



California State Board of Education

Meeting Agenda Items for November 4-5, 2015

ITEM 19



CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2015 AGENDA

SUBJECT	
Synergy Charter School: Consider Issuing a Notice of Violation Pursuant to California <i>Education Code</i> Section 47607(d).	<input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Information <input checked="" type="checkbox"/> Public Hearing

SUMMARY OF THE ISSUE(S)

The California Department of Education (CDE) believes that there is substantial evidence that Synergy Charter School operating as Synergy Education Project (SEP) engaged in fiscal mismanagement and committed a material violation of the SEP charter. Pursuant to the California *Education Code (EC)* Section 47607(d), the authority that granted the charter shall notify the charter school of any violation and provide the school a reasonable opportunity to remedy the violation.

RECOMMENDATION

The CDE recommends that the State Board of Education (SBE) consider that as SEP may have engaged in fiscal mismanagement pursuant to *EC* Section 47607(c)(1)(C) and committed a material violation of the SEP charter pursuant to *EC* Section 47607(c)(1)(A), that there are sufficient grounds to issue a Notice of Violation (NOV) pursuant to *EC* Section 47607(d). The CDE has sought to address violations through five letters of concern and numerous correspondences with SEP.

Pursuant to *EC* Section 47607(d) and *California Code of Regulations, Title 5 (5 CCR)* Section 11968.5.2, the CDE also recommends that SEP have the opportunity to present evidence that refutes, remedies, or proposes to remedy the alleged violations at the December 2, 2015, Advisory Commission on Charter Schools (ACCS) meeting. At that meeting, the ACCS will take action on a recommendation to the SBE regarding whether, at the January 2016 SBE meeting, the SBE should issue a Notice of Intent to Revoke with Notice of Facts pursuant to *EC* Section 47607(e) and take action to revoke the SEP charter.

BRIEF HISTORY OF KEY ISSUES

EC Section 47607(c)(1) states that a charter may be revoked by the authority that granted the charter if the authority finds, through a showing of substantial evidence, that the charter school did any of the following:

- (A) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
- (B) Failed to meet or pursue any of the pupil outcomes identified in the charter.
- (C) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.
- (D) Violated any provision of the law.

Additionally, *EC* Section 47607(c)(2) states that the authority that granted the charter shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter. Based on the most recent California Assessment of Student Performance and Progress data, SEP's scores are below the state average for the same grades as indicated in the table below.

Percent of Pupils Who Met or Exceeded Standards			
		Synergy	Statewide
English Language Arts/Literacy	6 th Grade	13	43
	7 th Grade	33	44
	8 th Grade	31	45
Mathematics	6 th Grade	2	33
	7 th Grade	5	34
	8 th Grade	0	33

Data sources located:

<http://caaspp.cde.ca.gov/sb2015/ViewReport?ps=true&lstTestYear=2015&lstTestType=B&lstCounty=&lstDistrict=&lstSchool=>

<http://caaspp.cde.ca.gov/sb2015/ViewReport?ps=true&lstTestYear=2015&lstTestType=B&lstCounty=07&lstDistrict=25815-0125815&lstSchool=0125815>

The CDE believes that evidence exists to support the finding that the SEP Board has not demonstrated increases in pupil achievement by all pupils served by the charter school, engaged in fiscal mismanagement, committed a material violation of the SEP charter and the Memorandum of Understanding (MOU) between SEP and the SBE. *EC* Section 47607(d) provides that prior to revocation, the authority that granted the charter shall notify the charter school of any violation of *EC* Section 47607 and give the charter school a reasonable opportunity to remedy the violation.

Violation of Law

The SEP Board engaged in fiscal mismanagement (*EC* Section 47607[c][1][C]).

As background, SEP has struggled financially since 2012–13, its first year of operation. SEP is considered to be in poor financial condition for the fiscal year (FY) 2014–15 as noted in the Financial Condition of SBE-Authorized Charter Schools Memorandum dated April 1, 2015. The CDE has sent four letters of fiscal concern with requests for corrective action plans (CAP) since 2013. These letters stated concerns that included no reserves, negative fund balance, budget out of balance, high debt ratio, overestimated Average Daily Attendance (ADA), failure to provide the CDE with SEP

board minutes documenting the SEP board discussing the CDE letter of concerns, and unallowable costs charged to the Public Charter Schools Grant Program (Attachment 2). Although SEP responded to each letter of concern with a CAP, the CAPs provided lacked specific detail and did not fully address the CDE's concerns.

The SEP budget has ended with significant deficits for the first three years of operation with little sound evidence of progress towards eliminating the budget deficit. Currently, SEP's financial condition is insolvent with a negative fund balance as of June 30, 2015, of \$793,916. Additionally, SEP currently owes Encore Education Corporation (EEC) approximately \$200,000 bringing the negative end fund balance to \$993,916.

Additionally, SEP has demonstrated a continued pattern of deficit spending even though original budgets forecast operating surpluses. SEP has a pattern of projected enrollment not materializing which has negatively impacted revenue flow resulting in an inability to meet its financial obligations as evidenced by SEP's September 15, 2015, default on a \$1.6 million Revenue Anticipation Note (RAN). As of October 30, 2015, SEP has 185 pupils enrolled in grade 6 through grade 11. The material revision approved by the SBE in July was based on an enrollment of 224 pupils.

The SEP Board failed to pay off a \$1.6 million RAN which matured on September 15, 2015. At its July 9, 2015, meeting, the SBE approved a material revision to the SEP charter, with technical amendments and conditions. One of the conditions required SEP to provide a plan on how to repay that debt, which is now in default. SEP has not responded to the CDE's request to provide any documentation regarding the default of the RAN or a SEP Board-approved RAN repayment plan.

SEP has demonstrated an inability to manage its budget since its inception. For three consecutive FYs (2012–13 through 2014–15), SEP has ended the fiscal year with significant operating deficits. Further, for the current year, SEP is projecting another operating deficit. The SEP debt is approximately \$2.5 million and the school continues to accrue interest resulting from the default for its failure to repay the \$1.6 million RAN.

The SEP Board committed a material violation of any of the conditions, standards, or procedures set forth in the charter (EC Section 47607[c][1][A].

The SEP Board is in violation of its charter because the governance structure outlined in the SEP charter petition is no longer in effect.

SBE approval of the material revision to the SEP charter included revisions to SEP's governance structure and educational program. SEP recognized the critical situation and sought a partnership with EEC to provide a more sustainable future with regard to governance and fiscal solvency during the remainder of SEP's charter authorization under the SBE, currently through June 30, 2017. The revised SEP charter petition outlines a possible partnership that was later finalized through an MOU between SEP and EEC on July 1, 2015 (Attachment 3). This MOU outlined specific duties to be performed by EEC including, but not limited to, providing programmatic services (including an arts program that would increase SEP's enrollment), administrative services, fiscal management, student discipline, and SEP school administrative staff.

On October 19, 2015, EEC provided 30 days written notice to the SEP Board and the CDE of the termination of this MOU pursuant to Section 2.5 of the MOU (Attachment 3). Based on this correspondence, EEC states that it will no longer provide services to SEP after November 18, 2015. SEP therefore is in violation of its charter because the governance structure outlined in the SEP charter petition is no longer in effect.

The SBE approved the material revision to the SEP charter petition with four conditions: (1) a signed agreement between SEP and EEC is provided to the CDE that outlines the administrative and programmatic services to be implemented; (2) SEP must provide an outreach or recruitment plan by August 1, 2015, which details how SEP will meet or exceed 255 pupils (as indicated in the SEP material revision build out plan); (3) SEP will provide the CDE with an updated multi-year budget projection, updated narratives and assumptions along with their FY Unaudited Report on or before September 15, 2015. If the multi-year projections are inconsistent with SEP's projected estimates for significant improvements in its financial condition, then a budget plan with timelines that addresses how the inconsistencies will be resolved must also be provided; and (4) a specific plan is provided to the CDE that adequately addresses how SEP plans to repay their RAN of approximately \$1.7 million, which matures September 15, 2015.

To date, SEP has not met two of these conditions. SEP has failed to present a specific plan to the CDE that adequately addresses how SEP plans to repay the RAN of approximately \$1.6 million, which matured September 15, 2015. This plan was due to the CDE on July 1, 2015. Additionally, SEP provided multi-year projections to the CDE, however, they are based on a RAN repayment plan that has been neither approved by the SEP Board nor the RAN lenders.

The CDE issued a Letter of Concern to SEP on October 9, 2015, to address several concerns the CDE had since the SBE approved the SEP material revision on July 9, 2015 (Attachment 2). The CDE identified specific corrective actions for SEP to complete with reasonable timelines and continued to provide technical assistance to SEP to support the completion of each corrective action. The CDE sent this letter to EEC on SEP's behalf, because at the time, SEP had no governing board, as all of their board members had officially resigned and EEC had informed CDE that EEC was working to install a new SEP Board under the advice of their legal counsel.

On or about October 19, 2015, the CDE received written notice from EEC that it was terminating the MOU between SEP and EEC effective November 18, 2015. As the SEP Board had resigned and EEC was no longer going to provide services to SEP after November 18, 2015, the CDE was concerned that this action would ultimately close the school since there would be no administrators present to run the school. As a result, on October 22, 2015, the CDE issued a letter to EEC to begin closure procedures to facilitate enrollment of current SEP pupils to other school districts (Attachment 4). On October 22, 2015, the CDE received e-mail correspondence from legal counsel representing the SEP Board stating that it would meet that evening to discuss moving forward for the remainder of the school year. To date, the CDE has not received correspondence from the SEP Board about their plan to continue to operate, including, at a minimum, their plan to provide administrative services at the school once the MOU

with EEC terminates on November 18, 2015, the SEP Board's plans for repayment and restructuring of the \$1.6 million RAN, and other budget revisions necessary to address the school's outstanding debt and declining enrollment.

Additionally, the SEP Board has failed to meet specific requirements of its MOU with the SBE. Specifically, the SEP Board has failed to meet requirements outlined in the following sections:

- 1.2 Board of Directors and establishment of Governance Council
- 1.3 Board of Directors and Governance Council Responsibilities
 - Council Meetings
 - Adoption of Policies and Procedures
 - Internal Controls
- 3.5 Reserves
- 3.7 Oversight Fees

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

SEP's charter petition was denied by the Pittsburg Unified School District governing board on December 15, 2010. SEP submitted an appeal to the Contra Costa County Board of Education that was denied on February 16, 2011.

The SBE authorized SEP on appeal on November 10, 2011. The SBE agenda item can be found as Item 12 on the SBE November 9–10, 2011, Agenda Web page at <http://www.cde.ca.gov/be/ag/ag/yr11/agenda201111.asp>. The corresponding minutes for the November 9–10, 2011, SBE meeting can be found on the SBE Minutes Web page at <http://www.cde.ca.gov/be/mt/ms/documents/finalminutes110911.doc>

At its July 9, 2015, meeting, the SBE approved a material revision, with technical amendments and conditions, to the SEP charter petition to revise its governance structure and educational program.

FISCAL ANALYSIS (AS APPROPRIATE)

The CDE receives approximately one percent of the revenue of the charter school for CDE's oversight activities.

ATTACHMENT(S)

- Attachment 1: Letter to Elizabeth Brooking, Board Chair, Dated November 5, 2015: Notice of Violation Pursuant to California *Education Code* Section 47607(d) (4 pages)
- Attachment 2: Five Letters of Concern to Synergy Education Project (13 pages)
- Attachment 3: Memorandum of Understanding between Encore Education

Cooperation and Synergy Education Project and Termination Letter
(17 pages)

Attachment 4: Letter to Synergy Education Project Regarding Ceasing Operation
on November 18, 2015 (3 pages)

STATE OF CALIFORNIA

EDMUND G. BROWN JR., Governor

CALIFORNIA STATE BOARD OF EDUCATION

1430 N Street, Suite 5111
Sacramento, CA 95814
Phone: (916) 319-0827
Fax: (916) 319-0175



November 5, 2015

Elizabeth Brooking, Board Chair
Synergy Education Project
355 East Leland Road
Pittsburg, CA 94565

Subject: Notice of Violation Pursuant to California *Education Code* Section 47607(d)

Dear Chairwoman Brooking:

The State Board of Education (SBE) has been made aware of a number of issues that, if not resolved immediately by the Synergy Education Project (SEP) Board, will directly impact the ability of SEP to continue operations in 2015–16. Specifically, the issues of concern are as follows:

The SEP Board engaged in fiscal mismanagement (*EC* Section 47607[c][1][C]):

- The SEP budget has ended with significant deficits for the first three years of operation with little sound evidence of progress towards eliminating the budget deficit. Currently, Synergy's financial condition is insolvent with a negative fund balance as of June 30, 2015, of \$793,916. Additionally, SEP currently owes Encore Education Corporation (EEC) approximately \$200,000 bringing the negative end fund balance to \$993,916.
- SEP has demonstrated a continued pattern of deficit spending when original budgets planned for operating surpluses, a pattern of projected enrollment not materializing and negatively impacting SEP's revenue flow, and an inability to meet financial obligations as evidenced by SEP's September 15, 2015, default on a \$1.6 million Revenue Anticipation Note (RAN).
- The SEP Board failed to pay off a \$1.6 million RAN which matured on September 15, 2015. At its July 9, 2015, meeting, the SBE approved a material revision to the SEP charter petition with technical amendments and conditions. One of the conditions requires SEP to provide a plan on how to repay that debt, which is now in default. SEP has not responded to the CDE's request to provide any documentation regarding the default of the RAN or the subsequent RAN repayment plan.

The SEP Board committed a material violation of the conditions, standards, or procedures set forth in the charter (*EC* Section 47607[c][1][A]):

- **Governance:** SEP is in violation of its charter because the governance structure outlined in the SEP charter petition is no longer in effect, based on the following evidence:
 - SBE approval of the material revision to the SEP charter included a revision to SEP's governance structure and educational program. SEP recognized the critical situation

Elizabeth Brooking, Board Chair
November 5, 2015
Page 2 of 4

and sought a partnership with EEC to provide a more sustainable future with regard to governance and fiscal solvency during the remainder of SEP's charter authorization under the SBE, currently through June 30, 2017. The revised SEP charter petition outlines a possible partnership that was later finalized through a Memorandum of Understanding (MOU) between SEP and EEC on July 1, 2015. This MOU outlined specific duties to be performed by EEC including, but not limited to, providing programmatic services, administrative services, fiscal management, student discipline, and SEP school administrative staff. On October 19, 2015, EEC provided thirty days written notice to the SEP board and the CDE of the termination of this MOU pursuant to section 2.5 of the MOU. Based on this correspondence, EEC states that it will no longer provide services to SEP after November 18, 2015. SEP therefore is in violation of its charter because the governance structure outlined in the SEP charter petition is no longer in effect.

- The SBE approved the material revision to the SEP charter petition with four conditions. To date, SEP has not met two of these conditions. SEP has failed to present a specific plan to the CDE that adequately addresses how SEP plans to repay the RAN of approximately \$1.6 million, which matured September 15, 2015. This plan was due to the CDE on July 1, 2015. Additionally, SEP provided multi-year budget projections, however, they are based on a RAN repayment plan which has neither been approved by the SEP Board or the RAN lenders.
- Additionally, the SEP Board has failed to meet specific requirements of its MOU with the SBE. Specifically, the SEP Board has failed to meet requirements outlined in the following sections:
 - 1.2 Board of Directors and establishment of Governance Council
 - 1.3 Board of Directors and Governance Council Responsibilities
 - Council Meetings
 - Adoption of Policies and Procedures
 - Internal Controls
 - 3.5 Reserves
 - 3.7 Oversight Fees
- **Additional Outstanding Documents:** The CDE notes that the following request has not been completed by SEP. The CDE issued a letter of concern to SEP on October 9, 2015, with specific corrective actions and assigned deadlines. Although some of these deadlines have not yet passed and SEP has time to complete the corrective actions, the CDE finds it helpful to reiterate the following:
 - **SEP Governing Board:** As of the date of the letter of concern, SEP did not have a functioning board, which is not consistent with the SEP charter petition or the SEP bylaws. The CDE issued two corrective actions related to this concern, one is due on November 16, 2015, and one is due November 30, 2015
 - **Technical Amendments:** At the July 9, 2015, SBE meeting, the SBE approved the SEP material revision to revise its governance structure and educational program with the condition to comply with the technical amendments identified by the CDE to the charter petition as a condition of approval. SEP submitted a revised charter petition by

Elizabeth Brooking, Board Chair
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Page 3 of 4

e-mail to the CDE on August 21, 2015. Upon reviewing the document, the CDE has noted that all of the technical amendments to be incorporated into the SEP petition were not addressed. The CDE requested that the technical amendments be completed and the revised SEP petition be resubmitted by August 28, 2015. To date, SEP has not completed this request. The CDE issued one corrective action related to this concern due on November 16, 2015.

- **Suspension and Expulsion:** The CDE noted several concerns with the suspension and expulsion policies outlined in the SEP charter petition and requested technical amendments be made to the SEP petition. To date, SEP has not addressed these technical amendments and therefore, it is unclear to the CDE which policies are being implemented with regard to the pupils that the SEP Dean of Students reported were expelled at the beginning of the school year. The CDE issued three corrective actions related to this concern, two were due on October 30, 2015, and one is due November 30, 2015.
- **Local Control Accountability Plan:** SEP has not completed a Local Control Accountability Plan for the 2015–18 school years or an annual update for the 2014–15 school year. The CDE issued one corrective action related to this concern due on November 30, 2015.
- **A–G Courses:** SEP has A–G approved courses for grade nine only. The CDE issued one corrective action related to this concern which was due on October 30, 2015.

Additionally, *EC* Section 47607(c)(2) states that the authority that granted the charter shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter. Based on the most recent California Assessment of Student Performance and Progress data, SEP's scores are below the state average for the same grades.

Pursuant to *California Code of Regulations*, Title 5, Section 11968.5.2, the SEP governing board has the right to respond through the following actions:

- (1) Submit to the SBE a detailed, written response addressing each identified violation which shall include the refutation, remedial action taken, or proposed remedial action by the charter school specific to each alleged violation. The written response is due by close of business on **November 13, 2015**.
- (2) Attach to its written response supporting evidence of the refutation, remedial action, or proposed remedial action, if any, including written reports, statements, and other appropriate documentation. SEP's response should include, at minimum, the following:
 - a. A detailed plan, based on documented commitments, to eliminate the negative balance in the budget; and
 - b. Documentation from the lender(s) of the RAN granting an extension past September 15, 2015, repayment period, payment due date(s), default interest rate, any penalties or other amounts owed, and total amount owed.

Elizabeth Brooking, Board Chair
November 5, 2015
Page 4 of 4

Failure to provide substantial evidence that refutes, remedies, or proposes to remedy the alleged violations may provide grounds sufficient to form the basis for an action to revoke the SEP charter pursuant to *EC* Section 47607(c).

On **December 2, 2015**, SEP will have an opportunity to present its evidence to refute or remedy each alleged violation to the Advisory Commission on Charter Schools (ACCS). The ACCS will review the evidence and discuss the items in a public forum and take action regarding a recommendation to the SBE.

On **January 13, 2016**, the SBE, in a public hearing, will consider whether there is substantial evidence to refute or remedy each alleged violation, at which time it may issue a Notice of Intent to Revoke, pursuant to *EC* Section 47607(e). If the SBE issues a Notice of Intent to Revoke, the SBE will hold a public hearing on **January 14, 2016**, at which time the SBE will determine whether sufficient evidence exists to revoke SEP's charter. This letter serves as a formal Notice of Violation, pursuant to *EC* Section 47607(d) and *California Code of Regulations*, Title 5, Section 11968.5.2, and provides SEP a reasonable period in which to address these concerns.

A written response and supporting evidence addressing each of the above-outlined issues must be received by Cindy S. Chan, Division Director, Charter Schools Division, CDE at 1430 N Street, Ste. 5401, Sacramento, CA, 95814 no later than the close of business (5:00 p.m. Pacific Standard Time) **November 13, 2015**.

If you have any questions regarding this subject, please contact Cindy Chan, Division Director, Charter Schools Division, by phone at 916-322-6029 or by e-mail at cchan@cde.ca.gov.

Sincerely,



Dr. Michael Kirst, President
California State Board of Education

MWK/km

cc: Karen Stapf Walters, Executive Director, California State Board of Education
Nick Schweizer, Deputy Superintendent, California Department of Education
Services for Administration, Finance, Technology, and Infrastructure
Cindy S. Chan, Director, Charter Schools Division, California Department of Education

This is the official scanned version of Item 19 Attachment 2 from the California State Board of Education (SBE) Meeting Agenda for November 2015 posted at

<http://www.cde.ca.gov/be/ag/ag/yr15/agenda201511.asp>

An accessible version of the contents of this document is located at

<http://www.cde.ca.gov/be/ag/ag/yr15/nov15item19a2aav.asp>

The scanned document starts following this initial page.



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

Sent via First Class Mail and E-mail to:
denise@encorehighschool.com

October 9, 2015

Denise Griffin, Executive Director
Synergy Education Project
355 East Leland Road
Pittsburg, CA 94565

Subject: Letter of Concern Regarding Synergy Education Project Material Revision and Request for Corrective Actions

Dear Director Griffin:

The purpose of this letter is to notify you of several concerns the California Department of Education (CDE) has for Synergy Education Project (SEP). The concerns and required corrective actions for SEP are as follows:

- **Governance:** SEP currently does not have a functioning board, as it has no members, which is not consistent with the SEP charter petition or the SEP bylaws. The revised SEP charter petition states that the SEP board shall have seven to nine directors and the SEP bylaws state that the board shall have up to nine but not fewer than five members. Currently the SEP board has no members. Additionally, prior to resigning, board members approved a calendar for quarterly board meetings however, the SEP bylaws state these meetings would be held once a month and the SEP petition states these meetings of the SEP Board will take place on the second Tuesday of each month unless otherwise designated.
 - **Corrective Actions:** An updated board roster, including biographies of each SEP board member to reflect that the SEP board has the minimum number of board members stated in the SEP charter petition and bylaws. This roster must be accompanied by SEP board minutes of the SEP board meeting where action was taken regarding installation of SEP board members and must be submitted to the CDE by **November 16, 2015**.
 - Additionally, a copy of the revised SEP bylaws to reflect the minimum number of board members that is consistent with the number stated in the revised SEP charter petition. The copy of the bylaws must be accompanied by evidence of SEP board approval and submitted to the CDE by **November 30, 2015**.
- **Suspension and Expulsion:** The CDE noted several concerns with the suspension and expulsion policies outlined in the SEP charter petition and requested technical amendments be made to the SEP petition. To date, SEP has not addressed these technical amendments and therefore, it is unclear to the CDE which policies are being

Denise Griffin, Executive Director
October 9, 2015
Page 2

implemented with regard to the pupils that the SEP Dean of Students reported were expelled at the beginning of the school year.

- **Corrective Actions:** SEP will provide the following to the CDE.
 - SEP will provide a record of the suspension and expulsion procedures that were implemented with the pupils who were suspended and expelled during the 2015–16 school year to the CDE by **October 30, 2015**.
 - SEP will provide evidence that students expelled were provided with their due process right to a hearing prior to expulsion to the CDE by **October 30, 2015**.
 - SEP will provide a copy of the revised SEP discipline policy, which reflects all technical amendments regarding the suspension and expulsion policy. The revised SEP discipline policy must be accompanied by evidence of SEP board approval and submitted to the CDE by **November 30, 2015**.
- **Technical Amendments:** At the July 9, 2015, State Board of Education (SBE) meeting, the SBE approved the SEP material revision to revise its governance structure and educational program with the condition to comply with the technical amendments identified by the CDE to the charter petition as a condition of approval. SEP submitted a revised charter petition by e-mail to the CDE on August 21, 2015. Upon reviewing the document, the CDE has noted that the technical amendments to be incorporated into the SEP petition have not all been addressed. The CDE requested that the technical amendments be completed and the revised SEP petition be resubmitted by August 28, 2015. To date, SEP has not completed this request.
 - **Corrective Action:** A complete revised SEP petition addressing all of the technical amendments is due to the CDE on **November 16, 2015**.
- **A–G Courses:** SEP has A–G approved courses for grade nine only.
 - **Corrective Action:** SEP will issue a letter to each grade nine through grade eleven parent explaining the purpose of A–G approved courses and providing parents with a list of courses, by grade level, that SEP offers that meet A–G approval. This letter to parents must be sent by **October 30, 2015**. SEP must provide evidence of this mailing and a copy of the letter to the CDE.
- **Enrollment:** The enrollment information posted on the SEP Web site is not consistent with the SEP charter petition with regard to admissions preferences. The current enrollment form requires families to provide a copy of a pupil's Individualized Education Program (IEP) and/or 504 plan, if applicable, as a condition of enrollment. Additionally, it

Denise Griffin, Executive Director
October 9, 2015
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states, "By not providing a copy of a current IEP or 504 plan you are impeding services and enrolling the student without modifications or services."

- **Corrective Action:** SEP must revise the SEP Web site to reflect correct admissions preferences, upload a revised enrollment form to the SEP Web site that does not include the requirement that parents are to submit a pupil's IEP/504 plan as a condition of enrollment by October 15, 2015. Additionally, a hard copy of the revised enrollment with the same revisions must be submitted to the CDE by **October 30, 2015**.
- **Local Control Accountability Plan:** SEP has not completed a Local Control Accountability Plan (LCAP) for the 2015–18 school years or an annual update for the 2014–15 school year.
 - **Corrective Action:** SEP will provide a copy of a 2014–15 LCAP Annual Update and a 2015–18 LCAP both approved by the SEP board to the CDE by **November 30, 2015**. Additionally, SEP will provide CDE with documentation of this action.

If SEP is unable to make these changes or otherwise provide the corrective action for each of these concerns raised by the CDE, by the due dates listed in this letter, the CDE will recommend that the SBE issue a Notice of Violation to the SEP board. A Notice of Violation is the initial step in the charter revocation procedure.

If you have any questions regarding this subject, please contact Judie Hall, Education Administrator, Charter Schools Division, by phone at 916-323-2694 or by e-mail at juhall@cde.ca.gov.

Sincerely,

/s/

Cindy S. Chan, Director
Charter Schools Division

CC:km

cc: Karen Stapf Walters, Executive Director, California State Board of Education
Nick Schweizer, Deputy Superintendent, California Department of Education,
Services for Administration, Finance, Technology, and Infrastructure Branch



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

February 6, 2015

Cheryl Townsend, Principal
Synergy Charter School
355 East Leland Road
Pittsburg, CA 94565

Dear Principal Townsend:

Subject: Second Letter of Concern addressing Supplanting of Public Charter School Grant Program Funds and Corrective Action Plan submitted by Synergy Charter School

The purpose of this letter is to notify you of significant ongoing concerns the California Department of Education (CDE) has for Synergy Charter School (SCS). Public Charter Schools Grant Program (PCSGP) funds were used to pay for and support certificated and classified salaries and benefits that should have been paid for out of the Local Control Funding Formula (LCFF) general purpose entitlement.

- In fiscal year (FY) 2012–13, the PCSGP grant was charged for certificated salaries of \$84,852.89, classified salaries of \$37,874.58 and employee benefits of \$29,724.31.
- In FY 2013–14, the PCSGP grant was charged for certificated salaries of \$75,870.88 and employee benefits of \$19,873.01.
- The total unallowable costs for FY 2012–13 and 2013–14 are \$248,195.67.

Therefore, the CDE is requesting a Corrective Action Plan (CAP) to address this supplanting of funds.

This letter also provides feedback from the CDE staff review of the CAP/First Interim Report submitted by SCS on December 19, 2014.

SCS submitted the requested CAP, which included a narrative to summarize the budget plan and multi-year projection of 2014–15 through 2016–17.

CDE staff reviewed and analyzed the submitted documents and CAP and found that SCS had made progress toward addressing concerns in the following area:

Cheryl Townsend, Principal
February 6, 2015
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- SCS reduced expenditures by \$550,511 in salaries, benefits, books and supplies, and services/operations.

The CAP provided in response to the Letter of Concern dated in December 2014 was not sufficient to constitute a clearly delineated plan of action to remedy the situation; therefore, the CDE is requesting the following items:

1. Specific information of how SCS plans to recruit and retain new students for existing grade levels and more detail of the plan of adding grade eleven for 2015–16 and grade twelve for 2016–17.
2. A legally binding written commitment or confirmation if a commitment is not generated in regards to the partnership with ACRE Development to procure a new and expanded site for SCS. The commitment or confirmation should indicate the maximum capacity of the facility and monthly facilities expenses.
3. A detailed back-up plan of moving to a new facility to accommodate the projected increasing enrollment for upcoming years if a partnership with ACRE Development does not exist.
4. Board minutes reflecting approval of the CAP/First Interim Report regarding the proposed plan to address and eliminate the budget deficit after the third Letter of Concern issued in September 2014.

Please provide the CDE with a written response and supporting evidence addressing each of the items outlined above. Please submit this correspondence to:

Kylie Kwok, Education Fiscal Services Assistant
Charter Schools Division
California Department of Education
1430 N Street, Suite 5401
Sacramento, California 95814

The requested documentation must be received no later than the close of business day **(5 p.m. Pacific Standard Time) on February 12, 2015.**

If SCS is unable to provide the requested written documentation, the CDE may request that the State Board of Education consider these matters for possible action.

Cheryl Townsend, Principal
February 6, 2015
Page 3

If you have any questions or need any additional information regarding this subject, please contact Kylie Kwok, Education Fiscal Services Assistant, Charter Schools Division, by phone at 916-319-0498 or by e-mail at kkwok@cde.ca.gov.

Sincerely,



Cindy S. Chan, Interim Director
Charter Schools Division

CSC:kk



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

September 19, 2014

Cheryl Townsend, Principal
Synergy Charter School
355 East Leland Road
Pittsburg, CA 94565

Dear Principal Townsend:

Subject: Letter of Concern addressing the Corrective Action Plan submitted by Synergy Charter School

The purpose of this letter is to notify you of the continued concerns the California Department of Education (CDE) has for Synergy Charter School (SCS). This letter also provides feedback from the CDE staff review of the Corrective Action Plan (CAP) submitted by SCS on March 31, 2014.

SCS submitted the requested CAP, which included a narrative summarizing a budget plan and the multi-year projection for 2013–14 through 2015–16.

CDE staff has reviewed and analyzed the reasonableness of the CAP and multi-year projection summary and detail submitted by SCS and identifies the following concerns:

- The SCS budget submitted is out of balance and is projecting continued deficit spending through 2015–16 and negative reserves. A specific budget reduction was not provided to address the deficit spending.
- SCS submitted a revised budgeted enrollment based on an average daily attendance (ADA) assuming a 94 percent attendance ratio. This ADA appears to be overestimated based on the prior year trend of 89 percent.
- The SCS provided board meeting agenda and minutes for January 21, 2014, documenting the board's discussion and action taken. However, these board minutes address a prior Letter of Concern the CDE issued in April 2013, not the recent Letter of Concern issued in March 2014.

The CAP provided in response to the Letter of Concern dated in March 2014 was determined as not sufficient to constitute a clearly delineated plan of action to remedy the situation. Therefore, the CDE held a telephone conference call with SCS on September 4, 2014, to obtain further clarification and to inform the SCS staff of the continued concerns. During this call, the CDE requested that SCS submit a revised CAP and multi-year projection summary and detail for fiscal recovery that includes the following:

1. A balanced budget and adequate reserve with detailed assumptions on revenues and expenditures

Cheryl Townsend, Principal
September 19, 2014
Page 2

2. A revised budget with enrollment and ADA with 89% attendance ratio based on prior year trends
3. Board minutes reflecting approval of the amended budget and board discussion regarding the proposed Corrective Action Plan to address and eliminate the budget concerns as identified in this letter.

Please provide the CDE with a written response and supporting evidence addressing each of the issues outlined above. Please submit this correspondence to:

Kylie Kwok, Education Fiscal Services Assistant
Charter Schools Division
California Department of Education
1430 N Street, Suite 5401
Sacramento, California 95814

The requested documentation must be received no later than the close of business day (5:00 p.m. Pacific Standard Time) on October 1, 2014.

If SCS is unable to make these changes or otherwise remedy each of the concerns raised by the CDE, the CDE may request that the State Board of Education consider these matters for possible action.

If you have any questions or need any additional information regarding this subject, please contact Kylie Kwok, Education Fiscal Services Assistant, Charter Schools Division by phone, at 916-319-0498 or by e-mail at kkwok@cde.ca.gov.

Sincerely,

/s/

Julie Russell, Director
Charter Schools Division
California Department of Education



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

March 13, 2014

Cheryl Townsend, Principal
Synergy Charter School
355 East Leland Road
Pittsburg, CA 94565

Subject: Fiscal issues for Synergy Charter School

Dear Principal Townsend:

The purpose of this letter is to express concern for Synergy Charter School (SCS), to outline specific areas of concern in need of improvement, and to present a course of action to attempt to remedy these concerns.

As background, SCS has struggled financially since 2012–13, its first year of operation. The California Department of Education (CDE) continues to have concerns about SCS's ability to sustain operation and successfully implement its school program as set forth in the petition.

In April 2013, the CDE had issued a letter of concern to SCS identifying the specific financial items of concern and had requested a corrective action plan (CAP) that was due by May 1, 2013. Upon the review of the CAP, we note that the FY 2013–14 July 1 budget has projected enrollment and Average Daily Attendance (ADA) of 297 and 285 that reflects the preliminary budget received in July 2013. In addition, the projected ending balance on CAP is \$137,529 that is a slightly higher than the one on July preliminary budget of \$116,535. Both CAP and July preliminary budget have recommended five percent in reserves required in the Memorandum of Understanding. However, we find the following areas of concerns upon the review of audit reports and interim reports:

- Budget is out of balance. SCS reported deficit spending (source: 2012–13 audit report) for FY 2012–13 (\$194,158) and is projecting continued deficit spending at (\$195,400) for FY 2013–14 (source: 2013–14 First Interim Report).
 - ADA for FY 2013-14 budgeted at 285 was reduced to 193 according to the First Interim Report which equals a \$619,239 drop in revenues.

Cheryl Townsend, Principal
March 13, 2014

- SCS is projecting fund balance will decline to (\$389,558) and (\$248,317) for FY 2013–14 and 2014–15 (source: 2013–14 First Interim Report), which will be below the recommended five percent in reserves required in the Memorandum of Understanding.
- SCS reported the total amount of \$1,500,000 in 2012–13 Revenue Anticipation Notes (RANs), Series A that \$500,000 was paid and \$1,000,000 will be due by September 2014. SCS's reliance on borrowing has negatively affected the cash flow.
- Debt ratio (total liabilities to total assets) is high. The SCS debt ratio (source: 2012–13 audit) reported for the FY 2012–13 at 1.14 is high. A high debt ratio could jeopardize the school's ability to obtain financing. A high debt ratio may also result in higher financing costs.

Given the school's negative beginning balance of \$194,158 as of July 1, 2013, the CDE is concerned that SCS may not have sufficient resources to continue its operations successfully during the current school year without immediate action.

To remedy these concerns, the CDE is requesting that SCS provide the following items:

- A narrative explaining how the school plans to adjust and balance its school budget, including details on how the negative fund balance will be eliminated.
- A revised budget with enrollment and ADA adjusted to reflect current counts. The CDE would expect to see appropriate reductions to expenditures, including staffing, in order to achieve a balanced budget.
- Board minutes reflecting approval of the amended budget and board discussion regarding the proposed plan to address and eliminate the budget deficit.
- Please provide CDE with a written response and supporting evidence addressing each of the issues outlined above. Please submit this correspondence to: CDE Attention: Kylie Kwok, 1430 N Street, Suite 5401 Sacramento, California 95814. This must be received no later than the close of business day (5:00 p.m. Pacific Standard Time) on Friday, March 28, 2014.

If SCS is unable to make these changes or otherwise remedy each of the concerns raised by the CDE, the CDE will request that the SBE consider these matters for possible action.

Cheryl Townsend, Principal
March 13, 2014

If you have any questions or need any additional information regarding this subject, please contact Kylie Kwok, Education Fiscal Services Assistant, Charter Schools Division, by phone at 916-319-0498 or by e-mail at kkwok@cde.ca.gov.

Sincerely,

Julie Russell, Director
Charter Schools Division
California Department of Education



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

April 11, 2013

Cheryl Townsend, Director of Programs
Synergy School
355 East Leland Road
Pittsburg, CA 94565

Subject: Letter of Concern regarding current fiscal situation for Synergy Charter School

Dear Director Townsend:

The purpose of this letter is to notify you of concerns the California Department of Education (CDE) has with Synergy Charter School (SCS) regarding the charter's current fiscal situation. The concerns for SCS are as follows:

- No reserves are reported for fiscal year (FY) 2012–13 (source: 2012–13 2nd Interim report). The Memorandum of Understanding specifies that reserves of five percent of expenditures are expected to be maintained.
- Fund balance is negative. SCS reported negative fund balances (source: 2012–13 2nd interim report) for the FY 2012–13 (\$47,342). A negative fund balance could jeopardize the financial sustainability of SCS.
- Budget is out of balance. SCS reported deficit spending (source: 2012–13 2nd interim report) due to startup and expansion costs incurred in its first year of operation, FY 2012–13.

This is the first year of operation for SCS, and the CDE understands that SCS is anticipating substantial enrollment growth as grade levels are added and facilities are expanded which should improve the SCS's fiscal situation. The CDE requests that SCS provide to the CDE a corrective action plan by **May 1, 2013**. The action plan will include:

- A narrative updating on any changes to its latest multiyear projections.
- A narrative outlining action for which SCS will undertake to ensure enrollment growth and facility expansion.

Cheryl Townsend, Director of Programs
April 11, 2013
Page 2

The CDE will continue to monitor the fiscal situation of SCS and will provide technical assistance as deemed necessary. Should the negative fiscal condition persist, the CDE may recommend the California State Board of Education take appropriate action.

If you have any questions or need any additional information regarding this subject, please contact Christy Gardner, Education Programs Consultant, Charter Schools Division, by phone at 916-323-5791 or by e-mail at cgardner@cde.ca.gov.

Sincerely,

/s/

Julie Russell, Director
Charter Schools Division
California Department of Education

JR:cg

This is the official scanned version of Item 19 Attachment 3 from the California State Board of Education (SBE) Meeting Agenda for November 2015 posted at

<http://www.cde.ca.gov/be/ag/ag/yr15/agenda201511.asp>

An accessible version of the contents of this document is located at

<http://www.cde.ca.gov/be/ag/ag/yr15/nov15item19a3aav.asp>

The scanned document starts following this initial page.

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (“Agreement”) is made effective on July 1, 2015 (“Effective Date”), and is by and between ENCORE EDUCATION CORPORATION, a California nonprofit public benefit corporation (“ENCORE”) and SYNERGY EDUCATION PROJECT, a California non-profit public benefit corporation (“SEP”).

RECITALS:

WHEREAS, ENCORE operates Encore Jr./Sr. High School for the Performing and Visual Arts which is authorized by the Hesperia Unified School District and opened in 2008. Encore Jr./Sr. High School for the Performing and Visual Arts serves students in grades 9-12. Through the operation of Encore Jr./Sr. High School for the Performing and Visual Arts ENCORE has obtained knowledge, experience and expertise in operating charter schools, including with respect to business management, finance, strategy, grant applications, special education and general charter school management, and further including but not limited to, professional development and curriculum;

WHEREAS, SEP operates Synergy School which is located in Contra Costa County and authorized by the California State Board of Education (“Authorizer”). SEP opened in 2012 and serves students in grades 6-12. SEP’s current charter term expires in 2017. A true, correct, and complete copy of the Charter, including all attachments and exhibits thereto, is attached and fully incorporated herein as Exhibit A;

WHEREAS, the Board of Directors of SEP (the “Board”) may carry out any act and ensure the performance of any function by SEP that is in compliance with the California Constitution; the California Education Code; other federal, state or local statutes and regulations, orders and rulings applicable to California schools; any Operational Memorandum of Understanding between SEP and the Authorizer; any Special Education Memorandum of Understanding; the Charter; and any other written agreements between SEP and the Authorizer (collectively, “Applicable Law”);

WHEREAS, the Board has determined that it is in SEP’s best interests to enter into this Agreement with ENCORE in order to obtain the skilled services of ENCORE employees;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt, sufficiency and reasonableness of which are hereby acknowledged, the parties hereto intending to be legally bound, agree as follows:

ARTICLE 1

RETENTION OF ENCORE AND REASONABLE SERVICE FEE

1.1 Retention of ENCORE. SEP hereby engages and retains ENCORE, as an independent contractor, to provide the specific services identified in this Agreement for the term of this Agreement, as set forth in Section 1.2(b) (“Services”).

1.2 ENCORE Duty and Authority.

(a) General. All individuals used by ENCORE to provide Services shall be ENCORE employees and not SEP employees. ENCORE shall hire, train, license (to the extent required by local law), supervise, direct and discharge its employees as necessary, and in its discretion, for purpose of providing Services to SEP under this Agreement.

(b) Services to be Provided by ENCORE. ENCORE will be responsible for providing the following Services to SEP:

I. Programmatic, Pupil Recruitment and Related Services

1. ENCORE will provide instructional support as required to operate Synergy School.

2. Recruitment of students including creation, design and preparation of recruitment materials and advertisements as ENCORE deems appropriate and develop community outreach strategy and connect with local organizations.

3. Implementation of SEP’s admissions policy, including management of the application and enrollment process; creation, design and publication of SEP’s applications and enrollment packages; communication with potential students and the provision of assistance to students through the enrollment process; conduct public random lottery as needed.

4. Plan and manage school orientation sessions; and provide representation of SEP at conferences and other events. Respond to incoming calls, letters, faxes and emails about the SEP program, its curriculum, the application and enrollment process, instructional materials, etc.

5. Propose educational goals, curriculum, methods of pupil assessment, admission policy, student recruitment policy, school calendar, school day schedule consistent with Applicable Law.

II. Administrative Services

1. Assistance with identification of location for SEP’s facility; providing assistance as needed for negotiating the lease and leasehold improvements (all of which are to be authorized by SEP); help to manage the facility.

2. Administration of all business aspects and day-to-day management of SEP. These services shall include:

a. Consultation, and services as liaison for SEP with the Authorizer and other governmental offices and agencies;

b. Consultation and advice regarding special education programs, processes, support services and reimbursements;

c. Provide all school administrative staff, including the Executive Director. ENCORE will employ and determine the employment terms of its administrative personnel as ENCORE deems necessary to deliver the services described in this Agreement. The responsibilities and performance of ENCORE employees will be consistent with Applicable Law. ENCORE will have sole authority to select, supervise, evaluate, transfer, promote, discipline and dismiss its administrative staff.

d. Preparation of forms, operations manuals, handbooks, guides and policies and procedures as necessary or required by the Charter or Authorizer.

e. Consultation with respect to, and monitoring and oversight of, state reporting systems.

f. Assist SEP in identifying and applying for grants and other funding opportunities.

g. Assist with administration of federal entitlement programs (e.g. Title I, the Individuals with Disabilities Education Act.)

h. Establish and implement policies and procedures to maintain proper internal controls.

i. Provision of such other administrative consulting services as agreed in writing by the parties from time to time.

3. Budgeting and Financial Reporting.

a. Preparation of a proposed annual budget, including projected revenues, expenses and capital expenditures. The proposed budget will be submitted by ENCORE to SEP on or before June 30th preceding the start of the applicable school year covered by such proposed budget. On or about September 30 of each school year, ENCORE will submit to SEP any proposed modifications to the annual budget for that school year to take into account the actual student enrollment for such year and other changes in key assumptions. ENCORE shall also submit to SEP from time to time any other proposed modifications to the annual budget as ENCORE shall deem necessary or desirable, to be acted upon by SEP consistent with Applicable Law and this Agreement.

b. As practical and necessary, provide to SEP on a periodic basis, detailed statements of all revenue received, by source and detailed statements of all direct expenditures for services rendered.

c. Provide SEP all financial reports required under Applicable Law and by the Authorizer.

d. To the extent applicable, assist in the preparation of required non-profit filings, including Form 990 annual information returns.

4. Financial Management.

a. In accordance with SEP's expenditure authorization policy, ENCORE will, within commercially reasonable periods of time or as required by any agreement governing the same, make payment for all expenses, out of the SEP funds managed by ENCORE.

b. All funds will be maintained in account(s) belonging to SEP over which designated representatives of ENCORE will have signature authority as approved by SEP. SEP will immediately transfer to such account(s) all funds received by SEP from any source, including but not limited to, per pupil payments or reimbursements received from the Authorizer, state, federal and/or any other sources as well as any and all contributions received by SEP.

c. Perform necessary planning, forecasting, accounting and reporting functions as appropriate.

d. Assist and coordinate in any third-party audit(s) of SEP.

5. Student Discipline. Provide necessary information and cooperate with SEP on the handling of student disciplinary matters, including without limitation attendance and truancy matters. ENCORE will recommend policy and procedures for SEP's adoption consistent with Applicable Law.

6. Authorizer Policies, Charter Revision and Charter Renewal. Assist SEP in complying with all applicable Authorizer policies as reasonably interpreted to apply to SEP. Assist SEP with drafting the Charter revision and Charter renewal applications, including working with SEP to develop any necessary budgetary and curriculum information. Present and defend SEP's charter revision and Charter renewal applications before the Authorizer.

7. Additional Administrative Services. Any other services as agreed to in writing by the parties from time to time.

(c) Authority and Responsibility Limitations. ENCORE agrees that the employees it selects to provide Services to SEP under this Agreement will obtain prior written approval from the Board before engaging in any action outside of SEP's ordinary course of business.

1.3 Authorities and Duties of SEP.

(a) General Oversight. SEP will be responsible for monitoring ENCORE's performance under, and compliance with, this Agreement in accordance with Applicable Law. SEP shall also be responsible for overseeing SEP's quality, operational and financial performance.

(b) **Policies.** The parties acknowledge and agree that in providing services hereunder, ENCORE will recommend various policies for the operation of SEP's program and will implement procedures consistent with those policies, but that SEP retains ultimate responsibility for adopting policies and for overseeing ENCORE's implementation of procedures consistent with those policies, such that the policies and their implementation are in compliance with Applicable Law. SEP shall provide ENCORE written copies of all policies adopted by SEP and must notify ENCORE promptly in writing of any changes to such policies adopted by SEP and shall provide ENCORE with copies thereof.

(c) **Non-Administrative Staff.** Unless otherwise agreed in writing by ENCORE, SEP will employ all non-administrative staff and is responsible for all costs associated with their employment (including, without limitation, salaries, benefits, travel, and professional development). The Executive Director of Synergy School, who is employed by ENCORE, will have sole authority to select, supervise, evaluate, transfer, promote, discipline and dismiss SEP's staff.

(d) **Program Expenses.** ENCORE shall not assume responsibility for any debts, liabilities or obligations incurred by SEP prior to the effective date of this Agreement. ENCORE will not incur any debts, liabilities or obligations on SEP's behalf, other than current operational liabilities (accounts payable, deferred revenue, accrued interest, etc.) relating solely to revenues and expenditures included in SEP's current approved budget, without prior SEP Board approval. SEP will be responsible for all debts, liabilities and obligations which are incurred on behalf of SEP by ENCORE, consistent with this paragraph, during the term of this Agreement.

1.4 Reasonable Service Fee. SEP agrees to pay ENCORE a reasonable service fee as follows: SEP shall pay ENCORE an annual fee of seven percent (7.0%) of total annual revenues, paid in four equal installments on September 30, December 30, March 30, and July 31 for any given July 1–June 30 fiscal year, commencing September 30, 2015 for the 2015-16 fiscal year and continuing on thereafter. Annual revenues shall be recalculated at each quarterly billing and reconciled with prior quarterly payments. Encore may, at its discretion, accept a single annual payment in arrears for services rendered for the 2015-16 and 2016-17 fiscal years.

1.5 Payment Out of SEP Funds Managed by ENCORE. ENCORE is specifically authorized to pay itself, subject to SEP's expenditure authorization policy, out of SEP's funds managed by ENCORE, and to work directly with SEP staff or contracted back office services provider to ensure timely payment in full.

1.6 Fees Subject to Prudent Financial Management. Both parties agree that it is essential to maintain the good standing of the Charter. The criteria for maintaining good standing include, but are not limited to, prudent financial management of SEP by the SEP Board. In light of the foregoing, should there be any disagreement regarding payments that cannot be resolved between the parties, either party may invoke the provisions of Section 5.5.

1.7 Service Initiation. The services performed pursuant to this Agreement began on the Effective Date.

1.8 Change in Reasonable Service Fee. During the term of this Agreement, and absent a material breach by ENCORE or SEP, the reasonable service fee designated in Section 1.4 shall not be varied without the prior written consent of both parties.

ARTICLE 2

AGREEMENT TERM AND TERMINATION

2.1 Initial Term. The term of this Agreement shall be for a term of two years (2) years from the Effective Date, or until the expiration of the Charter, whichever date comes first. Under no circumstances will this Agreement have any force or effect beyond the expiration of the Charter or any charter renewal.

2.2 Subsequent Term(s). The parties agree to consider extensions of this contract at the appropriate time.

2.3 Termination for Cause/Material Breach. A material breach of this Agreement shall be deemed to occur in the narrow instances where ENCORE engages in gross negligence in the provision of services as identified in this Agreement or where SEP fails to make a required payment under this Agreement and the parties cannot agree on alternative terms. A material breach may be waived by either party. If a material breach occurs and such breach is not waived or corrected within ninety (90) days after the breaching party receives written notice describing such breach, the non-breaching party shall have the right to terminate this Agreement with the breaching party. If the breaching party does not agree that there has been an occurrence of a material breach or believes that the breach was corrected within ninety (90) days after receipt of written notice of such breach, the matter shall be referred to dispute resolution as set forth in Section 5.5 of this Agreement.

2.4 Non-Disparagement. The parties agree not to make false comments or utter otherwise disparaging comments about the other to any third person or third party entity. This shall not prohibit either party from engaging in any communication otherwise protected by law, including but not limited to, privileged communications with counsel, communications required pursuant to subpoena and/or other legal or judicial process, communications necessary for the health and safety of others including the pupils at SEP, and/or communications required in order to address any potential crime or fraud.

2.5 Insolvency. Either party may terminate this Agreement upon thirty (30) days written notice, without being in breach of this Agreement, if the other party admits insolvency, makes an assignment for the benefit of creditors, or has a trustee or receiver appointed over all or any substantial part of such party's assets.

2.6 Rights and Obligations after Termination. No termination of this Agreement shall affect the rights, obligations or claims of any party arising prior to the termination of this Agreement, including compensation due ENCORE for services provided under this Agreement prior to the termination date.

2.7 Termination Upon Revocation or Nonrenewal of Charter. If SEP's charter is nonrenewed and no replacement charter is obtained by the end of the existing charter term or can

reasonably be expected to be obtained prior to the subsequent September 30, this Agreement shall terminate at the end of the charter term. If SEP's charter is revoked, this Agreement shall terminate as of the effective date of the revocation. Any funds available after school closure and dissolution of the nonprofit corporation shall be used to first satisfy outstanding ENCORE invoices up through and including the date of termination of the Agreement, unless SEP is then party to bankruptcy proceedings, in which case ENCORE may submit a claim for all fees and reimbursements due and payable through the bankruptcy proceedings.

ARTICLE 3

CONFIDENTIALITY AND PROPRIETARY INFORMATION

3.1 Definition of Confidential Information. As used herein, "Confidential Information" shall mean:

(a) Information disclosed by or on behalf of SEP to ENCORE or to ENCORE's representative(s) concerning disciplinary, academic, health and other student records (and this provision shall survive termination of this Agreement). Confidential information shall include information learned or furnished either orally or in writing prior to or during the term of this Agreement.

3.2 Agreements Concerning Confidentiality. To ensure the protection of Confidential Information from improper disclosure, ENCORE and SEP agree that:

(a) All Confidential Information of the other party shall be and remain the exclusive property of such other party;

(b) Except for disclosure required by law, each party shall limit access to Confidential Information of the other party to individuals employed or retained by the first party who have a need to know the Confidential Information in order to perform the Services set forth in this Agreement or other valid agreements between such parties; and

(c) The use of Confidential Information will be limited only to purposes of complying with each party's obligations hereunder and for such other purposes as shall be agreed upon by the other party in writing.

3.3 Exceptions to Confidentiality. The obligations of the parties contained in this Article shall not apply to any Confidential Information which is a record subject to disclosure under the California Public Records Act.

3.4 Intellectual Property Rights.

(a) SEP acknowledges and agrees that ENCORE has the right to sublicense certain intellectual property rights and interests in and to ENCORE's intellectual property, including but not limited to trade secrets, know-how, proprietary data, documents and written materials in any format, artwork, graphics, charts, software, licenses, marketing materials, website design and other materials created for SEP, curricular materials and any and all customizations and derivative works thereof (collectively, "ENCORE Proprietary Materials"). SEP further

acknowledges and agrees that it has no intellectual property interest or claims in the ENCORE Proprietary Materials, any customizations and derivative works thereof or any other materials created for use in connection with ENCORE Proprietary Materials, and has no right to use the ENCORE Proprietary Materials unless expressly agreed to in writing by ENCORE.

(b) Sub-License of ENCORE Proprietary materials. ENCORE hereby grants SEP a royalty-free, nonexclusive, non-transferable sub-license, during the term of this Agreement and for a period for ninety (90) days following the expiration or earlier termination of this Agreement, to use and distribute the ENCORE Proprietary Materials in connection with SEP's operation as contemplated in this Agreement. Notwithstanding the foregoing, SEP hereby agrees not to: (i) modify or otherwise create, or permit third parties to modify or otherwise create, derivative works from or using the ENCORE Proprietary Materials, or (ii) sublicense any rights under this Section 3.4 without the advance written approval of ENCORE, which approval of ENCORE may be withheld by ENCORE at its sole discretion. Upon the termination of this license, SEP will cease to use the ENCORE Proprietary Materials, and SEP will return all ENCORE Proprietary materials to ENCORE promptly.

ARTICLE 4

WARRANTIES AND INDEMNITIES

4.1 Warranties. Each party represents and warrants that it:

(a) Is an organization duly organized, validly existing and in good standing under the laws of the state in which it is formed;

(b) Has all requisite power and authority and the legal right to enter into this Agreement and to perform its obligations;

(c) Has taken all necessary action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations;

(d) Has duly executed and delivered this Agreement, which in turn, constitutes a legal, valid, binding obligation, enforceable against such party in accordance with its terms; and

4.2 Indemnities.

(a) Indemnification by ENCORE. ENCORE will indemnify, defend, and save and hold SEP and all of its employees, officers, directors, trustees, subcontractors, and agents, their respective successors and permitted assigns, harmless against any and all claims, demands, suits or other forms of liability including without limitation costs and reasonable attorneys' fees (each a "Claim") that may arise out of, or by reason of, any (a) breach of any expressed representation or warranty, covenant or agreement made or to be performed by ENCORE pursuant to this Agreement, (b) noncompliance by ENCORE with any Applicable Law in connection with SEP's operations, but excluding any Claims that arise from conduct undertaken in accordance with the Authorizer's or SEP's instructions, procedures or written policies or in accordance with Authorizer's written policies, except where such instructions arise from and are in accordance with specific advice or explicit recommendations formally provided by ENCORE, and (c) act or

omission of ENCORE or any of its employees, officers, directors, trustees, subcontractors or agents in connection with SEP's operations that results in injury, death, or loss to person or property except to the extent any Claims arise out of actions or omissions of SEP. ENCORE shall not be liable for any Claims related to the enrollment, placement and provision of services to any Special Education Students.

(b) Indemnification by SEP. SEP will indemnify, defend, and save and hold ENCORE and all of its employees, officers, directors, trustees, subcontractors, and agents, their respective successors and permitted assigns, harmless against any and all Claims that may arise out of, or by reason of, any (a) breach or any expressed representation or warranty, covenant or agreement made or to be performed by SEP pursuant to this Agreement, (b) noncompliance by SEP with any Applicable Law in connection with SEP's operations, (c) act or omission of SEP or any of its employees, officer, directors, trustees, subcontractors or agents in connection with SEP's operations that results in injury, death, or loss to person or property except to the extent any Claims arise out of actions or omission of ENCORE, and (d) for any Claims that are related to SEP's action or inaction with respect to the enrollment, placement and provision of services to any Special Education Students.

4.3 Insurance.

(a) Liability Coverage. SEP will initiate and maintain for a period of two (2) years after the expiration or termination of this Agreement, at its own expense, comprehensive professional and general liability insurance, including product liability, contractual liability (applicable to indemnification obligations of SEP set forth in Section 4.2), and advertising injury insurance, with reputable and financially secure insurance carriers to cover the operation so SEP, for not less than \$5,000,000 (combined single limit for bodily injury and property damage per occurrence and in the aggregate). Such insurance will include ENCORE and its trustees, directors, officers, employees, contractors and agents as additional insureds within thirty (30) days after the effective date of this Agreement. Such insurance will be written to cover claims incurred, discovered, manifested or made during or after the term of the Agreement.

(b) SEP will furnish a certificate of insurance evidencing such coverage to ENCORE within thirty (30) days after the effective date of this Agreement. Thereafter, SEP will provide thirty (30) days' advance written notice to ENCORE of any cancellation or material adverse change to such insurance.

(c) Insurance Coverage No Limitation on ENCORE's Rights. SEP's insurance will be primary coverage and any insurance ENCORE may purchase shall be excess and non-contributory. The minimum amounts of insurance coverage required herein will not be construed to impose any limitation on SEP's indemnification obligations under Section 4.2.

ARTICLE 5

GENERAL PROVISIONS

5.1 Notices

Any notice, demand, or communication required or permitted to be given to a party by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if (i) delivered personally, (ii) sent by facsimile, or (iii) sent by registered or certified mail, postage prepaid, addressed to the party at the address set forth below. Except as otherwise provided herein, any such notice shall be deemed to be given on the date on which the same was personally delivered, on the date on which the notice was transmitted by facsimile if confirmation thereof is obtained or, if sent by registered or certified mail, three days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid. The inability to deliver any such notice because of a changed mailing address or facsimile, of which no notice was given, or because of the rejection or refusal to accept such notice, shall be deemed to be the effective receipt of the notice as of the date of such inability to deliver, rejection or refusal to accept. Notice may be given by counsel or an agent for a party. Courtesy copies shall be delivered the parties' attorneys and the parties are under a duty to notify the other in the event of any change of address.

If to ENCORE:

Encore Education Corporation
16955 Lemon Street
Hesperia, CA 92345
Attention: Denise Griffin
Facsimile: 760-956-2282

If to SEP:

Synergy Education Project
355 E. Leland Road
Pittsburg, CA 94565
Attention: CYNTHIA RUEHLIG
Facsimile: _____

This provision shall survive termination of this Agreement.

5.2 Waiver. No waiver of any breach of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or subsequent breach.

5.3 Severability. If any term, provision or section of this Agreement shall be found to be unenforceable, that term, provision, or section shall be stricken from this Agreement and shall not affect that validity or enforceability of the remaining terms, provisions and sections of this Agreement. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as enforceable.

5.4 Further Assurances. Each party shall execute such deeds, assignments, endorsements, evidences of transfer or other documents and shall give further assurances as shall be reasonably necessary or desirable to perform its obligations hereunder.

5.5 Governing Law; Dispute Resolution.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of California, without applying any choice of law provisions of the State of California, or any other jurisdiction.

(b) If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by engaging in good faith negotiations between themselves, their respective Boards, and their respective representatives.

(c) Should such efforts not successfully resolve the dispute(s), then the parties agree to engage in mediation administered by the American Arbitration Association under its Commercial Mediation Procedures or by such similar commercial alternative dispute service as may be agreed upon by the parties. The mediation shall be held in San Bernardino County, State of California, or other location as may be agreed upon by the parties.

(d) Should mediation not successfully resolve the dispute(s), or if the parties are unable to agree upon the mediator or commercial alternative dispute service to be utilized for such purpose, the parties then may agree to arbitration if both parties consent to arbitration. No arbitration shall take place unless both parties consent to arbitration. Alternatively, any party may choose to litigate its dispute in lieu of arbitration. Irrespective of the mediation and arbitration provisions set forth herein, each party understands and agrees that the other party may seek and obtain relief from a court of competent jurisdiction located in San Bernardino County, State of California, without first attempting mediation or arbitration for claims by either party for injunctive or other equitable relief, including, without limitation, claims for unauthorized disclosure of Confidential Information.

(e) The parties hereto mutually agree that, except as provided in this Agreement, any arbitration shall be in accordance with the then-current rules of the American Arbitration Association and the procedures to be mutually agreed upon by the parties hereto, before an arbitrator ("Arbitrator") mutually selected by ENCORE and SEP. The arbitration shall take place in San Bernardino County, State of California, or other location as may be agreed upon by the parties.

(f) The Arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the State of California, in accordance with this Section 5.5, in deciding the issues to be heard. The parties shall be entitled to engage in discovery pursuant to the California Arbitration Act. Notice of any motions before the Arbitrator shall be given to the Arbitrator. Any party may cause to be prepared, at its expense, a written transcription or electronic recordation of such arbitration. The award of the Arbitrator shall be supported by written findings of fact and conclusions of law.

(g) With respect to each matter not subject to mediation or arbitration, each of the parties hereby irrevocably and unconditionally consents to submit to the jurisdiction of the federal courts of the United States of America (located in Los Angeles, California) or, if such federal courts do not have jurisdiction, to the courts of the State of California (located in the county of San Bernardino) for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby, and further agrees that service of any process, summons, notice or document by U.S. registered mail to the party's respective address set forth in this Agreement shall be effective service of process for any litigation brought against the party in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the United States of America or the State of California, in each case located in the county of San Bernardino, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim that any such litigation brought in any such court has been brought in an inconvenient forum.

(h) Each of the parties hereto irrevocably agrees and acknowledges that any judgment (whether issued by a court, arbitrator or other entity) which one party may have against any other party, and all other monetary claims which one party may have against any other party, may be enforced in any jurisdiction in which the party subject to the monetary obligation has assets.

(i) Section 5.5 of this Agreement, in its entirety, shall survive termination of this Agreement.

5.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

5.7 Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and permitted assigns. Except as provided herein, this Agreement may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

5.8 Entire Agreement; Amendment. Except as expressly set forth to the contrary herein, including but not limited to the interpretation and enforcement of this Agreement, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the parties (and their affiliates) with respect to the subject matter hereof. This Agreement may be amended only in writing signed by the parties.

5.9 No Benefit to Others. Except as expressly set forth to the contrary herein, including but not limited to the interpretation and enforcement of this Agreement, the representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the parties hereto and their successors and permitted assigns, and the Agreement will not be construed as conferring and is not intended to confer any rights on any other persons or entities.

5.10 Rights and Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. These rights and remedies are given in addition to any other rights that the parties may have by law, statute, ordinance or otherwise.

5.11 Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to define or limit the scope, extent or intents of this Agreement or any provisions herein.

5.12 Recitals. The Recitals of this Agreement are hereby incorporated into this Agreement.

5.13 Construction. The parties agree that this Agreement was jointly developed and prepared and shall not be construed for or against either party by reason of the physical preparation of this Agreement.

5.14 Facsimile Signatures. The parties agree that, if a duly authorized representative of one party signs this Agreement and transmits such Agreement to the other party via facsimile transmission, and a duly authorized representative of the other party then signs such transmission, this Agreement shall have been validly executed by both parties and such fully signed document, and the facsimile of such document bearing all signatures transmitted to the party that originally signed such document, shall be deemed original documents.

5.15 Relationship of Parties. The parties to this Agreement are not partners or joint venturers. ENCORE is an independent contractor. This Agreement shall not constitute any party the legal representative or agent of the other, nor shall any party or any affiliate of any party have the right or authority to assume, create or incur any liability or obligation, express or implied, against, in the name of, or on behalf of the other party. This provision shall survive termination of this Agreement.

5.16 Legal Fees. ENCORE and SEP shall pay their own respective legal fees incurred in negotiating and preparing this Agreement.

5.17 Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the parties hereto, with the full intent of releasing all claims. The parties acknowledge that:

- (a) They have carefully read this Agreement;
- (b) They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;
- (c) They understand the terms and consequences of this Agreement and of the releases it contains and they are fully aware of and voluntarily and knowingly agree to the legal and binding effect of this Agreement; and

(d) The person executing this Agreement on behalf of his or her respective entity party represents and warrants that he or she had the authority to do so.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 19TH day of JUNE, 2015.

**ENCORE EDUCATION CORPORATION, a
California nonprofit public benefit corporation**



Denise Griffin, Chief Executive Officer

**SYNERGY EDUCATION PROJECT, a
California non-profit corporation**



[INSERT NAME, TITLE]
CYNTHIA T. RUEHLIG
President, Board of Directors

Exhibit A
Charter



October 19, 2015

VIA E-MAIL and US MAIL

Cynthia Ruehlig
President, Synergy Education Project
cynthia.ruehlig@gmail.com

Elisabeth Brooking
Vice-President, Synergy Education Project
1403 St. James Parkway, Concord, CA 94521
esbrooking@yahoo.com

Edgar Cortes
Board Member, Synergy Education Project
edgarcortes2000@gmail.com

Re:	<u>Synergy Education Project</u>
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Dear Synergy Education Project Board Members:

Please be advised that Encore Education Corporation is providing thirty (30) days written notice of the termination of its Memorandum of Understanding (“MOU”) with Synergy Education Project, pursuant to Section 2.5 of that same MOU. The Effective Date of Notice is the date of this letter.

As the board members of Synergy Education Project have all resigned in violation of California *Corporations Code* section 5226 and Encore Education Corporation has no authority to appoint new board members or otherwise act in a governance capacity for Synergy Education Project, Synergy Education Project has in effect admitted insolvency.

Sincerely,

Encore Education Corporation

Enclosures

Cc:
Judie Hall, Education Administrator, Charter Schools Division, California Department of Education
juhall@cde.ca.gov

Karl Yoder, DMS
karl@charteradmin.com



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

Via First Class Mail and E-mail to:
denise@encorehighschool.com

October 22, 2015

Denise Griffin, Chief Executive Officer
Synergy Education Project
355 East Leland Road
Pittsburg, CA 94565

Subject: Synergy Education Project High School Ceasing Operation November 18, 2015

Dear Ms. Griffin:

The purpose of this letter is to advise Encore Education Corporation staff to initiate the following procedures due to the termination of the Memorandum of Understanding between Synergy Education Project (SEP) and Encore Education Corporation (EEC) and the cessation of the School's operation effective November 18, 2015. The California Department of Education (CDE) is requesting that EEC, as the current management organization for SEP, begin the following closure procedures in order for the State Board of Education and the CDE to facilitate enrollment of current SEP pupils to other school districts.

- Provide CDE with the name(s) of and contact information for the person(s) to whom reasonable inquiries may be made regarding the ceasing of SEP operations.

This information must be provided to CDE by October 23, 2015

- Notify parents/guardians and pupils in writing, by e-mail, and through the SEP Web site of the termination of the management operation at SEP, that SEP will close effective November 18, 2015, and provide information about enrolling in other school districts. Additionally, the CDE requests that EEC staff hold a parent meeting to inform parents of the same.

Evidence of such notifications and meeting is due to the CDE by October 28, 2015

- Notify parents/guardians of the manner in which they may obtain copies of pupil records, including specific information on completed courses and credits that meet graduation requirements.

Evidence of such notification is due to the CDE by October 28, 2015

Denise Griffin, Chief Executive Officer
October 21, 2015
Page 2

- Update all pupil records, on a daily basis as required, with regard to attendance, grades, and transcripts in Aeries and prepare reports for submission to the CDE.

These reports are due to the CDE by October 28, 2015, November 10, 2015, and November 18, 2015

- Provide CDE with a full roster of comprehensive pupil information including:
 - Student identification number
 - Current grade level
 - All classes each pupil has taken while enrolled at SEP
 - Name of parent/guardian
 - Mailing address
 - Phone number
 - E-mail address
 - Pupil's school district of residence
 - If the pupil has dis-enrolled from SEP, the name of the district that requested the pupil's record and the date the record was sent to the district

This roster is due to the CDE by October 28, 2015, November 10, 2015, and November 18, 2015

- Prepare all pupil cumulative folders and confidential files for EEC to deliver to the CDE for custodianship. Each box must be labeled with the names of pupils included in the box in alphabetical order.

These files must be delivered to the CDE on or before October 30, 2015

Additionally, EEC must complete the following:

- Provide CDE with a full roster of comprehensive SEP staff (certificated and non-certificated) information including:
 - Full name
 - Mailing address

Denise Griffin, Chief Executive Officer
October 21, 2015
Page 3

- Phone number
- E-mail address
- Date of hire
- Retirement information:
 - Note STRS or PERS
- Current employment status
 - FTE or percent of FTE
 - Currently employed or resignation submitted with effective date of resignation

This SEP staff roster is due to the CDE on October 28, 2015, November 10, 2015, and November 18, 2015

- Prepare all SEP staff personnel records for transfer to the CDE.

These files must be delivered to the CDE on or before November 11, 2015

Should you have any questions regarding this letter, please contact Kiyomi Meeker, Education Programs Consultant, Charter Schools Division, by phone at 916-445-6761 or by e-mail at kmeeker@cde.ca.gov.

Sincerely,

/s/

Cindy S. Chan, Director
Charter Schools Division

CC:jh

Cc: Karen Staph Walters, Executive Director, California State Board of Education
Nick Schweizer, Deputy Superintendent, California Department of Education,
Services for Administration, Finance, Technology, and Infrastructure Branch



California State Board of Education
Meeting Agenda Items for November 4-5, 2015

ITEM 01 ADDENDUM

ITEM ADDENDUM

DATE: November 3, 2015

TO: MEMBERS, State Board of Education

FROM: Karen Stapf Walters, Executive Director, California State Board of Education

SUBJECT: Item 1 – 2016-2017 State Board of Education Student Member: Recommendation of Three Finalists for Submission to the Governor.

Summary of Key Issues

The State Board of Education Screening Committee (consisting of Members Burr (Chair), Holaday, and Straus) recommends that the State Board of Education approve three 2016-17 student member finalists for submission to the Governor, as indicated in Attachment 1.

Attachment(s)

Attachment 1: Recommended Finalists for the 2016-17 Student Member of the Board Position to be Forwarded for the Governor's Consideration and Appointment (2 Pages)

CALIFORNIA STATE BOARD OF EDUCATION

1430 N Street, Suite 5111
Sacramento, CA 95814
Phone: (916) 319-0827
Fax: (916) 319-0175



November 3, 2015

TO: Members, State Board of Education

FROM: Sue Burr, Chair, and Members of Screening Committee of the State Board of Education

Re: Recommended Finalists for the 2016-17 Student Member of the Board for the Governor's Consideration and Appointment

The Ad-Hoc Screening Committee met on Monday, October 19, 2015, to review the applications that were submitted for consideration of the 2016-17 Student Member of the Board, and selected 12 semi-finalists. The semi-finalists attended the 2015 Student Advisory Board on Education (SABE) conference beginning on November 1, where student delegates listened to presentations made by the semi-finalists and voted to select six candidates.

On Wednesday, November 3, 2015, the Screening Committee interviewed the six candidates, and identified three finalists for consideration by the Board. If approved, the names of these individuals will be submitted to the Governor's Office for his review and consideration. The Governor will appoint one of the three finalists as the 2016-17 Student Member of the Board.

We wish to thank all the students who made the effort to apply, and would like to encourage them to continue offering their impressive abilities to local, regional, or other state activities.

Students who are being recommended as finalists to the State Board of Education by the Screening Committee of the State Board of Education are provided in alphabetical order below:

- **Angele Bridges**, Bright Star Secondary Charter Academy, Los Angeles Unified School District, Los Angeles County
- **Olivia Sison**, C.K. McClatchy High School, Sacramento City Unified School District, Sacramento County
- **Naudika Williams**, Oakland High School, Oakland Unified School District, Alameda County

In addition to the finalists named above, the following students were identified as candidates for the 2016-17 Student Member of the Board:

- **Sam Goidell**, Davis Senior High School, Davis Joint Unified School District, Yolo County
- **Parker Harrell**, Central Valley High School, Gateway Unified School District, Shasta County
- **Eleanor (Ella) Smith**, Westview High School, Poway Unified School District, San Diego County

The following students were also identified as semi-finalists for the 2016-17 Student Member of the Board:

- **Ekam Brar**, Dr. TJ Owens Gilroy Early College Academy, Gilroy Unified School District, Santa Clara County
- **Karina Gonzalez-Espinoza**, Lindsay High School, Lindsay Unified School District, Tulare County
- **Alexandria Hunter**, High Tech High North County, San Marcos School District, San Diego County
- **Henry Low**, Western Sierra Collegiate Academy, Rocklin Unified School District, Placer County
- **Emily Lu**, Maria Carrillo High School, Santa Rosa City Schools, Sonoma County
- **Whitney Zhang**, Dr. TJ Owens Gilroy Early College Academy, Gilroy Unified School District, Santa Clara County



California State Board of Education
Meeting Agenda Items for November 4-5, 2015

ITEM 05 ADDENDUM

ITEM ADDENDUM

DATE: November 3, 2015

TO: MEMBERS, State Board of Education

FROM: TOM TORLAKSON, State Superintendent of Public Instruction

SUBJECT: Item 5 – California Assessment of Student Performance and Progress: Approve Commencement of Rulemaking for Amendments to the *California Code of Regulations*, Title 5, Sections 850 through 864.

Summary of Key Issues

As required by *Education Code* Section 60640(q), Title 5 of the *California Code of Regulations* Sections 850 through 864 were amended to conform the state's testing regulations to the California Assessment of Student Performance and Progress (CAASPP). Permanent CAASPP regulations were approved by the Office of Administrative Law on August 27, 2014.

Under the newly-adopted regulations, the first operational administration of the CAASPP took place in spring 2015. Since the completion of testing on July 31, 2015, the California Department of Education has worked to identify areas for improvement in the test administration process. Additionally, the assessment consortium of which California is a member, Smarter Balanced Assessment Consortium, recently made changes in several of its policies; changes with which the CAASPP regulations must conform. Finally, the introduction of a successor alternate assessment to the California Alternate Performance Assessment, the new California Alternate Assessment, requires the addition of testing procedures and policies consistent with that assessment. The Economic and Fiscal Impact Statement is included as Attachment 4.

Attachment(s)

Attachment 4: Economic and Fiscal Impact Statement (5 Pages)

This is the official scanned version of Item 05 Addendum Attachment 4 from the California State Board of Education (SBE) Meeting Agenda for November 2015 posted at

<http://www.cde.ca.gov/be/ag/ag/yr15/agenda201511.asp>

An accessible version of the contents of this document is located at <http://www.cde.ca.gov/be/ag/ag/yr15/nov15item05addenduma4aav.asp>

The scanned document starts following this initial page.

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

addendum-nov15item05

Attachment 4

Page 1 of 5

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Education	CONTACT PERSON Linda Hakala	EMAIL ADDRESS lhakala@cde.ca.gov	TELEPHONE NUMBER 319-0658
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 California Assessment of Student Performance and Progress (dated 10-23-15)			NOTICE FILE NUMBER Z

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- a. Impacts business and/or employees
- b. Impacts small businesses
- c. Impacts jobs or occupations
- d. Impacts California competitiveness
- e. Imposes reporting requirements
- f. Imposes prescriptive instead of performance
- g. Impacts individuals
- h. None of the above (Explain below):

The regs align to test guidelines and would not impose add'l private sector costs

If any box in Items 1 a through g is checked, complete this Economic Impact Statement.

If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.

2. The _____ estimates that the economic impact of this regulation (which includes the fiscal impact) is:
(Agency/Department)

- Below \$10 million
- Between \$10 and \$25 million
- Between \$25 and \$50 million
- Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: _____

Describe the types of businesses (Include nonprofits): _____

Enter the number or percentage of total businesses impacted that are small businesses: _____

4. Enter the number of businesses that will be created: _____ eliminated: _____

Explain: _____

5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): _____

6. Enter the number of jobs created: _____ and eliminated: _____

Describe the types of jobs or occupations impacted: _____

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? YES NO

If YES, explain briefly: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

addendum-nov15item05

Attachment 4

Page 2 of 5

ECONOMIC IMPACT STATEMENT (CONTINUED)

B. ESTIMATED COSTS *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ _____

a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____

d. Describe other economic costs that may occur: _____

2. If multiple industries are impacted, enter the share of total costs for each industry: _____

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* \$ _____

4. Will this regulation directly impact housing costs? YES NO

If YES, enter the annual dollar cost per housing unit: \$ _____

Number of units: _____

5. Are there comparable Federal regulations? YES NO

Explain the need for State regulation given the existence or absence of Federal regulations: _____

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ _____

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: _____

2. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?

Explain: _____

3. What are the total statewide benefits from this regulation over its lifetime? \$ _____

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: _____

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: _____

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

addendum-nov15item05

Attachment 4

Page 3 of 5

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ _____ Cost: \$ _____

Alternative 1: Benefit: \$ _____ Cost: \$ _____

Alternative 2: Benefit: \$ _____ Cost: \$ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? YES NO

Explain: _____

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.*

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? YES NO

***If YES, complete E2. and E3
If NO, skip to E4***

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

YES NO

If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

The increase or decrease of investment in the State: _____

The incentive for innovation in products, materials or processes: _____

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

addendum-nov15item05

Attachment 4

Page 4 of 5

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.

1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate) (Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$

a. Funding provided in

Budget Act of or Chapter , Statutes of

b. Funding will be requested in the Governor's Budget Act of

Fiscal Year:

2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate) (Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

a. Implements the Federal mandate contained in

b. Implements the court mandate set forth by the Court.

Case of: vs.

c. Implements a mandate of the people of this State expressed in their approval of Proposition No.

Date of Election:

d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected:

e. Will be fully financed from the fees, revenue, etc. from:

Authorized by Section: of the Code;

f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in

3. Annual Savings. (approximate)

\$

4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

5. No fiscal impact exists. This regulation does not affect any local entity or program.

6. Other. Explain The regulations do not impose any additional costs as they address issues that have surfaced with the California Assessment of Student Performance and Progress tests, clarify procedures and definitions, and align to the Smarter Balanced Assessment Consortium guidelines.

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

addendum-nov15item05

Attachment 4

Page 5 of 5

FISCAL IMPACT STATEMENT (CONTINUED)

B. FISCAL EFFECT ON STATE GOVERNMENT *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

It is anticipated that State agencies will:

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the _____ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain The regulations do not impose any additional costs as they provide clarity and address issues with the existing regulations for the California Assessment of Student Performance and Progress tests.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

4. Other. Explain _____

FISCAL OFFICER SIGNATURE



DATE

October 29, 2015

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY



DATE

11/2/15

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER



DATE



California State Board of Education
Meeting Agenda Items for November 4-5, 2015

ITEM 06 ADDENDUM

ITEM ADDENDUM

DATE: November 4, 2015

TO: MEMBERS, State Board of Education

FROM: TOM TORLAKSON, State Superintendent of Public Instruction

SUBJECT: Item 6 – California Assessment of Student Performance and Progress: Approve the Finding of Emergency and Proposed Emergency Regulations for Amendments to the *California Code of Regulations*, Title 5, Sections 850 through 864.

Summary of Key Issues

As required by *Education Code* Section 60640(q), Title 5 of the *California Code of Regulations* Sections 850 through 864 were amended to conform the state's testing regulations to the California Assessment of Student Performance and Progress (CAASPP). Permanent CAASPP regulations were approved by the Office of Administrative Law on August 27, 2014.

Under the newly-adopted regulations, the first operational administration of the CAASPP took place in spring 2015. Since the completion of testing on July 31, 2015, the California Department of Education (CDE) has worked to identify areas for improvement in the test administration process. Additionally, the assessment consortium of which California is a member, Smarter Balanced Assessment Consortium, recently made changes in several of its policies; changes with which the CAASPP regulations must conform. Finally, the introduction of a successor alternate assessment to the California Alternate Performance Assessment, the new California Alternate Assessment, requires the addition of testing procedures and policies consistent with that assessment.

It is imperative that the CAASPP regulations be amended on an emergency basis. The CDE has simultaneously submitted amendments to the CAASPP regulations through the regular rulemaking process. Since the changes to the CAASPP regulations were only recently identified, approval of these regulations solely through the regular rule making process would not have given local educational agencies the guidance they immediately require to start preparation for 2015–16 CAASPP testing, already underway. The Economic and Fiscal Impact Statement is included as Attachment 4.

Attachment(s)

Attachment 4: Economic and Fiscal Impact Statement (5 Pages)

This is the official scanned version of Item 06 Addendum Attachment 4 from the California State Board of Education (SBE) Meeting Agenda for November 2015 posted at

<http://www.cde.ca.gov/be/ag/ag/yr15/agenda201511.asp>

An accessible version of the contents of this document is located at <http://www.cde.ca.gov/be/ag/ag/yr15/nov15item06addenduma4aav.asp>

The scanned document starts following this initial page.

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

addendum-nov15item06

Attachment 4

Page 1 of 5

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Education	CONTACT PERSON Linda Hakala	EMAIL ADDRESS lhakala@cde.ca.gov	TELEPHONE NUMBER 319-0658
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 California Assessment of Student Performance and Progress (dated 10-23-15)			NOTICE FILE NUMBER Z

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- a. Impacts business and/or employees
- b. Impacts small businesses
- c. Impacts jobs or occupations
- d. Impacts California competitiveness
- e. Imposes reporting requirements
- f. Imposes prescriptive instead of performance
- g. Impacts individuals
- h. None of the above (Explain below):

The regs align to test guidelines and would not impose add'l private sector costs

If any box in Items 1 a through g is checked, complete this Economic Impact Statement.

If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.

2. The _____ estimates that the economic impact of this regulation (which includes the fiscal impact) is:
(Agency/Department)

- Below \$10 million
- Between \$10 and \$25 million
- Between \$25 and \$50 million
- Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: _____

Describe the types of businesses (Include nonprofits): _____

Enter the number or percentage of total businesses impacted that are small businesses: _____

4. Enter the number of businesses that will be created: _____ eliminated: _____

Explain: _____

5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): _____

6. Enter the number of jobs created: _____ and eliminated: _____

Describe the types of jobs or occupations impacted: _____

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? YES NO

If YES, explain briefly: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

addendum-nov15item06

Attachment 4

Page 2 of 5

ECONOMIC IMPACT STATEMENT (CONTINUED)

B. ESTIMATED COSTS *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ _____

a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____

d. Describe other economic costs that may occur: _____

2. If multiple industries are impacted, enter the share of total costs for each industry: _____

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* \$ _____

4. Will this regulation directly impact housing costs? YES NO

If YES, enter the annual dollar cost per housing unit: \$ _____

Number of units: _____

5. Are there comparable Federal regulations? YES NO

Explain the need for State regulation given the existence or absence of Federal regulations: _____

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ _____

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: _____

2. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?

Explain: _____

3. What are the total statewide benefits from this regulation over its lifetime? \$ _____

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: _____

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: _____

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

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Attachment 4

Page 3 of 5

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ _____ Cost: \$ _____

Alternative 1: Benefit: \$ _____ Cost: \$ _____

Alternative 2: Benefit: \$ _____ Cost: \$ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: _____

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? YES NO

Explain: _____

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.*

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? YES NO

***If YES, complete E2. and E3
If NO, skip to E4***

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

YES NO

If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

The increase or decrease of investment in the State: _____

The incentive for innovation in products, materials or processes: _____

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

addendum-nov15item06

Attachment 4

Page 4 of 5

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.

1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate) (Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$

a. Funding provided in

Budget Act of or Chapter , Statutes of

b. Funding will be requested in the Governor's Budget Act of

Fiscal Year:

2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate) (Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

a. Implements the Federal mandate contained in

b. Implements the court mandate set forth by the Court.

Case of: vs.

c. Implements a mandate of the people of this State expressed in their approval of Proposition No.

Date of Election:

d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected:

e. Will be fully financed from the fees, revenue, etc. from:

Authorized by Section: of the Code;

f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in

3. Annual Savings. (approximate)

\$

4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

5. No fiscal impact exists. This regulation does not affect any local entity or program.

6. Other. Explain The regulations do not impose any additional costs as they address issues that have surfaced with the California Assessment of Student Performance and Progress tests, clarify procedures and definitions, and align to the Smarter Balanced Assessment Consortium guidelines.

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

addendum-nov15item06

Attachment 4

Page 5 of 5

FISCAL IMPACT STATEMENT (CONTINUED)

B. FISCAL EFFECT ON STATE GOVERNMENT Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

It is anticipated that State agencies will:

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the _____ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain The regulations do not impose any additional costs as they provide clarity and address issues with the existing regulations for the California Assessment of Student Performance and Progress tests.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

4. Other. Explain _____

FISCAL OFFICER SIGNATURE

[Handwritten Signature]

DATE

October 29, 2015

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY

[Handwritten Signature]

DATE

11/2/15

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

[Handwritten Signature]

DATE



California State Board of Education
Meeting Agenda Items for November 4-5, 2015

ITEM 10 ADDENDUM

ITEM ADDENDUM

DATE: November 4, 2015

TO: MEMBERS, State Board of Education

FROM: Karen Stapf Walters, Executive Director, California State Board of Education

SUBJECT: Item 10 – 2015 State Board of Education Screening Committee Recommendations for Appointments to the Instructional Quality Commission, the Advisory Commission on Special Education and the Advisory Commission on Charter Schools.

Summary of Key Issues

The State Board of Education Screening Committee recommends that the State Board of Education approve the appointments to the Instructional Quality Commission, the Advisory Commission on Special Education and the Advisory Commission on Charter Schools as identified in Attachment 1.

Attachment(s)

Attachment 1: Recommended Appointments to the Instructional Quality Commission, the Advisory Commission on Special Education and the Advisory Commission on Charter Schools. (2 Pages)

State Board of Education (SBE) Screening Committee Recommendations for Appointment to the Instructional Quality Commission (IQC), the Advisory Commission on Special Education (ACSE), and the Advisory Commission on Charter Schools (ACCS)

The SBE Screening Committee recommends that the following individuals be appointed to the **IQC** for a four-year term.

Name	Term
Jennifer Woo	January 1, 2016 – December 31, 2019
Lizette Diaz	January 1, 2016 – December 31, 2019
Nicole Naditz	January 1, 2016 – December 31, 2019
Soomin Chao	January 1, 2016 – December 31, 2019
Julie Tonkovich	January 1, 2017 – December 31, 2020

The SBE Screening Committee recommends that the following individual be appointed to the **ACSE** for a four-year term.

Name	Term
Christina Mills	January 1, 2016 – December 31, 2019

The SBE Screening Committee recommends that the following individual be appointed to the **ACSE** to complete the remainder of a vacated four-year term.

Name	Term
Keila Rodriguez	January 1, 2016 – December 31, 2016

The SBE Screening Committee recommends that the following individual be reappointed to the **ACSE** for a four-year term.

Name	Term
Mildred Browne	January 1, 2016 – December 31, 2019

The SBE Screening Committee recommends that the following individuals be appointed to the **ACCS** for a two-year term.

Name	Term
Caitlin O'Halloran	January 1, 2016 – December 31, 2017
Wesley Sever	January 1, 2016 – December 31, 2017

The SBE Screening Committee recommends that the following individuals be reappointed to the **ACCS** for a two-year term.

Name	Term
Ari Engelberg	January 1, 2016 – December 31, 2017
Mark Ryan	January 1, 2016 – December 31, 2017