.5	2.2	1.8	82	40.6	23
Latona Avenue Elementary (K-6)	224	2	2	763	92.9	0	2.7	96	33.9	10
Loreto Street Elementary (K-5)	398	1	1	749	89.2	0.5	3.3	96.2	47.2	7
Luther Burbank Middle (6-8)	883	5	8	757	90.6	3.2	1.6	93.4	11.1	13
Monte Vista Street Elementary (2-6)	438	2	5	746	95	1.1	1.6	90.9	36.8	13
Mt. Washington Elementary (K-6)	409	9	2	908	30.6	4.2	45.7	13	2.2	7
Nightingale Middle (6-8)	716	4	6	742	71.1	1.3	0.6	88.8	19.1	16
Rockdale Elementary (K-6)	333	7	5	841	66.1	2.1	14.4	52.9	13.5	13
San Pascual Avenue Elementary (K-6)	220	3	2	764	88.6	0.9	2.3	77.3	24.1	12
Toland Way Elementary (K-6)	355	4	3	794	76.9	2	2.8	84.2	23.1	9

Staff Findings on the Celerity Rolas Charter Petition

Academic and Demographic Data for Elementary and Middle Schools Located within a 2-Mile Radius of Proposed Site[^]

Schools (grades)	2013 Growth API	2013 State Rank	2013 Similar Schools Rank	Weighted 3-year Average API	Demographics					
					% Hispanic or Latino	% Black or African American	% White	% Low Income	% EL	% Students with Disabilities
Yorkdale Elementary (K-6)	300	5	6	803	89.3	0	4.7	78	20.7	11

[^]=schools listed as identified in the Celerity Rolas Charter Petition
 Source: CDE DataQuest (Enrollments, API, State Rank) retrieved 5-25-16. CDE Students with Disabilities: 2013-14 School Quality Snapshot (Downloadable) <http://ias.cde.ca.gov/lcfrreports/> retrieved 1-22-16.

Reasons for Denial by Los Angeles Unified School District Board of Education

The LAUSD Board denied the petition based on written findings of fact adopted at a public meeting held on November 10, 2015. The findings comply with requirements for denial under the *Charter Schools Act*. The following is a summary of LAUSD’s written factual findings relative to *Education Code (EC)*.

1. EC 47605(b)(2): The petitioners are demonstrably unlikely to successfully implement the program. The findings of fact cite “serious concerns about the organization’s financial, operational, and governance practices which limits CEG’s ability to successfully expand and implement the full program as required by applicable law.”

Additionally, the LAUSD findings state that the “Petitioner’s poor track record of responding to District requests for information in a timely manner, or at all, impacts the District’s ability to effectively carry out its oversight functions.”

The findings also state the 2014-2015 oversight visit documentation reflects that for two (2) consecutive years “Petitioners failed to provide District staff with timely submissions of financial documentation as required by law.”

The following specific concerns are outlined in the LAUSD findings of fact:

- a. Petitioner’s use of “internal loans” between its current charter schools without appropriate documentation or adequate explanation.
- b. Commingling of funds and expenses through the use of credit cards with other separate legal entities (Celerity Global Development and Celerity Development) and the use of credit cards for non-charter school expenses. The findings state that the “Petitioner does not have adequate monetary safeguards in place to ensure that funds are expended lawfully.”
- c. Potential conflicts of interests and commingling of financial transactions between CEG and other separate, but affiliated, legal entities. The findings refer to financial transactions conducted by former CEO, Vielka McFarlane, dating back to 2011 and documentation of CEG employees facilitating transactions between separate, but affiliated, legal entities.
- d. Inadequate fiscal controls as evidenced through the school’s failure to provide LAUSD with fiscal policies and procedures that adequately control the use of the Petitioner’s credit cards and cell phones, including access to credit cards by separate legal entities and restrictions to the use of cards for educational purposes. Additionally, LAUSD issued a Notice to Cure on October 20, 2015, regarding deficiencies related to timely financial reporting, credit card purchases, and cell phone usage. Despite CEG’s response by adopting several new board policies, LAUSD’s concerns remain.

2. EC 47605(b)(5): The petition fails to provide a reasonably comprehensive description of six (6) of the 16 required elements:

Staff Findings on the Celerity Rolas Charter Petition

Element 1: Description of the Educational Program

- a. The petition fails to provide a reasonably comprehensive description of the recruitment of students with disabilities.
- b. It fails to include a reasonably comprehensive description of the proposed transitional kindergarten program.
- c. The petition fails to include policies to ensure that parents who do not own a computer or who have limited access to internet will be able to use technology-related aspects of the educational program. The petition notes that “On average, 81%” of students will qualify for free and reduced lunch.

Elements 2/3: Measurable Pupil Outcomes/Method for Measuring Pupil Progress

- a. The petition fails to provide a definition of the “Cumulative Internal Benchmarks” that measure many of the stated pupil outcomes.
- b. It fails to describe the “facilities inspection tool” which will be used to assess one measurable outcome.
- c. It includes the use of the Academic Performance Index and Academic Performance Targets in measuring outcomes schoolwide and for significant subgroups. This is not a viable metric as it is suspended from use.

Element 4: Governance Structure

- a. The petition presents an incomplete description of the Site-Based Advisory Council and of the “General Assembly” that ratifies its membership.
- b. The petition references a “Site-based Management Council” with no description of how, or if, it relates to the Site-Based Advisory Council.

Element 5: Employee Qualifications

The petition is inconsistent in describing qualifications for teachers instructing English learners (ELs) throughout different sections of the petition.

Element 16: Closure Procedures

The petition fails to identify the specific position that will serve as the school’s closure agent in the event that the school closes.

Any of the above findings may be cause for denial of a charter under *EC 47605(b)*.

Response from the Petitioner

The petitioner provided a written response to the findings of the LAUSD Board and submitted it as part of the petition package. The response was considered during the review process.

Appeal to the Los Angeles County Board of Education

The County Board held a Public Hearing to determine support for the petition on May 17, 2016. In support of the school, the proposed principal for Rolas spoke on behalf of the lead petitioner, who was not present. No other speakers were present to support or oppose the charter petition.

Staff Findings on the Celerity Rolas Charter Petition

LACOE Review Process

The Standard of Review is provided in Appendix 1 and is incorporated by reference.

Findings of Fact

Finding 1: The petition provides a sound educational program for students to be enrolled in the school. [EC 47605(b)(1)]

While overall the *petition provides a sound educational program for students to be enrolled*, the Review Team determined that there are a number of amendments/clarifications required, as identified in Findings 2 and 5.

Finding 2: The petitioners are demonstrably unlikely to successfully implement the proposed educational program. [EC 47605(b)(2)]

The California Code of Regulations, Title 5 (5 CCR) section 11967.5.1(c) provides four (4) indicators the petitioner is unlikely to implement the proposed educational program. Based on the review of the petition, supporting documents, and the Capacity Interview with the school's leadership team, evidence of all **four (4)** indicators exist:

Indicator 1: *There is a past history of involvement in charter schools or other education agencies (public or private), the history that LACOE regards as unsuccessful, e.g., the petitioners have been associated with a charter school of which the charter has been revoked or a private school that has ceased operation for reasons within the petitioner's control.*

1. **CEG Operated Schools:** CEG currently operates seven (7) charter schools within Los Angeles County. Operations concerning two (2) CEG schools are regarded as unsuccessful and provide indicators that the petitioners may be unsuccessful in implementing the proposed program at Rolas.
 - a. **Celerity Exa Charter School:** The petitioners have recent history of involvement with a charter school that has ceased operation for reasons within the petitioners' control. Celerity Exa, a charter school operated by CEG, authorized by the Pasadena Unified School District Board of Education, ceased operation shortly after the start of the 2014-2015 school year due to facilities issues, including concerns raised by the Los Angeles County Fire Department.
 - b. **Celerity Sirius Charter School:** The County Board is the authorizer for Celerity Sirius (Sirius) Charter School through the end of its current charter term on June 30, 2016. On February 2, 2016, the County Board took action to renew the charter for Sirius subject to specific conditions. On April 12, 2016, the Board took action to terminate authorization of the renewal charter for Sirius due to CEG's refusal to fulfill conditions of authorization, a process marked by duplicitous statements and actions regarding CEG's intent to fully comply during the process (see Background Information section of this Report). On May 24, 2016, the CEG Board took action to close Celerity Sirius at the end of the charter term.
2. **Financial History of CEG:** As the CMO, CEG will provide administrative services to Rolas.
 - a. **Intercompany Borrowing:** A review of fiscal and business operations shows that CEG and one of its schools (Sirius) have a history of intercompany borrowing (Table 1).

Intercompany borrowing has occurred between CEG and Sirius for the last four (4) years to support the school's operations. The school has operated at a deficit for four (4) years of Sirius' current charter term. As of January 12, 2016, the amount owed to CEG by Sirius is **\$965,324** (Table 1).

Staff Findings on the Celerity Rolas Charter Petition

It is noted that CEG does not currently have an intercompany borrowing agreement or policy in alignment with EC 42603.

Sirius Intercompany Borrowing
 2011-2015

Table 1	
Fiscal Year	Sirius Charter School (Borrowing)
2011-12 Year (1)	\$1,469,742
2012-13 Year (2)	\$1,415,397
2013-14 Year (3)	\$1,493,449
2014-15 Year (4)	\$965,324
Outstanding Balance as June 30, 2015	\$965,324

b. Audits: CEG audits lack full disclosure of major financial transactions.

- The fiscal year 2011-12 Annual Audit Note #5(B) discloses the loan transaction that took place on June 11, 2011, in the amount of \$2,447,688 for land purchase and improvement. The audit does not disclose the location of the property to be purchased or land improvements to be completed.
- The fiscal year 2012-13 Annual Audit lacks disclosure of the following related party transfers as of June 30, 2012:
 - Affiliation Agreement between CEG and Global (dated April 2012)
 - Real property and educational facilities valued at \$3,215,271
 - Cash reserves held in a Citibank account \$823,857.01
 - Cash reserves held in a California Credit Union account \$1,480,477.18
- The fiscal year 2012-13 Annual Audit Note #5(C) discloses the June 30, 2013 loan transaction from CEG to Celerity Development LLC in the amount of \$1,746,326. The audit does not disclose the location of the property to be purchased or land improvements to be completed.

c. Fiscal Solvency: As evidenced in the table below, during the fiscal year 2014-15 CEG was not fiscally solvent.

Fiscal Solvency of CEG
 2014-2015

Table 2	
Financial Position	CEG (Home Office)
Total Assets	\$12,259,753
Total Liabilities	\$12,742,142
Net Assets	\$(482,390)
Source: Annual independent audit report (2014-2015)	

Indicator 2: *The petitioner is unfamiliar with the content of the petition or the requirements of law that would apply to the proposed charter school.*

1. The petition and accompanying documents contain conflicting information about first year enrollment. The Notice of Submission given by the petitioner indicates the school will operate grades K-5 in the first year; however, the petition contains general information regarding first year grade levels to be K-8. Additionally, there are references to Transitional Kindergarten (TK) in the petition. At the capacity interview, petitioner stated that the first year would include grades TK-5.

Staff Findings on the Celerity Rolas Charter Petition

2. The petitioners are not sufficiently familiar with the requirements of law regarding suspension and expulsion for homeless and foster youth as described in Finding 5, Element 10. At the capacity interview, neither staff nor the board member were able to describe the procedures for suspension or expulsion for homeless and foster youth, nor was the item addressed in the petition.
3. The petitioners are not sufficiently familiar with the scope and purpose of the School Site Council. The petition makes reference to the "Site-based Advisory Council" and at the capacity interview, the petitioner clarified that this is the School Site Council. The purposes and composition of the various parent involvement groups is unclear. For example, page 19 of the petition states that the "school maintains a Parent Advisory Council, School Site Council, and District English Learner Advisory Council."

A critical role of the School Site Council is to develop, review and approve federal Title I plan and budgets. During the capacity interview, the Chief Financial Officer (Global employee) stated that she develops the Title I budget based on requests from the site principals; this is not in alignment with federal and state requirements for the use of Title I funds.

Indicator 3: *The petitioners have presented an unrealistic financial and operational plan for the proposed charter school. An unrealistic financial and operational plan is one to which there is evidence that any or all of the standards specified in state regulations are not met. Rolas failed to meet all four (4) standards as follows:*

Standard 1: *In the area of administrative services, the charter or supporting documents do not adequately describe the structure for providing administrative services...that reflect an understanding of school business practices and expertise to carry out the necessary administrative services, or a reasonable plan and timeline to develop and assemble such practices and expertise.*

- a. Fiscal policies: Information submitted with the petition lacks a detailed procedure for the bidding, selection and approval process for contractors and vendors:

The Director of Operations for Global receives and reviews all CEG bids. In the past two (2) years, contracts were awarded to companies owned by Global using this process. This causes a potential conflict of interest in selection of subcontractors for Celerity Schools (i.e., Celerity Contracting Services Inc., Attenture LLC, Orion International Academy, and Celerity Development LLC).

- b. Overlap of Services: There is a duplication of administrative services provided by CEG and Global which causes undue financial strain on its schools. A review of CEG's list of services, compared to the scope of services listed in the 2014 Agreement for Limited Services and in the 2015 Agreement for Miscellaneous Services, indicates a duplication of services in the areas of compliance reporting, marketing, public relations, informational technology, human resources, payroll, accounting and purchasing.

Standard 2: *In the area of financial administration, the charter and supporting documents do not adequately:*

- a. *Include in the operational budget reasonable estimates of all anticipated revenues and expenditures necessary to operate the school, including, but not limited to, special education, based, when possible, on historical data from schools or school districts of similar type, size, and location.*

The petitioner's budget does not sufficiently account for revenues, including revenues for LCFF (State Aid). The details are presented below in "Budget Plan Deficiencies."

Staff Findings on the Celerity Rolas Charter Petition

- b. *Present a budget that in its totality appears viable and over a period of no less than two years of operations provides for the amassing of a reserve equivalent to that required by law for a school district of similar size to the proposed charter school.*

The petitioner presented a budget, without the amassing of a reserve. The Review Team projected the required reserve per the Monitoring and Oversight Memorandum of Understanding (MOU) and found that this results in a positive net asset ending Fiscal Year 2016-2017 in the amount of \$350,775.

To be fiscally solvent, the Budget Plan requires that the school (1) meets its enrollment projections; and (2) meets its Average Daily Attendance (ADA) projections each year. Rolas is projecting an enrollment of 390 students in the first year, with an expected ADA of 370.5.

An analysis of the deficiencies of the Budget Plan is presented below:

Budget Plan Deficiencies

- Overstated LCFF State Aid revenues by approximately \$394,001 over a four-year period.
- Understated STRS projected costs by \$116,044 over a four-year period.
- Overstatement of Title I projected income by \$496,412 over a four-year period, and the school is not eligible for funding in the first year of operation (2016-17) unless a Consolidated Application and Local Education Agency Plan are received at the California Department of Education by July 1, 2016.
- Payment to Global for management fee of 11.6% of total revenues with additional fees of \$699 per ADA for services which, in some cases, appear to be duplicated by CEG staff.
- Understated Professional/Consulting Service (line item 5800) by \$961,804 over a four-year period.
- Understated Food & Food Supplies (line item 4700) by \$689,577 over a four-year period.
- No start-up costs are identified; however, during the capacity interview staff explained that, if needed, the funds will be transferred from CEG to Rolas.

The charter school's Net Income Projections after the required reserves of three percent will be positive the first four (4) years of the charter renewal as illustrated in Table 3. Rolas will have a positive Net Income projection for Fiscal Year (FY) five (5), contingent upon achieving the targeted ADA of 536.8.

Net Income Projections

Table 3					
Budget Plan	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
Net Income Projections	\$472,001	\$1,235,772	\$2,095,155	\$2,863,803	\$3,517,143
Reserve (3% of Total Revenue)	\$121,226	\$138,534	\$164,323	\$180,104	\$187,108
Net Income After 3% Reserve	\$350,775	\$1,097,238	\$1,930,832	\$2,683,698	\$3,330,035

Standard 3: *In the area of insurance, the charter and supporting documents do not adequately provide for the acquisition of and budgeting for general liability, workers compensations, and other necessary insurance of the type and in the amounts required for an enterprise of similar purpose and circumstance.*

Staff Findings on the Celerity Rolas Charter Petition

The amounts of coverage for abuse and molestation do not meet the minimum requirements set forth in the LACOE MOU.

Standard 4: *In the area of facilities, the charter and supporting documents do not adequately describe the types and potential locations of facilities needed to operate the size and scope of the educational program proposed in the charter.*

The petition does not provide a description of the type of facility needed to successfully operate this school, including classroom space allocations, playground/open space, offices, and appropriate parking with access for ingress/egress. Nor does the proposed budget adequately provide for a lease of privately-held property.

At the capacity interview, the petitioner indicated that a Prop 39 facilities request to LAUSD and subsequent offer was relinquished and a private facility was not identified for the proposed school. The petitioner indicated that Prop 39 facilities would be requested for the start of the Fall 2017 school year, thereby causing a year's delay in the commencement of instruction.

Indicator 4: *The petitioners personally lack the necessary background in curriculum, instruction, assessment, finance and/or business management, areas that are critical to the school's success. Additionally, the petitioners do not have plans to secure the services of individuals who have the necessary background in these areas as follows:*

The petitioners have demonstrated a lack of capacity in the area of finance and/or business management. CEG consistently states that Global is just a vendor of CEG; however, key personnel such as the Chief Financial Officer (who directly works with oversight and allocation of school finances) are employees of Global. At the capacity interview, it was explained that the Chief Financial Officer is the primary point of contact for budget and finance matters for Celerity school sites. She consults with the site principals on their budget needs; however, responsibilities for the principal's job description do not indicate school budget planning or monitoring.

Additional Financial and Operational Concerns:

The Fiscal Policies Handbook has insufficient controls and contains the following deficiencies:

- Excludes a bidding process for purchases or contracts
- Lacks inter-borrowing agreement between Rolas and CEG
- Lacks agreement/terms that allows for loaning funds to outside agencies
- Lacks information and policies regarding CEG's new online purchasing and budget system
- Allows the CEO to authorize his/her own travel-related credit card purchases
- Provides an authorized limit of \$100,000 per school for the CEO of CEG to approve purchases and contracts without Board approval.
- Fails to define the specific differences between CEG and outside vendors (i.e., Global and back office provider).

Finding 3: **The petition contains the required number of signatures.** [EC 47605(b)(3)]

The LACOE Charter School Office sent letters to eight (8) teachers who signed a petition of support for the charter to determine authenticity of their interest in teaching at the school. As of June 7, 2016, only two (2) confirmed interest, two (2) were returned to sender, and four (4) provided no response.

Staff Findings on the Celerity Rolas Charter Petition

Finding 4: The petition contains an affirmation of all specified assurances. [EC 47605(b)(4); EC 47605(d)]

Finding 5: The petition does not contain a reasonably comprehensive description of all required elements. [EC 47605(b)(5)(A)-(P)]

Based on the guidance established in EC, 5 CCR, the requirements set forth in the Superintendent's Administrative Regulations (AR), and other requirements of law, four (4) of the 16 required elements are not reasonably comprehensive. The findings of the Review Team are as follows:

Element 1: Description of the Educational Program. *Not reasonably comprehensive*

1. The petition provides insufficient description of *the target student population, which at a minimum must include grade levels, approximate numbers of pupils, and specific educational interests, backgrounds, or challenges* of the student population the school proposes to serve.

The petition states the target community is "Northeast Los Angeles" but lacks a description of why this particular area was identified for the proposed school. Based on a comparison with the petition simultaneously submitted for Celerity Himalia school (targeting "South Los Angeles") the language used to describe these communities is identical; however, the demographic compositions and needs of these two communities are distinct; this information is not reflected in the petition.

There is inconsistency in the description of the opening enrollment plan. The general information section of the petition states the first year would include grades K-8 in the first year of operation, with an eventual capacity of 590 students. The enrollment roll-out plan, and later narrative in the petition, state that Fall 2016 enrollment would consist of grades K-5 with an eventual enrollment of 565 students in year five.

2. The petition does not sufficiently indicate *how the charter school will identify and respond to the needs of pupils who are not achieving at or above expected levels.*

It states that interventions are provided during the after school tutoring program but does not describe how students who cannot attend would receive comparable, intensive intervention. Additionally, at the capacity interview the CEO explained that if a school's budget would not sustain the after school program, the intervention program would not be implemented in the first year. Therefore, it is unclear whether Rolas will be able to provide the tutoring program as described in the petition.

3. The petition fails to adequately specify *the charter school's special education plan, including, but not limited to, the means by which the charter school will comply with the provisions of EC section 47641, the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities.*

It does not identify staff members who are responsible for identifying and serving students with special needs. For example, it states that the school "will design a comprehensive diagnostic testing program for every student upon entrance to the school. The assessment will be used to detect learning strengths, weaknesses, and/or disabilities, psychological (social and emotional) development, and speech and language attainment." There is no description of the format of this assessment or who would be qualified to administer it. It is unclear how students already having an IEP (or who might also be English learners) could appropriately access this assessment. Furthermore, Element 5 of the petition only includes the position and description for "classroom teachers" and not for any designated special education teachers or staff.

Staff Findings on the Celerity Rolas Charter Petition

4. The petition fails to provide an adequate description of the curricular program for TK students. There are also multiple discrepancies regarding whether this grade will be served at the school.

Element 2: Measurable Pupil Outcomes. *Reasonably comprehensive with specific deficiencies*

1. The petition does not adequately specify the *skills, knowledge, and attitudes that reflect the school's educational objectives and can be assessed, at a minimum, by objective means that are frequent and sufficiently detailed enough to determine whether pupils are making satisfactory progress. It is intended that the frequency of objective means of measuring pupil outcomes vary according to such factors as grade level, subject matter, the outcome of previous objective measurements, and information that may be collected from anecdotal sources. To be sufficiently detailed, objective means of measuring pupil outcomes must be capable of being used readily to evaluate the effectiveness of and to modify instruction for individual students and for groups of students.*
 - a. Not all of the required metrics for state priorities are included per EC 52060 (i.e., middle school dropout rate).
 - b. It is unclear what target or maintenance level will be expected for the metric regarding teacher credentials. The outcome for this item states, "We will have 100% highly qualified teachers" but the accompanying metric for the baseline and subsequent years' fields read, "N/A." The metrics should be clarified in light of the statement in Element 5 of the petition that states Rolas "encourages teachers to obtain full credentials."

Element 3: Method for Measuring Pupil Progress. *Reasonably comprehensive with specific deficiencies*

1. The petition fails to outline an adequate *plan for collecting, analyzing, and reporting data on pupil achievement to school staff and to pupils' parents and guardians, and for utilizing the data continuously to monitor and improve the charter school's educational program.*
 - a. The petition states that the school will use internal benchmarks to measure student academic performance; there is no accompanying description of what standards will be included or at what level of rigor these benchmarks are created. It does not state how rubrics, standardized scoring processes, or proficiency levels will be defined nor who will monitor consistency in data reporting.
 - b. It is unclear whether the goal for physical education is participation or an attainment-of-standards metric. The goal states that "90% of students continuously enrolled will participate successfully in the fitnessgram test." There is no specification regarding the proficiency level of students.
 - c. An expected outcome for "project based learning" is "enhanced professionalism and collaboration on the part of teachers." It is unclear how a baseline or growth metrics will be developed for this goal.

Element 4: Governance Structure. *Not reasonably comprehensive*

1. The petition and supporting documents (i.e., CEG bylaws) do not accurately reflect *the governance structure of the school and CMO.*
 - a. The bylaws submitted to LAUSD (February 2012) are not the same that were submitted to LACOE on appeal. LACOE received two (2) sets of bylaws from the petitioner – dated February 2012 and April 2012. At the capacity interview, the petitioner clarified that the April 2012 bylaws are current. When asked why these were not submitted to LAUSD for review, the petitioner could not explain.
 - b. The February 2012 bylaws state that CEG is a Corporation without members (Article VI); however, the April 2012 bylaws state, "Celerity Global Development is the Sole Statutory

Staff Findings on the Celerity Rolas Charter Petition

- Member of this corporation [CEG] as ... defined in Section 5056 of the California Corporations Code.”
- c. Due to the April 2012 bylaws making Global the Sole Statutory Member of CEG, Global obtained control over CEG by enabling itself to vote and to approve or remove CEG board members. Further, CEG continually refers to Global as a vendor. As such, the relationship between these two (2) related entities may lead to a conflict of interest.
 - d. The petition lacks an organizational chart that adequately describes the reporting structure for employees who are working on behalf of Rolas, but who may technically be employed by CEG or Global. Nowhere on the organizational chart does Global or its accompanying employees appear, yet staff members from this entity serve in key positions related to school operations.
2. The petition fails to include *evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that...There will be active and effective representation of interested parties, including, but not limited to parents (guardians).*
- a. The CEG Board is made up of five (5) members with legal, business, executive, and entertainment/media backgrounds. With multiple school sites operating in California and out-of-state, it is recommended that the board consider expanding in size and diversity of expertise.
 - b. At the capacity interview the board member indicated that, to his knowledge, no board members have prior school leadership experience. It is unclear whether the currently seated board members have the capacity or knowledge to oversee CEG affairs independent of strategic directions propounded by Global as the Sole Statutory Member.
 - c. At the capacity interview, the board member reported that parents seldom attend board meetings and the Site-based Advisory Councils (from other CEG schools) generally do not communicate with the board.
 - d. There is no description of the composition, scope, and purpose of a School Site Council for the school. The petition makes references to the “Site-based Advisory Council” yet at the capacity interview, the petitioner stated that this is also the School Site Council. However, the petition fails to describe the roles and responsibilities of this committee in developing, approving, monitoring and evaluating the school’s Single Plan for Student Achievement and budget.
 - e. The petition sets forth expectations for parent involvement, including volunteering at least three (3) hours per month at the school and attending at least two (2) parent workshops during the school year. These provisions could be considered obstacles to parents enrolling their children at the school for fear of not being able to meet this expectation.

Element 5: Employee Qualifications. *Not reasonably comprehensive*

1. The petition does not *identify those positions that the charter school regards as key in each category and specify the additional qualifications expected of individuals assigned to those positions [5 CCR 11967.5.1 (f)(5)(B)].*
 - a. As stated under Element 4, the organizational chart included in the petition excludes key leadership positions and reporting structures that are crucial in providing a clear understanding of the organizational structure and relationship of CEG and Global. Key personnel such as the Director of Pupil Services and Chief Financial Officer are Global employees directly working with the school, but these positions are not identified in the petition. Ultimately, the role of Global as a key partner of the school is not reflected in the organizational chart.
 - b. There appear to be overlapping duties between the site Principal and the Director/Assistant Director of School Services (who are CEG employees). All of these positions include provisions for academics, human resources, and student achievement.

Staff Findings on the Celerity Rolas Charter Petition

- c. The job responsibilities and accompanying selection criteria for the Principal do not include any language pertaining to fiscal management for the school; however, the evaluation list for the Principal includes a performance measure for “maintaining a fiscally sound charter school including a balanced budget.” The job description and qualifications should reflect actual duties and expectations.
 - d. The job description for CEO is inadequate for the level of responsibility required for the position. The petition states that the CEO is “responsible for the strategic direction and success of the organization across all states and regions.” At the capacity interview, the CEO clarified that she is responsible only for all California schools. As such, it is unclear whether the job description in the petition is reflective of the current management duties and organizational structures. Notably, the petition further states that CEG does not have a “set of specific required background knowledge and qualifications for the CEO.” It is highly recommended that the job duties and required education, experience, and skills be updated for this critical position.
 - e. There are no specifically identified staff persons designated for oversight and implementation of special education monitoring and services at the proposed school.
 - f. The Office Manager is responsible for fiscally-related tasks such as general bookkeeping, maintaining and reconciling bank accounts, and full charge bookkeeping, as well as bilingual translation and communication with parents; however, there are no education or experience requirements for this position that is “selected by the principal on an application and interview basis.” It is highly recommended that the Office Manager have education, background, or prior experience in general finance or business and be bilingual. By way of comparison, the Office Clerk is a subordinate position that assists the Office Manager yet is required to have a Bachelor’s degree and be bilingual (English/Spanish).
2. The petition fails to *specify that all requirements for employment set forth in applicable provisions of law will be met, including, but not limited to credentials as necessary [5 CCR 11967.5.1 (f)(5)(C)]*.
- a. It contains conflicting language regarding the expectation for teachers to be credentialed. For example, it states that each core subject teacher will hold an “appropriate teaching credential ... or be enrolled in an approved alternative certification program.” Later in the same section it states that the school “encourages teachers to obtain full credentials.”
 - b. It contains conflicting language regarding the expectation for teachers instructing EL students and EL authorizations. It states that “teachers will be EL certified” yet it also states that the school will make efforts to “recruit teachers who are bilingual **or** have state authorization to teach” EL students (emphasis added).
 - c. The teacher credential qualifications do not demonstrate an understanding of the different credential types needed for various grade levels and subjects for the proposed educational program (i.e., multiple subject or single subject for core courses in middle school).
 - d. It does not contain a job description or required credentials for special education teachers. At the capacity interview, the petitioner stated that Special Education Coordinator was recently promoted at the CMO level; however, without any job description or required qualifications for this position it is unclear how or with what frequency this person would be supporting Rolas students and staff.

Element 6: Health and Safety Procedures. *Reasonably comprehensive with specific deficiencies*

1. The petition does not include procedures by which the school will ensure that new employees submit Tuberculosis (TB) test documentation and that all employees will be *re-examined at least once each four years* as required by EC 49406(b).

Staff Findings on the Celerity Rolas Charter Petition

- It does not provide the procedures to be used for the screening of pupils' vision and hearing and the screening of pupils for scoliosis, nor does it identify at which grade levels the screenings will be implemented.
- It does not specifically require all students promoting to 7th grade be immunized with a pertussis vaccine booster called Tetanus Toxoid, Reduced Diphtheria Toxoid and Acellular Pertussis (Tdap) as applicable.

Element 7: Means to Achieve a Reflective Racial and Ethnic Balance. *Not reasonably comprehensive*

- The petition lacks data regarding the racial and ethnic composition of the general population residing within the geographic boundaries of the school district. The table below, compiled by the Review Team, provides the necessary data to develop benchmarks and monitor the racial and ethnic balance of the student population that are missing from the petition.

Demographic Composition of City of Los Angeles and LAUSD

Demographic Categories	General Population within Geographic Boundaries of District (City of Los Angeles)*	LAUSD Enrollment**
Black or African American	9.2%	8.8%
American Indian or Alaska Native	0.2%	0.2%
Asian	11.1%	3.8%
Filipino	--	1.9%
Hispanic or Latino	48.5%	73.7%
Native Hawaiian or Pacific Islander	0.1%	0.3%
White	28.7%	9.8%
Two or More Races	2.0	1.0%
Not Reported	--	0.5%
*Source: 2010 Census retrieved 2-17-16 from /factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml, 0.3% is some other race alone		
**Source: CDE DataQuest as of 3-13-15 retrieved 2-18-16		

- It lacks implementation benchmarks that measure whether the applicant pool is reflective of the racial and ethnic composition of the general population residing within the geographic boundaries of the school district (i.e., how the school will measure whether it has met the demographic composition of the district).
- It does not provide information as to who would oversee specific outreach strategies including locations, specific media outlets, etc. For example, the petition states that volunteers would be organized to distribute literature about the school in the neighborhood but does not indicate who directs their efforts and activities.
- It states that the school would be “targeting specific neighborhoods that feed to Northeast Los Angeles High.” There is no such high school noted in LAUSD, and no specific neighborhoods or zip codes are given for outreach activities.

Element 8: Admission Requirements. *Reasonably comprehensive with specific deficiencies*

- The petition states that the school will use “a neutral proctor to ensure the lottery procedures are fairly executed.” The source of the proctor or how s/he will be selected is not described.

Staff Findings on the Celerity Rolas Charter Petition

2. The petition states that if a vacancy occurs during the school year, parents of students from the waiting list “will be contacted by phone and must respond to the Principal or his/her Designee within two (2) days in order to secure admission by completing the enrollment process.” This timeline could serve as a barrier to access for families as it does not indicate if the two (2) days are business days nor what the required response would be (i.e., the family must verbally/in writing indicate acceptance or must complete an enrollment and be processed within that short 2-day window).
3. The petition does not describe the contents or include a copy of the application form, so it is unclear what, if any, demographic or academic information the school would gather prior to the lottery.
4. The petition does not indicate how homeless and foster students would be identified as part of the enrollment process.

Element 9: Annual Independent Financial Audits. *Reasonably comprehensive with specific deficiencies*

1. It is unclear who within the organization will be responsible for contracting and overseeing the independent audit. The petition specifies the Chief Financial Officer is responsible for contracting and overseeing the audit; however, CEG does not have such position listed within the organizational chart or described in Element 5.
2. The petition fails to include the following statement required by LACOE to be considered reasonably comprehensive: *The auditor shall be hired by the Board of Directors of the charter school.*

Element 10: Suspension and Expulsion Procedures. *Reasonably comprehensive with specific deficiencies.*

The petition fails to *identify the procedures by which pupils can be suspended or expelled.*

1. The petition does not provide procedures that must be in place for foster or homeless youth are subject to the expulsion process.
2. The petition includes “In-School Suspension” but does not detail the criteria for assigning a student to this consequence nor account for the loss of instructional time to the student. It is unclear if students will be under the direct supervision of a credentialed teacher as the petition only states that students will be “supervised by an adult.”
3. The petition does not *provide for due process for all pupils and demonstrate an understanding of the rights of pupils with disabilities in...regard to suspension and expulsion.* Based on the petitioner’s statement in the “Description of Changes to the Celerity Rolas Charter School Charter Petition Necessary to Reflect the Los Angeles County Board of Education as the Chartering Entity” language from pages 134-136 of the petition would be removed and revised. There was no updated language provided to outline possible procedures or notifications.

Furthermore, there is no description of when a manifestation determination would be required for students with disabilities.

Element 11: STRS, PERS, and Social Security. *Reasonably comprehensive*

Element 12: Public School Attendance Alternatives. *Reasonably comprehensive*

Element 13: Post-Employment Rights of Employees. *Reasonably comprehensive*

Element 14: Dispute Resolution Procedures. *Reasonably comprehensive with specific deficiencies*

Staff Findings on the Celerity Rolas Charter Petition

The procedures outlined in the “Description of Changes to the Celerity Rolas Charter School Charter Petition Necessary to Reflect the Los Angeles County Board of Education as the Chartering Entity” contain language requiring the CEO and LACOE Superintendent to informally meet and confer within five (5) days of receipt of the written response; LACOE does not agree to this provision. The procedure also requires board members from both organizations to meet to resolve the dispute; this is likely not feasible.

The petition does not contain an adequate description of the resolution process for “Disputes Arising Within Celerity Rolas Charter School.” While it provides general information on the nature of the possible disputes and reporting levels for complaints in this area, it fails to provide complaint procedures or relevant timelines.

Element 15: Exclusive Public Employer. *Reasonably comprehensive*

Element 16: Closure Procedures. *Reasonably comprehensive with a specific deficiency*

The petition fails to *designate a responsible entity to conduct closure-related activities*. It states that upon closure, the CEG Board will identify someone; the person or position should be identified in the petition.

Finding 6: The petition does not satisfy all of the Required Assurances of Education Code section 47605(c), (e) through (h), (j), (l), and (m) as follows:

Standards, Assessments and Parent Consultation. [EC 47605(c)] *Meets the condition*

Specific deficiencies for this condition are described in **Findings 2 and 5**.

Employment is Voluntary. [EC 47605(e)] *Not applicable*

Pupil Attendance is Voluntary. [EC 47605(f)] *Not applicable*

Effect on the Authorizer and Financial Projections. [EC 47605(g)] *Does not provide the necessary evidence*

1. The petition does not describe *the facilities to be used by the charter school including where the school intends to locate*.

The petition does not describe the type of facility that is envisioned to serve the needs of the school, nor does it identify any potential physical addresses for facilities. See **Finding 2, Indicator 3**.

2. The petition does not describe *the manner in which administrative services of the school are to be provided*.

The proposed school would be managed by CEG; however, the petition is unclear as to the personnel who will be specifically working with this site and what scope of duties they will undertake. Key administrative services are provided by Global as opposed to CEG (e.g., Chief Financial Officer).

3. The petition does not provide *financial statements that include a proposed first-year operational budget, including startup costs, and cash-flow and financial projections for the first three years of operation*.

The necessary financial statements were included; however, areas of concern are identified in **Finding 2, Indicator 3**.

4. It does not include any *potential civil liability effects, if any upon the school and the COE*.

The numerous deficiencies identified in this report create potential civil liability for the County Board. The County Board is on notice that the CMO does not demonstrate appropriate internal

Staff Findings on the Celerity Rolas Charter Petition

governance structures and fiscal practices, and the petition does not fully comply with the requirements of law. This will impact the County Board's oversight and monitoring obligations.

Preference to Academically Low Performing Students. [EC 47605(h)] *Does not qualify for the preference*

The petition does not provide sufficient detail regarding the intervention criteria, programs, and monitoring and therefore it does not *demonstrate the capability to provide comprehensive learning experiences to pupils identified...as academically low achieving*. Specific deficiencies regarding the intervention program are described in **Finding 5**.

Teacher Credentialing Requirement. [EC 47605(1)] *Meets the condition*

The petition meets the requirement that *teachers in charter schools shall be required to hold a CCTC certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold...It is the intent of the Legislature that charter schools be given flexibility with regard to noncore, non-college preparatory courses*. There are, however, concerns regarding the petition's contradictory statements regarding credential authorizations, as described in **Finding 5, Element 5**.

Transmission of Audit Report. [EC 47605(m)] *Meets the condition*

Staff Findings on the Celerity Rolas Charter Petition

Appendix 1

Los Angeles County Office of Education Standard of Review

Review Criteria: The Los Angeles County Office of Education (LACOE) Charter School Review Team (Review Team) considered the petition according to the requirements of the *Education Code (EC)* and other pertinent laws, guidance established in the *California Code of Regulations*, Title 5 (5 CCR), County Board Policy and Superintendent's Administrative Regulations (AR).¹

LACOE has adopted the petition review criteria established in 5 CCR section 11967.5.1(a-g) except where LACOE determined that the regulations provide insufficient direction or where they are not applicable because the structure or responsibility of the County Board and LACOE differ from those of the State Board of Education (SBE) and the California Department of Education (CDE). In these instances, LACOE developed its own local review criteria or added criteria to those developed by CDE to reflect the needs of the County Board as the authorizer and LACOE as the monitoring and oversight agency. These local criteria do not conflict with statute.

Reasonably Comprehensive: In addition to the regulatory guidance that specifies the components of each required element, 5 CCR section 11967.5.1(g) states a "reasonably comprehensive" description of the required petition elements shall include, but not be limited to, information that:

- (1) *Is substantive and is not, for example, a listing of topics with little elaboration.*
- (2) *For elements that have multiple aspects, addresses essentially all aspects the elements, not just selected aspects.*
- (3) *Is specific to the charter petition being proposed, not to charter schools or charter petitions generally.*
- (4) *Describes, as applicable among the different elements, how the charter school will:*
 - (A) *Improve pupil learning.*
 - (B) *Increase learning opportunities for its pupils, particularly pupils who have been identified as academically low achieving.*
 - (C) *Provide parents, guardians, and pupils with expanded educational opportunities.*
 - (D) *Hold itself accountable for measurable, performance based pupil outcomes.*
 - (E) *Provide vigorous competition with other public school options available to parents, guardians, and students.*

Reasonably Comprehensive with Deficiencies: An element may be reasonably comprehensive but lack specific critical information or contain an error important enough to warrant correction. These elements are described as "reasonably comprehensive" with a specific "deficiency" or "deficiencies." Correcting the deficiency or deficiencies would not be a material revision (as defined in statute and County Board Policy) to the charter.

Technical Adjustments: Three (3) circumstances may require a "technical adjustment" to the petition:

- Adjustments necessary to reflect the County Board as the authorizer as required by statute. These adjustments are necessary because the petition was initially submitted to a local district and contains specific references to and/or language required by that district and/or the petition does not reflect the structure of the County Office.

¹ Words in italics indicate a direct reference to the language in these documents.

Staff Findings on the Celerity Rolas Charter Petition

- Adjustments needed to bring the petition current with changes made to law since the petition was submitted to the district as required by statute.
- Adjustments necessary to address clerical errors or inconsistencies where making the adjustment would not be a material revision (as defined in statute and County Board Policy) to the charter.

Affirmations and Assurances: The petition shall contain a clear, unequivocal affirmation of each requirement, not a general statement of intention to comply. Neither the charter nor any of the supporting documents shall include any evidence that the charter will fail to comply with the conditions described in *EC* section 47605(c – f, l and m).

Reviewers: The Review Team included staff from the Controller's Office, Business Advisory Services, Facilities and Construction, Risk Management, Curriculum and Instruction, Special Education, Student Support Services, Human Resources, Office of General Counsel, and the Division of Accountability, Support and Monitoring, including the Charter School Office.

Scope of Review: Findings are based on a review of the same petition and supporting documents considered by the local district, information obtained through the Capacity Interview and other communications with the petitioner and representatives of the school, and other publicly available information.

Legislative Intent

The Review Team considered whether the petition complies with *EC* section 47601, the *Charter Schools Act*, which states:

It is the intent of the Legislature, in enacting this part, to provide opportunities for teachers, parents, pupils, and community members to establish and maintain schools that operate independently from the existing school district structure, as a method to accomplish all of the following:

- (a) Improve pupil learning.*
- (b) Increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils who are identified as academically low achieving.*
- (c) Encourage the use of different and innovative teaching methods.*
- (d) Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.*
- (e) Provide parents and pupils with expanded choices in the types of educational opportunities that are available within the public school system.*
- (f) Hold the schools established under this part accountable for meeting measurable pupil outcomes, and provide the schools with a method to change from rule-based to performance-based accountability systems.*
- (g) Provide vigorous competition within the public school system to stimulate continual improvements in all public schools.*



**CELERITY ROLAS' RESPONSE TO
LOS ANGELES COUNTY BOARD OF EDUCATION'S
FINDINGS FOR DENIAL OF THE CHARTER PETITION**

**This document tracks the format of the "Findings of Fact" adopted by the Los Angeles County Board of Education ("County Board") on June 21, 2016.*

FINDING 1: The County Board properly found the charter provides a sound educational program. (Ed. Code, § 47605(b)(1).)

There can be no dispute that the Rolas charter school will be an educational benefit for underserved pupils in the Highland Park neighborhood of the 90042 zip code in Los Angeles, who primarily otherwise go to one of the six district-run elementary or middle schools in the area, all of which were recently in program improvement and had an average Growth API score of 768 in 2013 (below the state average) and an average API statewide ranking of 3.7. Meanwhile, Celerity Troika (a Celerity school nearby Rolas' proposed location) had a 2013 API score of 974 and a statewide ranking of 10—the highest possible ranking. Celerity Octavia, another CEG-operated school in the area, had a 2013 API score of 903, which is 140 points *above* the local school district's average score in 2013 (it's highest average score ever). Furthermore, on the 2015 CAASPP, Celerity Troika and Octavia outperformed the neighboring schools in both English Language Arts/ Literacy and Math. Although 2016 CAASPP data for the neighboring schools is currently publicly unavailable, we are confident that Celerity Troika and Octavia continue to outperform the neighboring schools due to the fact that Celerity Troika and Octavia's already stellar CAASPP scores increased from the previous year in both English Language Arts/ Literacy and Math. Increasing learning opportunities and improving pupil learning for underserved students is the goal of the Charter Schools Act in California and it is exactly what we do successfully at Celerity charter schools. We do not believe the County Board gave adequate consideration to this factor. We believe this factor is fundamental because it focuses on what is best for *students* in our County.

FINDING 2: The County Board improperly found Celerity Educational Group ("CEG") is demonstrably unlikely to successfully implement the proposed educational program. (Ed. Code, § 47605(b)(2).)

This finding is not supported by the facts, especially since *CEG already operates a network of seven successful charter schools in Los Angeles.* All of CEG's schools historically

outperform their district counterparts. CEG *continues* to be successful. Two of CEG's charters were recently considered and renewed by LAUSD this year, and a new CEG charter was recently approved by the Compton Unified School District (which has historically been reluctant to approve charters in its community). All seven of the CEG-operated schools implement the same engaging curriculum where at-risk students in impoverished parts of Los Angeles and Compton have the unique opportunity to gain a sense of community and develop their intellectual, artistic, and physical talents to the highest degree. Because CEG has operated schools since 2005, we have been able to implement and continuously improve our educational and operational program over many years. We are ahead of nearly all our peer schools in closing the achievement gap for our predominantly African-American and Latino students. Based on CEG's track record and experience, there is no doubt CEG has the experience, resources, leadership and passion to successfully implement this program at Celerity Rolas.

The County Board correctly identified the four indicators under 5 C.C.R. § 11967.5.1(c) to determine whether a finding of "unlikely to successfully implement" can be made, but the County Board *misstated the facts* for each of those indicators. CEG has *proven* it is capable of running a successful school based on: (1) CEG's successful history of involvement with charter schools; (2) CEG's familiarity with the Rolas charter and charter law; (3) CEG's realistic financial and operational plan that has been successfully implemented at many other CEG schools in similar communities; and (4) CEG's leaders' educational background and experience. There is no factual basis for the finding that CEG is "unlikely to succeed" in implementing the proposed educational program.

➤ **CEG's History of Involvement in Charter Schools**

It is important to note that this section of LACOE's findings misstates the law. We understand a petitioner's involvement in charter schools is important, and that's why we emphasize the fact that CEG has been successfully operating California charter schools for over ten years. Section 5 C.C.R. § 11967.5.1(c)(1) defines an "unsuccessful" involvement in charter schools as one where petitioners have been involved in a charter that has been *revoked*. CEG has *never* had a charter revoked nor faced revocation proceedings.

The County Board improperly determined that Celerity Exa and Celerity Sirius (two CEG charter schools) were "unsuccessful" because CEG chose to voluntarily close the schools. As described in detail below, CEG's board voted to *voluntarily* close Exa and absorb all but 50 of Exa's students into other Celerity schools after a facility issue arose with its authorizer (Pasadena)—*not* because the school was unsuccessful. CEG's board likewise *voluntarily* voted to close Sirius and absorb Sirius's students into Celerity's new Compton-authorized charter after LACOE attempted to impose impossible (and undefined) conditions on the Sirius renewal.

Celerity Exa

Celerity Exa Charter School was a CEG-operated school located in Pasadena and authorized by the Pasadena Unified School District (“PUSD”). Celerity Exa leased space from a private university (William Carey International University) and the site had an approved Master Plan for K-12 schools, which CEG provided to the authorizer prior to opening the site as evidence for school occupancy. For *two years*, Exa operated successfully at the site and even hired a fire inspector to come out annually to inspect the facility. In August 2014, CEG received a surprise notice from a Fire Marshal commissioned by PUSD that the space was “unsafe” due to occupancy of what was incorrectly described as a “basement” area. Our leaders reacted quickly and when they could not resolve the “basement” issue with the Fire Marshal, in less than 48 hours CEG was able to find two adequate alternative sites that could have allowed the school to stay open, including space at a former charter school located at 1206 Lincoln Avenue in Pasadena that already had “E” occupancy. But when CEG presented the new location options to its authorizer, PUSD refused to review them based on a 60-day location-review period in PUSD’s own MOU which it refused to waive. CEG’s Board of Directors met and considered its options. There were Celerity schools nearby enough that could absorb all of the Exa teachers, staff and most of the Exa students. CEG’s Board of Directors made the decision to voluntarily surrender the charter rather than continue at odds with PUSD. CEG is proud that *no* Exa teachers or staff lost their jobs as a result of the charter surrender, and the nearby Celerity Octavia and Celerity Troika Celerity schools enrolled 234 of the Exa students (all but 50). Nothing about Celerity Exa or its closure was “unsuccessful.” In fact, Celerity Exa’s 2013 API score was an outstanding 810—well above the local district’s average of 751.¹

Celerity Sirius

The charter for Celerity Sirius, located in Compton, was approved by the County Board in 2011. CEG submitted Sirius’ petition for charter renewal to the County Board on November 9, 2015 and *the County Board approved the renewal at its February 2, 2016 meeting.* However, the County Board’s approval had impossible strings attached and CEG was forced to reject the “conditions,” which caused the County Board to rescind the approval.

As background, between submission of the Sirius renewal in November and the County Board’s vote in February, CEG worked very hard and very closely with the County Board and staff to sort through the County’s questions and concerns. The County Board was concerned about Sirius’ finances and so CEG’s Board of Directors approved a “fiscal stabilization plan” and resolutions for Sirius’ long-term financial viability. For example, the County Board was concerned that Sirius hadn’t increased its enrollment, and so CEG revised Sirius’ budget to

¹ <http://api.cde.ca.gov/Acnt2013/2013GrthAPIDst.aspx?allcde=19-64881-0127126&c=R>

conservatively assume a “flat” enrollment and revenue. The County Board was concerned that CEG’s reserve funds may not be unequivocally available for Sirius since CEG also operates other charter schools, so the CEG Board of Directors approved the future set-aside of funds restricted for the Sirius school only.

CEG was not “duplicitous.” CEG went into the February 2, 2016 County Board meeting for Sirius’ renewal vote believing it had addressed the County’s concerns. In an internal meeting between CEG staff and County staff ahead of the February 2, 2016 vote, CEG had even asked staff whether there were any other elements CEG needed to address and staff simply responded that CEG was welcome to make a proposal (CEG did indeed propose the fiscal plan). At the vote, the County Board imposed a host of *additional, new conditions* that would be impossible for CEG to comply with, such as requiring a third party vendor to comply with Education Code section 47604.3 and respond to LACOE’s inquiries, and that CEG could not address without completely revamping its organization. The County Board also imposed the condition of “[a]dditional conditions from the LACOE Charter School Office as deemed necessary by the Superintendent and staff.” This open-ended “condition” left it up to County staff to impose any further requirements on the school at any time *after* the County Board’s approval, and it was impossible for CEG to know what the conditions would be.² CEG’s Board of Directors voted to reject the conditions and the County Board voted to “terminate” its approval on April 12, 2016.³

CEG’s priority has always been that *all* of our schools, and CEG as a whole, remain stable. Rather than pursue an appeal of LACOE’s decision on the Sirius renewal to the State, which would be time-consuming and expensive, and which would put us at further odds with LACOE, we re-considered *local authorization* for our Compton charter.

In 2011, CEG’s original Sirius charter had been denied by the Compton Unified School District (“CUSD”) and CEG appealed to LACOE. Until 2011, CUSD had successfully obstructed the location of any charters in Compton’s boundaries. In 2011 CEG had even been the chosen operator for a parent empowerment charter school in Compton (the McKinley Elementary School) until CUSD successfully blocked the parent trigger. But CEG worked hard to build a relationship with CUSD since 2011, so we decided to go back to the drawing board with the Compton local district. Between 2011 and 2016, we’d not only been successful in providing a quality program at Sirius, we’d worked with CUSD to lease an underutilized district-owned

² We believe this kind of open-ended conditional approval was beyond the County Board’s authority under the law. (*See UTLA v. LAUSD* (2012) 54 Cal.4th 504, 521-522 [holding that the Legislature has plotted all aspects of a charter school’s existence, including the manner by which an authorizer is to approve or deny a charter petition].)

³ We do not believe there is a right to terminate an already-approved charter under the law.

facility (the Willard site) outside of Proposition 39 for Sirius' campus. On April 26, 2016, Compton Unified School District's Board approved a charter for Celerity Achernar Charter School, to operate at the same site and with the same principal, teachers, and educational program as Celerity Sirius. CUSD's approval included several workable conditions which CEG accepted and quickly met. The CEG Board voted to voluntarily let the Celerity Sirius charter expire and to continue CEG's Compton operations under the Celerity Achernar charter and under the local oversight of the Compton school district.

Like the Pasadena charter, there is nothing "unsuccessful" about our Compton charter school. In fact, CEG has been remarkably successful in Compton. CEG was the *first* charter school to locate inside Compton, and only the second charter to ever be approved by the CUSD board. CEG's Compton charter was the first-ever Compton charter school, it has thrived, and it is now locally authorized.

CEG Finances

In LACOE's analysis of CEG's history of success in charter schools, the LACOE findings improperly raise several financial issues. These issues are irrelevant to this indicator (see 5 C.C.R. § 11967.5.1(c)(1)). Moreover, LACOE has the facts wrong:

- The County Board found Celerity Sirius was unsuccessful because Sirius "borrowed" money from CEG, but it is common for an entity like CEG that operates multiple schools to allocate extra unrestricted funds to particular schools as needed. The State has approved many such schools. Intra-company transfers that sometimes take place between the CEG-operated schools are carefully documented, approved by the CEG Board, and comply with all statutory requirements. These transfers help CEG deliver the promised educational program in each school by providing additional temporary resources where needed, akin to how school districts operate. There is nothing improper or uncommon about this. Such transfers are done to *help* schools and students, whether they're done by school districts or charter schools. Sirius is not a separate entity from CEG, so there is no requirement for an "agreement" between Sirius and CEG other than by Board approval. Moreover, the Education Code section cited by LACOE (§ 42603) does not apply to charter schools (see Ed. Code, § 47610) and cannot be a valid basis for denial of the Rolas charter.
- The County Board improperly found CEG audits lacked disclosure of major transactions. The audit of CEG *did* contain disclosures of land purchases and improvements in accordance with Generally Accepted Accounting Principles. The footnote disclosures were adequately presented by management, meeting all GAAP requirements, and our independent auditors opined the footnote disclosures were presented fairly in all material respects.

- The County Board improperly *revised* CEG's financials and found CEG was insolvent. This is incorrect. CEG is fiscally solvent. The organization had combined net assets as of June 30, 2016 of \$14.7 million.

➤ **CEG's Familiarity with Rolas Charter and the Law**

Again, we believe it is relevant to note that CEG already operates a network of seven successful charter schools in Los Angeles and has done so for over a decade. We are experienced in implementing our charter documents on the ground, and we operate on a day-to-day basis under the laws that govern California charter schools.

First-Year Enrollment

At CEG, Transitional Kindergarten (TK) is part of our two-year Kindergarten program, which is expressly stated in the charter. (Charter, p. 50.) So the term "K-5" in our charter includes TK. (We also note that the Rolas charter was originally submitted to LAUSD, and LAUSD *requires* K-5 charters to include TK.)

As stated/shown on p. 12 of the charter, we intend to serve grades K-5 in the school's first year of operation and later expand to serve grades K-8. We apologize for a typo in the charter on p. 10 that references grades K-8 in the first year. We don't believe it is appropriate for the County Board to deny the charter based on a typo, especially where we explained and cleared up this very issue in the capacity interview. We understand the purpose of a capacity interview is to get clarification about certain issues, and this issue was specifically vetted during the County's own charter review process.

Suspension and Expulsion for Homeless and Foster Youth

At the capacity interview, LACOE staff asked that a CEG board member recite from memory the legal requirements for suspension and expulsion of homeless and foster youth. **This is unreasonable.** We doubt most charter school or school district board members could do so. Indeed, there is no situation in which a board member would need to make a decision to suspend or expel a foster or homeless youth unilaterally and before consulting the school's staff and the law. This is not a valid basis for denial of a charter, and we believe it is an example of how the County *looked* for reasons to deny the educationally-sound Rolas charter.

At the capacity interview, our CEG representative *did* cite the McKinney-Vento Act (also cited in the charter on p. 128) and explain that all Celerity schools actively track our homeless or foster youth students so we can stay on top of, among other things, how and why they are disciplined. We understand student discipline and expulsion rules cannot penalize students for behavior related to their foster status or homelessness (such as rules that discipline students

for multiple absences), and we understand there are special procedures in the event a homeless or foster youth was recommended for expulsion.

In practice, at CEG we excel in serving this unique group of students. Students who are homeless or foster youth are identified quickly and the Homeless-Foster Youth Liaison is notified of the students' enrollment. Celerity opens its doors at 7:30am each weekday morning to provide before-school care and to serve breakfast to students in need. Throughout each school day, our homeless and foster youth have access to tailored supports, resources and counseling from our on-site school counselor and school psychologist. Our counselor and psychologist provide counseling sessions (ongoing or short-term, depending on the student's needs), classroom guidance lessons to address the specific needs of the students in the classroom, and behavior support plans if needed. The counselor and/or school psychologist may provide parent classes and community resources to parents of homeless or foster youth students. Any staff member can refer a homeless or foster youth to the Co-ordination of Services Team (CoST) if the staff member believes that the student may need additional supports to fully access the school curriculum and environment. During weekly CoST meetings, the CoST members will discuss the student's needs and strengths and develop a plan of action to provide needed supports. Those supports may include student counseling and behavior support, referrals for parent counseling, domestic violence agencies, or health insurance, as well as resources such as clothing, food, consumable school supplies, and transportation. Celerity's Community Liaison and/or Homeless-Foster Youth Liaison may assist with obtaining these resources for parents and families. Additionally, Celerity keeps its doors open until 6pm each weekday evening to provide after-school care, academic and social support, and snacks to students in need. This helps to alleviate the burden on homeless and foster youth parents of having to pick their children up from school at 3pm, provide a safe and quiet place for them to stay after school, and provide assistance with homework—CEG does it for them. Celerity's homeless and foster youth not only have equal access to Celerity's educational program, but thrive in it.

School Site Council

Celerity Rolas will indeed have a Parent Advisory Council, School Site Council and District English Learner Advisory Council. (See Charter, p. 19.) This is the case for all CEG schools.

- The Parent Advisory Council, which is also referred to as the "Site-Based Advisory Council" in the charter, is the school's volunteer parent group that will meet regularly to discuss issues related to the school's curriculum, budgeting, school policies, school/community participation, and the general direction of Celerity Rolas.

- The School Site Council is composed of the school's Principal, other school personnel, and parents/guardians, and will be responsible for developing, reviewing, and monitoring the school's plan for student achievement and reviewing relevant data to align state and categorical funding to the plan. (See Charter, pp. 106-107; Ed. Code, § 52852.) As part of this, the School Site Council is meaningfully involved in developing the plan and budget for Title I funds. As part of the School Site Council, the Principal works with the CFO to develop the Title I budget and communicates the Council's input. This is exactly what our CFO said at the capacity interview at LACOE.
- Similarly, the purposes and composition of Celerity Rolas' proposed District English Learner Advisory Council ("DELAC") mirrors the requirements for school districts expressed in the law. (See Charter, pp. 19, 24, 28, 31; Ed. Code, § 52176.) The DELAC will be composed of parents or guardians of EL students, and others, and will be responsible for advising the principal and staff in the development of programs and services for English Learners. DELAC meetings will be conducted monthly to inform parents of EL student progress within core academic subjects, review data of EL student performance on internal and standardized assessments, provide reading and writing strategies to parents, and provide training on EL supplemental materials. (Charter, pp. 28, 31.)

➤ **Financial and Operational Plan**

Administrative Services

Fiscal policies. We take conflicts of interest very seriously at CEG and we can't respond to this finding because there are no facts about what "potential" conflicts of interest caused LACOE to deny the Rolas charter. Celerity Rolas' detailed procedures for the selection of contractors and vendors are located in CEG's financial policies and procedures, which we can provide. (We do note charter schools are not required to use the same competitive bidding procedures used by school districts, and so CEG does not use those procedures.) CEG also adheres to the Political Reform Act to avoid conflicts of interest in its use of vendors.

Overlap of services. As we've discussed many times with LACOE staff, CEG's in-house services for CEG schools do not overlap with Global's services for CEG schools. CEG provides many services for its schools in-house. On each school's budget, there is a line item reflecting a 12% "CMO fee" approved by the CEG board. This amount is shown as a line item for purposes of record-keeping; it is ultimately "paid" internally to CEG itself. This 12% covers a long list of consolidated services the schools need, such as: assistance in drafting, review and revision of charter petitions; identification, recruitment and training of leaders to operate CEG charter

schools; development of a pool of highly qualified teachers for CEG schools to use for teacher hiring; design and implementation of a leadership development program for principals, as well as day-to-day principal training, coaching and support, and assistance to principals in developing and implementing the professional development programs for teachers; procurement of all outsourced vendors to generate economies of scale in purchasing products and services for CEG schools; assistance in retention of appropriate legal counsel, as well as liability, property and professional insurance policies; management of all CEG facilities and real estate, including all facility operations, maintenance, inspection, security, repairs and improvements; coordination of maintenance schedule and staff; development and updates of facility safety and emergency procedures; retention of facility records and coordination of facility inspections as necessary; assistance to ensure CEG compliance with applicable local, state and federal laws, regulations, and reporting requirements; coordination of CEG board meetings, agendas, media and public relations; development, coordination and presentation to CEG Board of recommended school policies and procedures, both operational and financial; and provision of other programmatic and educational support services, staff, teacher and administrative services, supervisory oversight, and other duties as requested by the CEG board of directors. As you can see, these services are quite comprehensive.

There are a handful of services on this list that CEG does *not* have capacity for in-house, so it contracts with Global to provide them under a basic Limited Services Agreement. CEG pays Global an amount *out of the 12%* for these services. This is clearly documented in each school's financial records. In no event does a school pay twice for the same services. Global also provides miscellaneous services to the schools, as needed each year under an add-on services contract. All services provided by Global are approved by the CEG Board and Board-evaluated, and the CEG Board ensures they are provided at a fair and reasonable price. Some things, like coordinating parent outreach and community relations, are done by CEG employees with the *help* of Global. It is not unusual for charter school employees to work on tasks hand in hand with the school's vendors, but it does not mean there is duplication of services. For example, in the area of human resources, CEG staff conducts the new hire screening process (review of resumes, in-person interview, and demo lessons if applicable). Once the decision is made whether to offer the position to the candidate, Global takes over the on-boarding process (sends offer letter, obtains new hire paperwork, and verifies fingerprint clearance). In the area of accounting and purchasing, CEG staff first enters requisitions into the on-line purchasing system and, upon approval, a purchase order is generated and, upon receiving the products, packaging slips are entered. At that point, Global enters the invoices into the accounting system. When the transaction is complete and payment is due, a pre-numbered check is prepared by the back office business services provider who attaches all supporting documentation: (e.g. vendor invoice, purchase order, purchase requisition, etc.) and submits the package to the CEO or Director of School Services for approval.

There is also no evidence of “undue financial strain” on CEG schools. Our 2014-15 independent audit report shows CEG with \$10M of Net Assets vs. \$39M of Total Revenue (our net assets are even higher today). This yields an overall Net Assets level of 26% of Total Revenues, which is significantly higher than the statewide district average of 15% to 20%. CEG is in a stronger financial position than many districts and nearly every charter school in the State.

Financial Administration. This portion of the findings is confusing. For example, on one hand, the findings conclude that “petitioner presented a budget, without the amassing of a reserve.” On the other hand, the findings admit that under our budget Rolas will have a positive net income of \$350,775 *after* accounting for a 3% reserve in the first 2016-17 fiscal year. Even under LACOE’s own analysis, the Rolas budget *does* account for the amassing of a reserve. Inexplicably, the LACOE document states that our budget is not viable on the very same page it states we will have *positive net income after accounting for a reserve in all five years of operation.*

We also note that LACOE reviewed the Rolas budget under LACOE’s own financial requirements for charter schools found in the latest version of LACOE’s MOU. This MOU is unique to LACOE. Notably, when LAUSD closely reviewed Rolas’ charter submission, it did not find deficiencies in the budget.

We also did not expect findings about Rolas’ budget because at the LACOE capacity interview, LACOE’s financial staff specifically said that despite what they view as an incorrect unduplicated pupil count (explained below), “*we did our own adjustments and even with that, things are okay...*”

Below are CEG’s responses to the specific findings related to the Rolas budget:

Revenue. The LCFF revenues were calculated on September 16, 2015. At that date, we used the then-latest FCMAT LCFF calculator, version 16.2a, which had been released only a few days prior on September 9, 2016. As part of the FCMAT calculator process, we estimated LAUSD’s 16-17 per-ADA floor rate at \$10,423 using the conservative estimates of no growth from 2014-15 to 2015-16 (two years) of: property taxes, enrollment, unduplicated pupil count and ADA. We then utilized the enrollment, ADA, and unduplicated percentage that we experience from our closest CEG school, and we calculated the estimated LCFF revenues shown in the budget. Please note that more recent FCMAT calculators only yield significantly higher revenues than what we estimated.

Reserve. As noted above, the findings admit that “[t]he charter school’s Net Income Projections after the required reserves of three percent will be positive.” In fact, under our budget, Rolas will have a \$472,001 reserve at the end of Year 1.

STRS Costs. Upon further review, the STRS amounts were miscalculated. The proper STRS percentages have been noted. We have calculated the aggregate effect to be under .5% of Total Expenses during the five years.

Title I Funds. We estimated our Title I funds at \$440 per ADA during our first year. Title I per ADA funding varies greatly from LEA to LEA depending upon free/reduced concentration and census tract information and is very difficult to estimate for a new entity. Our LEA plan is in development. Pending approval of an authorized charter, stakeholders will be invited to provide input, including parents. Once approved by the board, our LEA plan will be submitted for approval.

Payments to Global. The budgeted amounts are currently paid by CEG schools for back office support and CEG has thrived under this model, building a 25% Net Assets cushion, which exceeds district and charter norms (please see above). We believe this shows that our model results in financial efficiency and success versus other models.

The "Professional/Consulting Service" line item. Total 5800 line item expenses are assumed at \$2511 per ADA in year 1. This is a significant amount, and is consistent with our experience at our other CEG operated schools.

Food and Food Supplies. The understatement is duly noted and our budget will be adjusted accordingly.

Start-up costs. All of the start-up costs that will be paid by the school (e.g. the items necessary to get the school up and running like curriculum, technology and supplies) are properly reflected in the budget. Some start-up costs are paid for by CEG out of its own unrestricted CMO funds (e.g. charter drafting), so these were *properly* excluded from the Rolas budget. Please note that we are still showing significant startup costs under our 2016-17 amounts, including \$1000 per ADA in textbooks, \$200 per ADA for books and other reference materials, \$300 per ADA in general student equipment, and others. These amounts have proven adequate when we've started our other CEG schools.

Even if we assume District staff was right on every single item listed above about our budget (which they were not), we would still have a 12.3% surplus vs. the recommended 3% surplus.

Insurance

Again we note that LACOE reviewed the Rolas charter under LACOE's own requirements for charter schools found in the latest version of LACOE's MOU, which contains unique requirements for abuse and molestation insurance coverage. The Rolas charter was initially

submitted to LAUSD and the description of the insurance coverage was tailored to meet LAUSD's requirements, but in the appeal to LACOE we offered to make a technical amendment to the insurance requirements to meet LACOE's standards. This is a Catch-22 for a charter school; we tailored our charter for LAUSD, offered to make amendments at LACOE, and were denied at LACOE for not *already having* LACOE's desired language. We do not believe this is a valid reason for denial of the Rolas charter.

Facilities

The Rolas charter includes "[t]he description of the facilities to be used by the charter school" and the charter "specif[ies] where the school intends to locate." (Ed. Code, § 47605(g).) A new school is not required to have already secured a facility when its charter is on appeal. Indeed in almost every instance, a charter school cannot secure a location until it has an approved charter.

However, we understand that school facilities are scarce in Los Angeles and we understand it is important for CEG to plan ahead. LACOE's findings imply CEG has somehow overlooked the facility component of the Rolas charter, but we have actually taken care to plan ahead for Rolas' facility. As we explained to LACOE, CEG plans to submit a request to LAUSD under Proposition 39 by the November 1 deadline for Rolas' first year in 2017-18. Currently, five of our schools use Proposition 39 space and we are familiar with the process. In fact, when we originally submitted the Rolas charter to LAUSD, we also submitted a Prop 39 request for 2016-17. But when our charter was denied by LAUSD and by the time we got to LACOE, it was late to plan for the school to open in the Fall 2016-17, especially if we needed to appeal to the State. So CEG made what we believe was the responsible decision: to push back Rolas' proposed opening to 2017-18 and inform LAUSD we were relinquishing our Prop 39 request and subsequent offer, which would free up the site offered to Rolas for another school that could use it. LACOE's findings cite the "year's delay in the commencement of instruction" as a reason to deny our charter, but the delay is the result of the appeal timeline for Rolas and CEG's conscious decision.

➤ CEG's Leaders' Personal Background

This factor is about whether petitioners have a background, or plan to secure the services of someone with a background, in curriculum, instruction, assessment, finance, and business management. (5 C.C.R. § 11967.5.1(c)(4).) The CEG board, CEG's leaders and staff, and the service providers CEG use have all of this experience and more.

The CEG board is made up of individuals with broad experience in teaching, finance, fundraising, law, corporate operations, and intellectual property. The CEO began her academic career as a classroom teacher in Inglewood, California, and has also served as a classroom

teacher, literacy coach, and administrator for LAUSD. She holds a Bachelor degree in Biology, a Master's of Arts degree in Education with an emphasis in Curriculum and Instruction, a second Master's of Science degree in Educational Leadership, and a Doctorate in Education in Organizational Leadership, as well as state-issued credentials in School Administration and Teaching. The CFO is a Certified Public Accountant with over a decade of experience in non-profit organizations, private accounting firms, and charter management organizations. We would be happy to revise the Principal's job description to clarify that the Principal consults with the school's financial services providers and leaders on the school's budget needs. We believed this is already subsumed in the job description. By law, a school's principal is a member of the School Site Council, which is tasked with ensuring state and categorical funding align with the school's plan for student achievement. So every principal, whether at a charter school or a traditional district school, must engage in some level of budget planning and monitoring. As discussed at the LACOE capacity interview, the Rolas Principal will implement, monitor and improve on a day-to-day basis the educational programs, services and supports described in the charter, and then the CFO consults with the Principal to determine whether there is money in the school's budget for those programs and services at the level the Principal feels is necessary and where the money to cover the expenses will be drawn from (e.g. Title I funds, SPED funds, categorical funds).

FINDING 3: The County Board correctly found the charter contains the required number of signatures. (Ed. Code, § 47605(b)(3).)

FINDING 4: The County Board correctly found the charter contains an affirmation of all specified assurances. (Ed. Code, §§ 47605(b)(4), 47605(d).)

FINDING 5: The County Board improperly found the charter does not contain a reasonably comprehensive description of all required elements. (Ed. Code, § 47605(b)(5).)

- **Element 1:** The County Board improperly found the petition: (1) provides insufficient description of the target student population; (2) is inconsistent in terms of opening enrollment numbers and grades (also addressed above); (3) does not sufficiently indicate how the school will identify and respond to the needs of low-achieving pupils who can't attend after-school tutoring; (4) does not adequately identify the charter school's special education staff and how they will administer the entrance assessment; and (5) does not describe the curriculum for TK students.

CEG's Response.

Target population

We understand how important it is for a new charter to not only have a good program, but to be tailored for the community where the school proposes to locate. As stated in the charter, Rolas intends to enroll underperforming and at-risk students from the Highland Park neighborhood in Northeast Los Angeles. (Charter, p. 10.) As stated in the charter, the community in this area is primarily Latino and African American, is growing rapidly, and schools and services for this population are highly impacted. (Charter, pp. 10-11.) Students in this part of Los Angeles have historically been underserved and schools have historically underperformed. Celerity Rolas will be located in a community that, despite having two highly successful Celerity schools nearby, is still suffering from public school underperformance. We already have a footprint in the community, but our work is far from over. The five district-run elementary schools and one middle school located within the service area of Celerity Rolas' proposed location were all recently in program improvement, and the six schools had an average Growth API score of 768 in 2013 (below the state average) and an average API statewide ranking of 3.7. Many of the students who come to Celerity schools are not used to having consistent and high expectations of them, which is the case in Highland Park. Over the past eleven years, we have learned that if we expect great things from children, they can and will succeed. We break the cycle of public school underperformance, and we start early in elementary school when students are just starting their school journeys and forming educational habits. CEG's program is specifically tailored to meet the needs of these students—historically underperforming, underserved, and at-risk—and we know we will be successful serving this community once again.

CEG already knows the Highland Park community and what it takes to be successful here. Celerity Troika (the closest Celerity school to the proposed location for Rolas) was established in 2007 and currently serves over 600 students in grades K-8 in the 90042 zip code. Our schools are typically small, and Troika is one of our biggest schools and continues to have a waitlist. Between 2008 and 2011, *Celerity Troika increased its Growth API score by 378 points*. In each year API was reported, the school received an API statewide ranking of 10—the highest possible ranking. Troika became the first Celerity school (now one of four) to be named a California Distinguished School by the SBE, an award given to less than 5% of the schools in the State. Celerity Octavia was established just down the road from Troika in 2010 and currently serves over 400 K-8 students. In its first year of operation, Celerity Octavia received an astounding 933 Growth API score. The school scored at least an 894 in every year API was reported, which is 140 points *above* the local school district's average score in 2013 (it's highest average score ever).

LACOE's findings for denial note that CEG submitted the Rolas charter for Northeast Los Angeles at the same time we submitted the Himalia charter South Los Angeles. This is true, and the charters themselves are very similar, but CEG has extensive experience in both these

distinct areas. The neighborhood for the Rolas charter is not simply a random choice for the sake of CEG's expansion. Rather, the neighborhood for the Rolas charter was chosen because the need for a Celerity school *in this particular community* is so high.

Again, as explained at the County capacity interview, Celerity Rolas intends to initially serve grades K-5 (which include TK) in the first year, and eventually expand to serve grades K-8 thereafter. Our total enrollment capacity is 590 students, meaning we'd eventually serve that many students but, for now, we are planning to serve a total of 565 in year five of the initial charter term.

Low-achieving pupils

As for "how the charter school will identify and respond to the needs of pupils who are not achieving at or above expected levels," we believe this finding is entirely off-base because this is something CEG historically excels at. CEG's educational program has many components designed to respond to our low-achieving students, and after-school tutoring is only one of them. Our after-school program is free and full of enrichment for students (like daily homework help in small and whole groups, fun academic enrichment activities that are aligned to their grade level-pacing guides, chess, character building, song, dance, and computer lab, seminars centered on healthy behaviors and preventative measures, games and activities designed to stimulate physical activity, and Futuristic Friday After School Clubs such as Future Doctor, Photography, Future Scientist, Environmental, Spoken Word, School Reporter, Future Astronomer, Glee and Drama, and future Architect), so most of our parents at each CEG school take advantage of it. But students who cannot attend the after-school program have many other tailored interventions as needed. At every CEG school, students performing below expected levels are identified early based on a variety of measures and assessments including the Smarter Balanced Assessment and/or Internal Benchmark reports, recent report cards and progress reports, publisher provided curriculum-based assessments, and others. (Charter, pp. 71-72, 82.) Every student at Rolas, not just those already identified as low-achieving, will have an Individual Learning Plan ("ILP") developed by their teacher in consultation with the parent/guardian. Each ILP describes the particular student's strengths and weaknesses, and the interventions and supports available to meet the student's individual needs. (Charter, p. 71.) Based on each student's ILP, teachers can utilize a variety of instructional strategies to engage low achieving students, such as pre-teaching and re-teaching concepts, lessons in small groups, visual cues, repetition, modeling, use of graphic organizers, hands-on activities, and tutoring. (Charter, p. 82.) If a student cannot attend after-school tutoring, the teacher or the teacher's assistant will offer to provide one-on-one instruction. (Charter, p. 82.) Low achieving students can also be referred to the Student Success Team ("SST") that provides assistance directly in the general education classroom. (Charter, p. 72.) The SST can recommend various program

modifications, use of alternative materials and equipment, and strategies or techniques to enable the student to participate more effectively in the classroom. (Charter, pp. 72-73.) Student counseling will also be an integral part of the educational program for all students, especially for those achieving below expectations due to socio-emotional development or behavior problems. (Charter, p. 73.) Sadly, the student population is also faced with the challenges of gang violence in their community, including drive-by shootings. The school support staff at Celerity is experienced and trained in providing crisis and trauma support to schools that experience a campus drive-by or other shooting. They are able to provide a calm and supportive environment, and to counsel students through the trauma so that they can resume learning while feeling safe and nurtured.

Staff and assessments for special education students

As for the school's plan to serve students with disabilities, LAUSD requires that all charters submitted to it use district required language ("DRL") for this entire section of the charter. We have proposed to replace this section with a comprehensive description of how we intend to serve students with disabilities. We believe the proposed language describes all aspects of a successful and legally-compliant special education program, including staffing and professional development. The proposed new section describes that all special education services will be delivered by individuals or agencies qualified to provide such services, and the school will be responsible for the hiring, training, and employment of site staff necessary to provide special education services to its students, including, without limitation, special education teachers, paraprofessionals, and resource specialists. Celerity Rolas will ensure that all special education staff is qualified pursuant to SELPA policies, as well as all legal requirements. The school's administration, regular and special education teaching staff, as well as other appropriate faculty and staff members will attend professional development and/or training meetings necessary to comply with state and federal special education laws, including those sponsored by the SELPA. Celerity Rolas also intends to seek professional development opportunities for its staff through potential trainings facilitated by the County and others. As for CEG's diagnostic assessment, all students, including those with an IEP, will be monitored through the use of the following assessment tools: Smarter Balanced Assessment and/or Internal Benchmark reports, report cards/progress reports from the most recent school year, Kindergarten Checklists, publisher provided Curriculum-Based Assessments, Study Island, and SchoolNet. For English Language Learners, initial date of identification as an EL or IFEP and progress in ELD level will also be reviewed and taken into consideration.

TK

Again, transitional kindergarten is part of CEG's two-year kindergarten program (Charter, pp. 6, 50), and the proposed curriculum is described throughout the charter. Celerity

Rolas will use an age and developmentally appropriate academic curriculum that includes social, emotional, and cognitive outcomes and benchmarks. (Charter, p. 50.) An example of a day in the TK program is described on page 56 of the charter and includes a 30-minute read aloud, 40 minutes of mathematics instruction, 60 minutes of alternating social studies and science instruction, a 30-minute block where EL students receive targeted ELD instruction and non-EL students work in small groups on activities such as re-teach or pre-teach activities, partner reading, and journal writing, and a 50-minute block of PE and visual and performing arts. Instructional materials in each subject are described on page 44 of the charter, a proposed bell schedule is found on page 55, and sample instructional schedules are provided on pages 58 and 59.

- **Element 2:** The County Board found the description of Element 2 *was reasonably comprehensive* with specific deficiencies as to: (1) not all of the required metrics for state priorities under Ed. Code section 52060 are included; and (2) what target or maintenance level is expected for the metric regarding teacher credentials.

CEG's Response.

Metrics for all state priorities

Some metrics that are tied to the eight state priorities, such as middle school dropout rate, are only applicable to certain schools based on the grade levels served. We intend to start as a K-5 school. Charter schools are required to *annually* update their goals and actions. (Ed. Code, § 47606.5(a).) When we expand to serve middle school students, we assumed that would be the time when it would be appropriate to update our goals and include the applicable middle school dropout metric.

Charters aren't required to include *all* of the metrics under the eight state priorities, just the ones that apply to the charter's individual program. Otherwise, this section of every charter would look the same for every school regardless of the type of program they offer and the grades served. We reviewed all of the metrics and included the ones that we believe are important and relevant to our program, and they are described in reasonably comprehensive detail throughout the charter.

Teacher credentials

We do not believe this is a valid criticism of our charter since this area is currently in flux. The federal requirement that teachers be "highly qualified" has been repealed. Just like every school in the state, that metric no longer applies to Celerity Rolas as a matter of federal law. Instead, as required by the Every Student Succeeds Act, *all* teachers at Celerity Rolas will meet applicable *state* certification and licensure requirements, and we intend to make that

clear by proposing to include this language anywhere the charter references teachers being “highly qualified.”

- ***Element 3:*** The County Board found Element 3 *was reasonably comprehensive* with specific deficiencies as to: (1) CEG’s internal benchmarks; (2) metrics for physical education; and (3) a baseline or growth metric for enhanced professionalism and collaboration of teachers.

CEG’s Response.

We believe the “facts” cited by LACOE in support of this finding are extremely granular and demand a level of specificity not found in any charter we are aware of. The law does not require a charter to describe an internal assessment’s “level of rigor,” “rubrics,” “standardized scoring processes,” or “proficiency levels.” We believe the Rolas charter’s description of Element 3 is more than reasonably comprehensive and provides a superb picture of how CEG will measure pupil progress at this school. Measuring pupil progress is something we do well at Celerity schools. In fact, LAUSD considers the Celerity schools’ ongoing cycle of assessment and data analysis to implement an instructional program that meets the needs of all students as one of our “promising and innovating practices” and recommends that other schools use our program as a model of how to do it right.

CEG’s internal benchmarks

Benchmark assessments are given every two months to measure student academic achievement of the Common Core Standards, California State Standards, and internally-set goals. The Smarter Balanced Assessment serves as a guide during the creation of the internal benchmarks. Questions are selected to mirror the Depths of Knowledge levels and item types that are represented in the Smarter Balanced Assessments. Proficiency levels on the benchmarks are defined to match the achievement levels of the Smarter Balanced Assessments and California State Tests. We use SchoolNet to create benchmarks and to monitor consistency in data reporting. This is reflected in the charter itself in broad terms: CEG sets measurable goals and objectives for the school’s educational program, and we use these goals to identify the knowledge, skills, and aptitudes to be measured on our internal assessments. (Charter, p. 87.) The assessments measure what skills and processes are mastered by students and the concepts learned from the school’s curriculum that is aligned with the Common Core State Standards and the California State Content Standards in all content areas. (Charter, p. 88.)

Metrics for physical education

As stated in the charter, in our program a student participates “successfully” if they reach their own individual goals, and we strive to have 90% of our students that participate in

the assessment be successful in that goal. (Charter, p. 92.) Each student's individual goals are set through their own FitnessGram process. The FitnessGram assessment provides personalized information about a student's fitness based on their gender, age, athletic ability, and overall health, and the FitnessGram report allows students to use their assessment results to set goals based on their abilities. This process not only achieves the physical education component of our program, it helps students learn how to set goals for themselves—a skill that carries over to many other areas beyond physical fitness.

Measuring teachers' enhanced professionalism and collaboration

At Rolas, CEG will measure enhanced teacher professionalism and collaboration by weekly review of teacher lesson plans, facilitating weekly opportunities for grade-level teacher collaboration, and daily classroom observation with post-observation feedback.

- ***Element 4:*** The County Board found the description of the governance structure was not reasonably comprehensive because of: (1) the governance structure of the school and CMO; (2) the makeup of the Board and parent involvement.

CEG's Response.

This portion of the LACOE findings is very frustrating because the County Board authorized a Celerity school for many years, so the County Board is very familiar with CEG's governance structure and how it has led CEG to be one of the most successful charter operators in the underserved areas of Los Angeles. We also excel at parent involvement at our CEG schools, which is something we're very proud of, especially considering that parent engagement can be a real challenge in the communities we work in.

Governance structure

As for our bylaws, CEG's current bylaws were provided to the County *and* LAUSD, and we made it very clear exactly which bylaws are the current version (the most recent bylaws, dated April 2012).

As for the sole statutory membership issue, Global is the sole statutory member of CEG and has been since 2012. We have discussed the structure with LACOE staff numerous times, and LACOE staff has never pointed to a conflict of interest in this structure. Global's relationship to CEG is as described in Corporations Code section 5056—Global has certain *corporate* rights as to the CEG corporation, but it does *not* have any rights in the schools or under any charter. Nothing has changed in this structure since 2012.

As for the organizational chart, the charter does include a description of the school's organizational structure. CEG provides most services in-house through its own employees (our

CEO, Director of School Services, Director of After School Program, curriculum specialists, curriculum specialists admin-in-trainings, principals, teachers, Office Managers, Parent/Community Liaisons, Office Clerks, Yard Supervisors, Academic Interventionists, Paraprofessionals, After-School Learning Facilitators, and After-School Program Leaders are all CEG employees). We also contract for some services from Global, such as back office financial and business services, SPED Compliance, and HR on/off-boarding and compliance. This has never been a problem for us. As we understand it, most charter schools and district schools alike use outside providers for some important services.

CEG board and parent involvement

The County Board's opinions about our board's size, diversity of expertise, and capacity are not a proper basis for denial of the charter. Our current 5-member board is extremely stable, experienced, and includes diverse individuals who truly understand and strive to achieve the core Celerity mission. Stability in governance is extremely important to us. We believe it's unfair for the County Board to find that "it is unclear whether the currently seated board members have the capacity or knowledge to oversee CEG affairs independent[ly]." CEG's board has in fact been independently and successfully overseeing CEG's affairs since 2005. Unlike many new schools, CEG has a track record of success in governance. We note that the CEG board only operates schools in California and currently only in Los Angeles, and CEG's board members have deep and diverse experience in Los Angeles.

As for parent involvement, the County Board findings create an unfair Catch-22: the charter was denied because parents aren't involved enough since they don't regularly attend CEG board meetings, and also denied because we try to get parents more involved through volunteer hours.

The charter describes various ways parents can be involved in their child's education and well-being. We do invite parents to attend CEG's board meetings, which are regularly held on weekends so working parents can attend if they'd like. But in our experience parents are more engaged when we provide concrete ways for them to volunteer on the ground level at their child's school, such as assisting with breakfast and lunch cleanup, organizing packets for teachers, assisting with greeting students in the morning, and assisting in the front office. The Rolas charter clearly indicates that volunteering is "encouraged," merely a "goal" of the school, and "in no [way] impacts a student's enrollment." (Charter, pp. 107-108.) Rolas will not "require" parent involvement, and in our experience at our other CEG schools our parent volunteer opportunities do not pose an obstacle to enrollment. But parent involvement is a state priority. We understand the SBE is currently considering how to incorporate a school's level of parent engagement into the state's new accountability system, so this is clearly an important component of a school's educational program not only at CEG but statewide. A

cornerstone of CEG's philosophy is that parent investment in the education of their children is paramount to their success. (Charter, p. 107.) We are proud of how we work hard to get parents involved.

As for the School Site Council ("SSC"), this Council will have the composition, scope, and purpose expressed under Education Code section 52852. The SSC is composed of parents, students, community members, and school staff, and allows parents to be involved in the school governance process. The SSC will be composed of a minimum of 3 classroom teachers, 1 school staff, 5 parents, and the school principal. The SSC will approve the Local Education Agency Plan, review and analyze student achievement data, gather community input, and monitor the implementation of the plan and budget.

- ***Element 5:*** The County Board found the description of the employee qualifications was not reasonably comprehensive based on: (1) the key positions and qualifications on the organizational chart; and (2) the charter's descriptions of teacher credentialing.

CEG's Response.

Organizational chart and position descriptions

The law does not require the organizational chart in a charter petition to identify all the service providers who possibly assist a school, and indeed in our experience most charters' organizational charts do not include back office service providers who offer financial services, auditors or the like. To be very clear, Global will provide the school's back office services under the terms of the contract between CEG and Global and is indeed a key partner for CEG. The CFO is an employee of Global and will provide services to Celerity Rolas like for all other CEG schools, which helps CEG achieve economies of scale. The CFO's duties are described throughout the charter, as required by law, to provide general accounting and financial planning and analysis services to Celerity Rolas, as well as any necessary major facility planning services. (Charter, p. 102.) The CFO is responsible for monitoring cash flows and budgets, and also for assisting in big-picture tasks like mitigating financial risks to the school and the entire CEG organization. (*Id.*) The CFO is responsible for ensuring the necessary financial reports and audits for each Celerity school are prepared so they can be timely submitted to the CEG board and the charter authorizer. (Charter, p. 132.)

There is no overlap of duties between the Principal and the Director and Assistant Director of School Services in the areas of "academics, human resources, and student achievement." These three areas are broad and they each require the work of more than a single person. We doubt any school district that operates multiple schools has just one person doing every human resources task, for example. In general, the Director of School Services at CEG has overall responsibility for both academic and fiscal results of *all* Celerity schools.

(Charter, p. 110.) The Director oversees educational program implementation, operations, fiscal management, and human resources management, and provides support to each school's Principal to ensure results and growth. (*Id.*) The Assistant Director of School Services reports to the Director and assists with overall academic and fiscal results of the Celerity schools. (Charter, p. 111.) The Assistant Director provides coaching and mentoring support to the Principal with respect to operations, instructional program, and the impact of enrollment, operations, and program implementation on the school's budget. The Assistant Director also oversees the implementation of Celerity's instructional model and coordinates professional development activities for the Curriculum Specialist Admin-in-Training, Curriculum Specialists, and teachers. On a site level, the Principal will be the instructional leader for Celerity Rolas and is responsible for shaping this school's individual instructional program, establishing a positive school culture unique to Rolas, and for achieving high levels of academic achievement at Rolas for this school's particular students. (Charter, pp. 102, 111.) The Principal's duties will include, among others, facilitating curriculum development for Rolas, selecting, supervising, and evaluating Rolas' teachers, facilitating parent involvement in Rolas, monitoring and supporting professional development for all Rolas staff, and managing school discipline at Rolas—all site-specific tasks. (Charter, p. 111.) These duties impliedly require a certain amount of site-level budget planning and management, but we didn't think it was necessary to list "fiscal management" in the Principal's job description.

Similarly, we do not believe the County Board's County findings about the job descriptions for the CEO and office manager are a proper basis for denial. The many duties of the CEO are described in reasonably comprehensive detail throughout the charter. (See, e.g., Charter, pp. 102, 103, 107, 110, 112, 124, 132, 145, 155.) CEG only operates charter schools in California, and so the CEO employed by CEG is responsible for those schools. CEG's CEO has extensive background knowledge and experience in teaching, professional development, curriculum and instruction, educational administration, and organizational leadership. As for the office manager, the charter clearly states that candidates for this role must have experience in maintaining accounts of expenses, general bookkeeping, maintaining and reconciling bank accounts, and charter bookkeeping. (Charter, p. 115.) The office manager is responsible for the bookkeeping and accounts for site-based transactions such as handling checks or cash. The office manager's duties do include bilingual translation and communication with parents and the community, so it is of course required that this individual must be bilingual. (*Id.*)

In general, we do not believe a charter's job descriptions are required to be totally exhaustive as to each position but we would be happy to add further detail by way of technical amendment if the State requires.

As for which staff will serve special education students, this section of the charter will be revised as described in the letter regarding changes to the petition, because the LAUSD DRL is not applicable for State or county authorizers. The proposed new section describes that all special education services will be delivered by individuals or agencies qualified to provide such services, and the school will be responsible for the hiring, training, and employment of site staff necessary to provide special education services to its students, including, without limitation, special education teachers, paraprofessionals, and resource specialists. Celerity Rolas will ensure that all special education staff is qualified pursuant to SELPA policies, as well as all legal requirements. The school's administration, regular and special education teaching staff, as well as other appropriate faculty and staff members will attend professional development and/or training meetings necessary to comply with state and federal special education laws, including those sponsored by the SELPA. Celerity Rolas also intends to seek professional development opportunities for its staff through potential trainings facilitated by the County and others.

Teacher credentialing

The language in the charter about teacher credentials is neither conflicting nor confusing. The charter provides the required assurance that "all teachers will meet state requirements for certificated employment, including the provisions of Education Code section 47605(l)." (Charter, p. 109.) The charter also states that every core subject teacher will hold the appropriate teaching credential provided by the California Commission on Teacher Credentialing for his/her teaching assignment, or be enrolled in an approved alternative certification program. (Charter, p. 113.) Teachers selected to provide EL instruction "will have CLAD, BCLAD, LDS, BCC, or SB1969 certification and all teachers will be trained in the effective use of sheltered-English." (*Id.*) The petition makes clear our intention to recruit teachers who hold a valid credential with a bilingual or ESL endorsement, and who also have experience teaching second language learners and sheltered English classes. (Petition, pp. 73, 79.) Based on the proposed location of the campus and its target student population, the school will likely serve a high number of EL learners so we will make every effort to employ bilingual teachers in *all* subjects, not just EL instruction. We believe teachers with these qualifications are well suited to educate our English learner students.

- **Element 6:** The County Board found the description of the health and safety procedures *was reasonably comprehensive* with specific deficiencies as to: (1) Tuberculosis test documentation; (2) student health screenings; and (3) the specifics of 7th grade immunizations.

CEG's Response.

A charter is not required to re-state the law. The law only requires a charter to “include the examination of faculty and staff for tuberculosis,” to “require immunizations of pupils as a condition of school attendance,” and to “provide for the screening of pupils’ vision and hearing and the screening of pupils for scoliosis to the same extent as would be required if the pupils attended a non-charter public school.” (5 C.C.R. § 11967.5.1(f)(6).) Our charter does this. In fact, the descriptions regarding employee tuberculosis screenings, student immunizations, and student health screenings are straight out of the LAUSD DRL, which means LAUSD (the state’s largest charter authorizer) believes they are reasonably comprehensive, provide the required assurances, and meet the legal standard.

In practice, CEG employees are in fact reexamined at least every four years for TB and are required to provide evidence to us, which we keep on record. As for student health screenings, a team of Registered Nurses contracted through CEG schedules and completes all State-mandated health screenings for students at the mandated grade levels. Screenings include vision, hearing and Scoliosis for specific grade levels. The health screenings results are entered on each student’s health card and filed in a confidential student health file. If a student does not pass one of the screenings, the nurse contacts the parent to refer them to a doctor for further screening. Parents without health insurance are provided with assistance in either obtaining health insurance or finding a low-cost medical clinic. As for immunizations, all students enrolling in Celerity for the first time are required to provide proof of the mandated immunizations in accordance with State and Federal laws. No student may begin attendance at the school without proof of immunizations or without a doctor-signed medical waiver. Additionally, students enrolling into Celerity at 7th grade or currently attending 6th graders transitioning into 7th grade are required to provide proof of the TDAP immunization. Copies of all immunization records are made by the school’s office manager or community liaison, and copies of those records are kept in the student’s confidential file at the school site.

- **Element 7:** The County Board found the description of this element was not reasonably comprehensive because the petition: (1) lacks demographic data of the local school district; (2) lacks implementation benchmarks; (3) does not specify who will oversee outreach efforts; and (4) does not provide neighborhoods or zip codes for outreach efforts.

CEG’s Response.

We understand this element is presumed to be reasonably comprehensive absent specific information. (5 C.C.R. § 11967.5.1(f)(7).) The law does not require a charter to include “implementation benchmarks” for achieving a racial and ethnic balance, nor is a charter required to identify a particular person to “oversee” outreach in certain zip codes. The charter provides that “Celerity Rolas Charter School makes every effort to recruit students of various

racial and ethnic groups in order to achieve a balance reflective of the general population residing within the territorial jurisdiction of LAUSD.” (Charter, p. 127; Ed. Code, § 47605(b)(5)(G).) Our outreach plans include publishing newspaper ads in English and Spanish, distributing literature in the surrounding neighborhoods, publicizing the school through community groups, neighborhood youth organizations, churches, parks, and libraries, holding recruitment meetings, and hosting open houses, back to school nights, orientations, and school tours on a regular basis. (Charter, p. 127.) At our other charter schools, CEG has been very successful in recruiting and enrolling students who are ethnically and racially diverse. We are also proud that not only our students but our school’s leadership team, teachers and staff are also ethnically and racially diverse. Our leadership team members, teachers, and staff are recruited not only from the communities in which our schools are located but also through websites such as Edjoin. Celerity strives to recruit candidates who have a genuine passion for working with our specific student demographic regardless of the candidates’ racial and ethnic backgrounds.

- ***Element 8:*** The County Board found this element *was reasonably comprehensive* with specific deficiencies as to: (1) the source of the admissions lottery proctor; (2) business days vs. calendar days; (3) the application form; and (4) how homeless and foster youth students would be identified.

CEG’s Response.

These “deficiencies” identified by the County Board are extremely granular-level. We are happy to make a technical amendment to the charter if necessary to explain that the admissions lottery proctor will be selected by the CEO or her designee, as is the case for the other Celerity schools. Parents must respond within 2 calendar days of receiving notice that their child has been promoted off the waiting list, and the response can be by phone, in person, in writing, or by any other method. We are happy to provide our enrollment form upon request. The form asks parents to voluntarily provide certain demographic and other information, but it’s not required. When a student enrolls in Celerity and the parent/guardian or local agency identifies the student as homeless or a foster youth, or upon a currently attending student becoming homeless or transitions to foster care, the school officer manager notates the pertinent information into the student information system and immediately contacts the LEA’s Homeless-Foster Youth Liaison. The Homeless-Foster Youth Liaison maintains an up-to-date list of homeless and foster youth and submits regular reports to the County and State as required.

- **Element 9:** The County Board found this element *was reasonably comprehensive* with specific deficiencies as to: (1) selecting and overseeing the independent auditor; and (2) a sentence required by LACOE.

CEG's Response.

These points are not a valid basis for denial or penalizing our charter. As described in the charter, the CFO is responsible for recommending selection of the auditor, and the auditor is ultimately hired by the Board. (Charter, p. 132.) The CFO oversees the auditing process and works with the auditor.

- **Element 10:** The County Board found this element *was reasonably comprehensive* with specific deficiencies as to: (1) procedures for foster and homeless youth expulsions; (2) in-school suspensions; and (3) due process for all pupils.

CEG's Response.

CEG recognizes that foster and homeless youth have unique circumstances that must be addressed on a case-by-case basis, and we know student discipline and expulsion rules cannot penalize students for behavior related to their foster status or homelessness. CEG is committed to providing alternatives to suspension and expulsion in response to attendance-related problems, and those alternatives are described in the charter and include changes in the student's schedule, implementation of a behavior monitoring system or behavior contract, referral to counseling, and instruction in social-emotional and behavioral skills. (Charter, pp. 137-138.)

Whether a student is disciplined with in-school suspension is determined on a case-by-case basis by the Principal. Students will be required to complete the classwork he/she misses while suspended in-school, but there will be no instruction provided so there's no need for a credentialed teacher to be present.

The charter affirms the school's commitment to not discriminate against any student based on his/her disability. (See, e.g., Charter, pp. 4, 99, 129.) We communicated to the County that CEG would be happy to amend this section as necessary to comply with suspension and/or expulsion procedures required by the County, but County staff did not propose any technical amendments. We also note that we have proposed adding new language to this Element to make it abundantly clear that we are committed to providing due process for all pupils, and that we understand the unique rights of pupils with disabilities in regards to suspension/expulsions.

- **Element 14:** The County Board found this element *was reasonably comprehensive* with specific deficiencies as to: (1) whether it is feasible for an authorizer to informally meet and confer, and to involve board members; and (2) complaint procedures or timelines for internal disputes.

CEG's Response.

This is not a valid basis for denying the charter. CEG offered to revise this section to meet the County's requirements for dispute resolution, but we did not receive any feedback. Further, the law only requires a reasonable description of the procedures to be used for disputes arising between the school and the authorizer. (See Ed. Code, § 47605(b)(5)(N); 5 C.C.R. § 11967.5.1(f)(14)(A)-(D).) The law does not require the charter to include a description of how the school intends to resolve internal disputes, let alone a description of internal complaint procedures or timelines. Celerity Rolas will have a uniform complaint procedure as required by law, and will follow the procedures and timelines outlined therein. (See 5 C.C.R. § 4600 *et seq.*) Informal complaint resolution procedures are also described in each CEG schools' student/parent handbook.

- **Element 16:** The County Board found this element *was reasonably comprehensive* with specific deficiencies as to designation of a responsible entity to conduct closure-related activities.

CEG's Response.

The proposed language for this section does in fact state that the official closure action "will also identify an entity and person or persons responsible for closure-related activities, currently Celerity Educational Group and its CEO." We are unsure what more would be required here. (See 5 C.C.R. § 11962(a).)

FINDING 6: The County Board improperly found the petition does not satisfy all of the required assurances of Education Code section 47605(c), (e) through (h), (j), (l), and (m).

We believe the County Board used the wrong standard for this finding. The charter does in fact include all the assurances in the cited code sections, but the County Board nonetheless found the assurances inadequate based on other, unrelated parts of the charter that are already discussed elsewhere in the findings.

- **Effect on the Authorizer and Financial Projections**

Facility

Addressed above, on p. 12 of this document.

Administrative services

Addressed above, on pp. 8-10 of this document.

Finances

Addressed above, on pp. 10-11 of this document.

Civil liability effects

The charter includes the statement that: “As an independent charter school, Charter School, operated as or by its nonprofit public benefit corporation, is a separate legal entity and shall be solely responsible for the debts and obligations of Charter School.” (Charter, p. 98.) By law, the authorizer of a charter school operated by a nonprofit public benefit corporation is not liable for the debts and obligations of the school, or for claims arising from the school’s operations, as long as the authorizer complied with its oversight duties. (Ed. Code, § 47604(c).) Celerity Rolas will be operated by CEG, which is a nonprofit public benefit corporation. As such, the County Board would not have been liable for any of the schools debts, obligations, or for any claims arising from the school’s operations.

➤ ***Preference to Academically Low Performing Students***

This finding is unusual, and it is also inapposite to the facts about CEG and the Rolas charter school.

The law requires a potential authorizer to give preference to petitions that demonstrate the capability to provide comprehensive learning experiences to pupils identified as academically low achieving. (Ed. Code, § 47605(h).) In our experience, authorizers don’t usually make any finding about this so we were surprised the County Board included it. We were even more surprised to see that the County Board found CEG and Rolas does *not* qualify for this preference. CEG has been one of the most successful charter organizations in the state at providing comprehensive learning experiences to academically low achieving students in Los Angeles County—we have been doing it for over a decade. CEG’s entire philosophy centers on targeting underserved students in historically underperforming areas and providing them with a high quality education, and the test results for our schools prove that we do this well. We are making incredible strides in closing the achievement gap for our predominantly African-American and Latino student populations. Celerity Rolas intends to implement the same engaging curriculum where at-risk students in impoverished parts of Los Angeles have the opportunity to gain a sense of community and develop their intellectual, artistic, and physical talents to the highest degree. This kind of opportunity is rarely found in these neighborhoods.

If anything, the County Board should have given our charter petition *preference* based on our proven ability to provide a high quality, comprehensive educational experience to underserved students in Los Angeles County.

➤ **Teacher Credentials**

Addressed above, on p. 23 of this document.