



**California State Board of Education**  
**Meeting Agenda Items for September 2-3, 2015**

**ITEM 05**



## CALIFORNIA STATE BOARD OF EDUCATION

### SEPTEMBER 2015 AGENDA

<b>SUBJECT</b>	
Renewal Petition for the Establishment of a Charter School Under the Oversight of the State Board of Education: Consideration of the Academia Avance Charter School, which was considered for denial by the Los Angeles County Board of Education.	<input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Information <input checked="" type="checkbox"/> Public Hearing

#### **SUMMARY OF THE ISSUE(S)**

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On May 12, 2015, the Los Angeles County Board of Education (LACBE) considered the renewal petition of Academia Avance Charter School (AACS). The AACS appeal vote was three in favor and three against the petition to renew. LACBE did not grant approval or deny the renewal petition for AACS.

The AACS renewal was originally scheduled to be heard at the LACBE Board meeting on April 14, 2015; however, the petitioner failed to submit the renewal application by the deadline established in the LACBE Board policy, necessitating a request for an extension by LACBE.

Pursuant to California *Education Code (EC)* Section 47605(j), petitioners for a charter school that have been denied at the local level may petition the State Board of Education (SBE) for approval of the charter, subject to certain conditions.

#### **RECOMMENDATION**

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The California Department of Education (CDE) proposes to recommend that the SBE hold a public meeting regarding the AACS petition, and thereafter deny the request to establish AACS under the oversight of the SBE, based on the CDE's findings that the AACS charter petitioner is demonstrably unlikely to successfully implement the intended program, the petition is inconsistent with sound educational practice, and the petition does not provide a reasonably comprehensive description of the 16 required charter elements pursuant to *EC* sections 47607, 47605(b)(1), 47605(b)(2), 47605(b)(4), 47605(b)(5), and *California Code of Regulations*, Title 5 (5 CCR) Section 11967.5.1. The Meeting Notice for the SBE Advisory Commission on Charter Schools (ACCS) is located at <http://www.cde.ca.gov/be/cc/cs/accsnotice080415.asp>.

## Advisory Commission on Charter Schools Recommendation

The Advisory Commission on Charter Schools (ACCS) considered the AACS petition at its August 4, 2015, meeting. Four commissioners voted to recommend approval and one voted to recommend denial. However, because five votes are needed for an action to carry, there is no official recommendation from the ACCS.

### **BRIEF HISTORY OF KEY ISSUES**

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AACS submitted a petition on appeal to the CDE on June 8, 2015.

The AACS petition proposes to serve pupils in grade six through grade twelve in the northeast Los Angeles neighborhood of Highland Park. The mission of AACS is to provide a college preparatory school, which will insure that all pupils will complete A—G requirements, graduate, and be equipped to be accepted into colleges and universities. The central goal for all AACS pupils is to demonstrate proficiency in all core academic areas. Pupils at AACS have the opportunity to develop into active citizens that are characterized by the ideals of a diverse and democratic society. The AACS philosophy and vision are built around the following core values: consciousness, reason, synergy, and action. Additionally, the AACS Life Preparatory program provides pupils an opportunity to explore an area of interest, through an independent research project or a community internship before college. The program is designed to align with the AACS mission to prepare all pupils for a professional life by providing internships; therefore, allowing pupils to benefit from a quality, structured, work-based learning environment by educating pupils and parents about the academic and financial components of college planning, process, and participation.

The petitioner proposes to serve 535 pupils in grade six through grade twelve in 2015–16 and 625 pupils in grade six through grade twelve in 2019–2020.

In considering the AACS petition, CDE reviewed the following:

- The AACS petition and appendices Attachments 3 and 5 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a3.pdf> and <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a5.pdf>.
- Educational and demographic data of schools where pupils would otherwise be required to attend, Attachment 2 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a2.xls>.
- The AACS budget and financial projections, Attachment 4 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a4.pdf>.

- Description of changes to the petition necessary to reflect the SBE as the authorizing entity, Attachment 6 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a6.pdf>.
- A recommendation from the Los Angeles County Office of Education (LACOE) Superintendent to the LACBE regarding the denial of the AACS petition, along with the petitioner's response to the LACOE Superintendent's recommendations, Attachment 7 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a7.pdf>.
- Alternative Measures [2013–14 Graduates and Cohort Rates, 2010–13 Scholastic Aptitude Test (SAT) participation rate, and 2013–14 A—G Completion rate] provided by AACS, Attachment 5 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a5.pdf>.
- AACS budget submitted on July 16, 2015. This budget document shows it was prepared by Charter Impact and is dated March 31, 2015. CDE reviewed this budget using the updated Local Control Funding Formula calculator dated June 22, 2015, Attachment 8 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a8.pdf>.
- Northwest Evaluation Association Measures of Academic Progress (NWEA-MAP) Outcomes 2014–15 Version 2, Attachment 9 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a9.pdf>.
- Northwest Evaluation Association Measure of Academic Progress Grade Equivalencies 2014–15 Report, Attachment 10 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a10.pdf>.

On May 12, 2015, the LACBE considered the AACS petition and was provided with the following recommendations from the LACOE Superintendent (pp. 139–157, Attachment 7 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web Page located at page located at

<http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a7.pdf>):

- AACS does not meet one of the five academic performance criteria specified in *EC* Section 47607(b) necessary to be considered for renewal.
- The petition provides an unsound educational program for pupils to be enrolled.
- The petitioner is demonstrably unlikely to successfully implement the proposed educational program.

- The petition does not contain an affirmation of all specified assurances.
- The petition does not contain reasonably comprehensive descriptions of all required elements.
- The petition does not satisfy all the required assurances of *EC* sections 47605(c), 47605(e) through 47605(j), 47605(l), and 47605(m).

Pursuant to *EC* Section 47605(b)(5) and 5 *CCR* Section 11967.5.1(f), a charter petition must provide a reasonably comprehensive description of multiple required elements (Attachment 1 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a1.doc>). Based on its analysis of the information provided by the petitioner and LACOE, the CDE finds that the AACS is demonstrably unlikely to successfully implement the program, presents an unsound educational program, and does not provide a reasonably comprehensive description of the 16 required charter elements and additional requirements under *EC* Section 47605. Additionally, the CDE analysis concludes that the AACS petition has presented an unrealistic financial and operational plan.

## **Budget**

AACS submitted a total of five budgets to CDE. One budget was presented to LACOE and four budgets were submitted to CDE after June 8, 2015. With the most recent budget dated August 13, 2015, the CDE has determined that the financial condition of AACS has moved from poor to fair.

AACS submitted three budgets dated August 2, 2015, August 10, 2015, and August 13, 2015, respectively after the ACCS meeting. The budget dated August 13, 2015, reflects the most current and realistic projections.

The CDE fiscal analysis concludes that AACS's budget dated August 13, 2015, and multi-year projections are reasonable, and that AACS financial condition appears to have improved. However, the CDE notes the following financial condition issues that may have a negative impact on the charter school's ability to continue as a going concern:

- AACS's updated balance sheet projects ending the fiscal year (FY) 2014–2015 with net assets of \$883,459, an increase of \$598,602 from FY 2013–2014 net assets of \$284,857. However, included in AACS's net assets was a \$1.46 million City Terrace, LLC (CTLLC) investment, which AACS paid \$1 for a 49 percent interest. We understand that the CTLLC investment has been sold and is currently in an extended closing escrow process. AACS could not confirm what equity, if any, would be received from the sale.
- To assist in the cash flow needs of AACS, the CTLLC extended AACS a \$1 million line of credit (LOC) through the Pan American Bank, secured by property

from the CTLLC investment. As of today, AACS owes \$788,024 on the LOC, which will be due in September 2016. Without supporting evidence that AACS will receive any funds from the sale of the CTLLC investment, the CDE concludes that once the AACS makes its final payment on the remaining LOC obligation of \$788,024 to the Pan American Bank, that AACS's portion from the sale of the CTLLC investment will be zero and that the investment should not be included as an asset of AACS.

- Excluding the CTLLC investment as an asset from the balance sheet, AACS's net asset would drop from a positive \$883,459 to a negative \$580,731. AACS's debt ratio would increase to 1.71, which means that AACS's total liabilities are more than one and a half times the value of its total assets. Working capital ratio would drop to 0.37, which means AACS's available current assets are inadequate as it only has two fifths of what is needed to pay current obligations due.
- AACS owes \$120,000 in arrears to the Avance Foundation through Iglesia de la Comunidad for rent of its main educational site at 115 North Avenue 53 in Los Angeles. Additionally, AACS owes \$6,000 in rent to the Pilar Fire Church for the Sycamore satellite campus.
- As of June 30, 2015, AACS still owes \$169,653 in outstanding vendor bills, some of which date back to 2011.
- Over the past five years, AACS has paid over \$1.1 million in interest fees and charges to sell its state receivables in order to accommodate cash flow deficiencies; AACS anticipates selling receivables in FY 2015–16 and 2016–17 that will cost approximately \$110,045 in interest fees and charges.

AACS's cash position is poor. Since the beginning of the current charter term, AACS has had and continues to have problems paying its bills as evidenced by its need to devote a significant portion, 8–10 percent, of its budget for interest owed on the more expensive form of financing its cash needs by factoring its state receivables. Audit reports for the FYs 2010–11 through 2013–14 disclose AACS paying a cumulative \$900,524 in interest and finance charges to Charter School Capital.

The increase in projected enrollment of 61 pupils from 474 to 535 pupils for FY 2015–16 may be overstated, which demonstrates that AACS may not meet the enrollment goal of 535 for FY 2015–16 as specified in the build out plan (p. 1, Attachment 1 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a1.doc>).

The CDE has reviewed the last five years of the AACS enrollment report located on the CDE Data Quest Web page at

<http://dq.cde.ca.gov/dataquest/Enrollment/GradeEnr.aspx?cType=ALL&cGender=B&cYear=2014-15&Level=School&cSelect=Academia+Avance+Char--Los+Angeles+Cou-->

[1910199-0109926&cChoice=SchEnrGr](#). The CDE notes the following changes in AACS's enrollment:

- Between 2009–10 and 2010–11: increase of 62 pupils
- Between 2010–11 and 2011–12: increase of 43 pupils
- Between 2011–12 and 2012–13: increase of 22 pupils
- Between 2012–13 and 2013–14: increase of 22 pupils
- Between 2013–14 and 2014–15: decrease of 18 pupils

Based on the five most recent years of enrollment, AACS showed a decreasing number of new pupils enrolling. In its most recent year, the charter school did not enroll any new pupils and instead had an enrollment loss of 18 students. Therefore, the CDE finds it is unlikely that AACS will meet its projected enrollment for FY 2015–16, which assumes 61 additional pupils. AACS submitted a Financial Stabilization Plan to LACOE in FY 2012–13 to address fiscal instability. This plan included increasing enrollment to 525 pupils in 2013–14. To date, this enrollment projection has not been met.

The CDE analysis determined that overall AACS is not fiscally viable due to its past financial history, pattern of borrowing, and reliance on aggressive projected enrollment growth.

### **Educational Program**

While the AACS petition presents a reasonably comprehensive description of the educational program for low-achieving pupils and pupils with disabilities, the petition does not describe a specific program for high-achieving pupils. Additionally, the petition does not include a description of specific program placement for English learners (ELs) and a system to monitor and track reclassified ELs for a minimum of two years. The CDE has written a technical amendment to address these concerns. Finally, the petition does not include specific annual goals or actions to achieve goals for each subgroup of pupils identified pursuant to *EC* Section 52052, for each of the applicable eight state priorities identified in *EC* Section 52060(d). The AACS petition only includes annual goals and specific actions schoolwide and for ELs (Attachment 3 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a3.pdf>).

### **Renewal Criteria Under *EC* Section 47607**

Before receiving a charter renewal pursuant to *EC* Section 47607, a charter school must meet at least one of the criteria outlined below. In reviewing the criteria, LACBE was required to consider increases in pupil achievement for all groups of pupils served by AACS as the most important factor in determining whether to grant AACS's request for a charter renewal. As explained below, LACOE determined that AACS did not meet any of the criteria; the CDE also reviewed the criteria and determined that AACS did not meet any of the criteria.

Requirement 1: Attained its Academic Performance Index (API) growth target in the prior year or in two of the last three years both schoolwide and for all groups of pupils served by the charter school. (Note, API is not being calculated as of the 2013–14 school year [SY]).

**Not Met:** AACCS did not attain its API growth target schoolwide of 5 in the 2011–12 SY with an API growth of -4. AACCS did not attain its API growth target schoolwide of 5 in the 2012–13 SY with an API growth of -18. AACCS did not meet its API growth target of 5 for Hispanic or Latino as follows: 2011–12 SY -3 and 2012–13 SY -18. AACCS did not meet its API growth target of 5 for Socioeconomically Disadvantaged as follows: 2011–12 SY -1 and 2012–13 SY -18. AACCS did not make its API growth target of 10 for ELs in the 2011–12 SY with an API growth of -31.

Requirement 2: Ranked in deciles 4 to 10, inclusive, on the API in the prior year or in two of the last three years. (Note, API is not being calculated as of the 2013–14 SY).

**Not Met:** AACCS did not rank in decile 4 to 10, inclusive, on the API in the prior year or in two of the last three years. AACCS ranked in decile 3 for SYs 2011–12 and 2012–13.

Requirement 3: Ranked in deciles 4 to 10, inclusive, on the API for a demographically comparable school in the prior year or in two of the last three years. (Note, API is not being calculated as of the 2013–14 SY.)

**Not Met:** The AACCS similar schools ranking is 3 for the 2011–12 SY and 1 for the 2012–13 SY.

Requirement 4: The entity that granted the charter determines that the academic performance of the charter school is at least equal to the academic performance of the public schools that the charter school pupils would otherwise have been required to attend, as well as the academic performance of the schools in the school district in which the charter school is located, taking into account the composition of the pupil population that is served at the charter school.

**Not Met:** LACOE reviewed multiple sources of data and conducted a comparison of AACCS's performance to its resident and comparable district schools. AACCS provided a list of comparable district schools, which LACOE included in its analysis. LACOE determined that the academic performance of AACCS is not at least equal to the academic performance of public schools that pupils would otherwise be required to attend and comparable schools within the boundaries of Los Angeles Unified School District. The CDE agrees with this analysis. The CDE also reviewed the data

and information provided by LACOE and AACS and drew similar conclusions.

Requirement 5: Qualified for an alternative accountability system pursuant to subdivision (h) of *EC* Section 52052.

**Not Applicable:** AACS does not qualify for an alternative accountability system.

### **Review Criteria Under *EC* Section 52052 – Alternative Measures**

In analyzing whether to grant AACS's renewal request, *EC* Section 52052 provides an alternative measure. As referenced above, API is not being calculated as of the 2013–14 SY. In such a case, *EC* Section 52052(e)(4)(C) provides for the following in determining whether a charter is meeting legislative and/or programmatic requirements:

Alternative measures that show increases in pupil academic achievement for all groups of pupils schoolwide and among significant subgroups.

### **LACOE's Review and Analysis of Alternative Measures**

LACOE reviewed the alternative measures that AACS proposed in its renewal petition, including:

- Three-year Weighted Average API
  - AACS's API of 706 schoolwide is higher than three of the six resident schools and lower than three of the six resident schools
  - AACS's API of 706 schoolwide is higher than one of the fifteen comparable district schools, and lower than fourteen of fifteen comparable district schools
- 2012–13 Graduation Rate
  - AACS's rate of 84.3 percent schoolwide is higher than three of the three resident schools
  - AACS's rate of 84.3 percent schoolwide is higher than five of the sixteen comparable district schools, and lower than eleven of the sixteen comparable district schools
- 2012–13 Grade Twelve SAT Participation Rate
  - AACS's rate of 95.56 percent schoolwide is higher than three of the three resident schools
  - AACS's rate of 95.56 percent schoolwide is higher than 15 of the 16 comparable district schools, and lower than 1 of the 16 comparable district schools

- 2012–13 A—G Completion Rate
  - AACCS’s rate of 79 percent schoolwide is higher than three of the three resident schools
  - AACCS’s rate of 79 percent schoolwide is higher than 10 of the 16 comparable district schools, and lower than 6 of the 16 comparable district schools

From these alternative measures, LACOE staff determined that AACCS did not perform at least equal to both its resident and comparable district schools. The CDE agrees with this analysis (Attachment 7 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a7.pdf>).

LACOE also reviewed the 2014–15 fall and winter NWEA-MAP assessments, which are not comparable to resident and district comparable schools (Attachment 7). LACOE staff determined that, overall, the NWEA-MAP data presents that AACCS pupils are not performing to grade level, not reaching proficiency and above on Standardized Testing and Reporting (STAR), and are not reaching Adequate Yearly Progress (AYP) targets. The CDE agrees with this analysis (Attachment 7 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a7.pdf>).

### **The CDE’s Review and Analysis of Alternative Measures**

In addition to considering the review and analysis conducted by LACOE, the CDE completed its own review of alternative measures proposed by AACCS. The data submitted by AACCS included achievement comparisons with resident and comparable district schools, however, the CDE notes that comparison with resident and comparable district schools is not a requirement under *EC* Section 52052(e)(4)(C). As explained below, the CDE determined that academic achievement at AACCS, as measured by the alternative measures proposed by AACCS (graduation rate, SAT participation rate, A—G completion rate, and NWEA MAP outcomes), does not meet the renewal standard under *EC* Section 52052.

The CDE reviewed the following schoolwide and subgroup data for AACCS:

AACCS Graduation Cohort Rate Schoolwide	
2013–14	89.7 percent
2012–13	84.3 percent
2011–12	83.9 percent
2010–11	79.0 percent

This data is located on the CDE Data Quest Web page at <http://dq.cde.ca.gov/dataquest/CohortRates/GradRates.aspx?Agg=S&Topic=Graduates&TheYear=2013-14&cds=19101990109926&RC=School&Subgroup=Ethnic/Racial>.

The AACS Graduation Cohort Rate by Subgroup

AACS Graduation Cohort Rate for Hispanic/Latino (H/L)	
2013–14	89.5 percent
2012–13	84.3 percent
2011–12	83.9 percent
2010–11	79.0 percent

AACS Graduation Cohort Rate for Socioeconomically Disadvantaged (SED)	
2013–14	89.7 percent
2012–13	84.3 percent
2011–12	83.9 percent
2010–11	79.0 percent

AACS Graduation Cohort Rate for English Learners (ELs)	
2013–14	89.7 percent
2012–13	86.4 percent
2011–12	85.7 percent
2010–11	71.4 percent

This data is located on the CDE Data Quest Web page at <http://dq.cde.ca.gov/dataquest/SchGrad.asp?cSelect=Academia%5EAvance%5EChar--Los%5EAngeles%5ECou--1910199-0109926&cChoice=SchGrad&cYear=2013-14&cLevel=School&cTopic=Graduates&myTimeFrame=S&submit1=Submit>.

The AACS SAT Participation Rate Schoolwide:

AACS SAT Participation Rate	
2012–13	95.6 percent
2011–12	100 percent
2010–11	100 percent

This data is located on the Ed Data Education Data Partnership Web page at <http://www.ed-data.org/school/Los-Angeles/Los-Angeles-County-Office-of-Education/Academia-Avance-Charter>. There is no publicly available subgroup data for SAT participation.

The AACS A—G Completion Rate Schoolwide:

AACS A—G Completion Rate Schoolwide	
2013–14	42.6 percent
2012–13	93.0 percent
2011–12	92.3 percent
2010–11	86.7 percent

The AACS A—G Completion Rate by Subgroup:

AACS A—G Completion Rate for H/L	
2013–14	43.4 percent
2012–13	93.0 percent
2011–12	92.3 percent
2010–11	86.7 percent

AACS A—G Completion Rate for SED	
2013–14	45.1 percent
2012–13	92.5 percent
2011–12	91.7 percent
2010–11	86.7 percent

AACS A—G Completion Rate for ELs	
2013–14	33.3 percent
2012–13	100 percent
2011–12	94.4 percent
2010–11	85.6 percent

This data is located on the CDE Data Quest Web page at <http://dq.cde.ca.gov/dataquest/page2.asp?level=School&subject=Graduates&submit1=Submit>.

The NWEA-MAP Outcomes 2014–15 Version 2 report for grade six through grade eleven provided by AACS on July 16, 2015, indicates the following:

- End of year (EOY) outcomes for grade six through grade eleven are higher in mathematics and science.
- EOY outcomes for grade six through grade ten are higher in reading.
- EOY outcomes for grade six through grade ten are higher in language.
- EOY outcomes for grade eleven are lower in reading and language (Attachment 9 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a9.pdf>).

The NWEA-MAP Grade Equivalencies 2014–15 report for grade six through grade eleven provided by AACS on July 22, 2015, indicates the following:

- The AACS pupils in grade six, seven, eight, and ten are not meeting grade level equivalencies in mathematics, reading, language, and science.

- The AACS pupils in grade nine are not meeting grade level equivalencies in mathematics, reading, and language. These pupils were not tested in science.
- The AACS pupils in grade eleven are not meeting grade level equivalencies in mathematics and science.
- The AACS pupils in grade eleven are meeting grade level equivalencies in language and reading (Attachment 10 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a10.pdf>).

The CDE also reviewed the CDE 2013–14 Accountability Progress Reporting and 2014–15 Program Improvement (PI) Report located on the CDE Web page at <http://ayp.cde.ca.gov/reports/Acnt2014/2014APRSchPIReport.aspx?allcnds=19101990109926&df=2>. CDE notes that AACS is in PI Year 3, with the first year of PI implementation in 2011–12. A school in PI Year 3 must adhere to the following: inform parents of Supplemental Educational Services, provide professional development, review the Local Educational Agency Plan, implement a corrective action plan, and notify parents of non-highly qualified teacher status.

The CDE has determined that the alternative measures demonstrate that AACS pupils are not performing at grade level or meeting EOY outcomes on the NWEA-MAP assessments (Attachment 1 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a1.doc>).

In sum, the alternative measures do not demonstrate that there are increases in pupil academic achievement for all groups of pupils schoolwide and among significant subgroups pursuant to *EC* Section 52052(e)(4)(C).

### **The CDE's Determination**

Following its analysis of the documentation submitted by the petitioner and LACOE, the CDE has determined that the AACS petition is not consistent with sound educational practice. The AACS program is not likely to be of educational benefit to the pupils who attend as evidenced by the LACOE review and analysis and the CDE's independent review and analysis of the AACS pupil achievement data and the petitioner's document referenced as Section 1.2 Renewal Criteria Fulfillment and letter submitted to CDE dated June 8, 2015 (Attachment 5 and 7 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a5.pdf> and <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a7.pdf>).

Further, the CDE finds that while the AACS petition provides a reasonably comprehensive description of some of the required elements, some required elements require a technical amendment (p. 2, Attachment 1 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a1.doc>).

Based on the program deficiencies noted above and those noted in the CDE petition review and analysis in Attachment 1 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a1.doc>, the CDE finds that the AACS charter petitioner is demonstrably unlikely to successfully implement the intended program, the petition is inconsistent with sound educational practice, and the petition does not provide a reasonably comprehensive description of the 16 required charter elements pursuant to *EC* sections 47607, 47605(b)(1), 47605(b)(2), 47605(b)(5), and 5 *CCR* Section 11967.5.1.

A detailed analysis of the review of the entire petition is provided in Attachment 1 of Agenda Item 03 on the ACCS August 4, 2015, Meeting Notice on the SBE ACCS Web page located at <http://www.cde.ca.gov/be/cc/cs/documents/accs-aug15item03a1.doc>.

## **SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

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Currently, 25 charter schools operate under SBE authorization as follows:

- One statewide benefit charter, operating a total of six sites
- Seven districtwide charters operating a total of seventeen sites
- Seventeen charter schools, authorized on appeal after local or county denial

The SBE delegates oversight duties of the districtwide charters to the county office of education of the county in which the districtwide charter is located. The SBE delegates oversight duties of the remaining charter schools to the CDE.

## **FISCAL ANALYSIS (AS APPROPRIATE)**

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If approved as an SBE-authorized charter school, the CDE would receive approximately one percent of the revenue of AACS for the CDE's oversight activities. However, no additional resources are allocated to the CDE for oversight.

## **ATTACHMENT(S)**

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Attachment 1: State Board of Education Standard Conditions on Opening and Operation (3 pages)

## STATE BOARD OF EDUCATION STANDARD CONDITIONS ON OPENING AND OPERATION

- **Insurance Coverage.** Prior to opening, (or such earlier time as school may employ individuals or acquire or lease property or facilities for which insurance would be customary), submit documentation of adequate insurance coverage, including liability insurance, which shall be based on the type and amount of insurance coverage maintained in similar settings. Additionally, the school will provide a document stating that the District will hold harmless, defend, and indemnify the State Board of Education (SBE) and the California Department of Education (CDE), their officers and employees, from every liability, claim, or demand that may be made by reason of: (1) any injury to volunteer; and (2) any injury to person or property sustained by any person, firm, or corporation caused by any act, neglect, default, or omission of the School, its officers, employees, or agents. In cases of such liabilities, claims, or demands, the School at its own expense and risk will defend all legal proceedings that may be brought against it and/or the SBE or the CDE, their officers and employees, and satisfy any resulting judgments up to the required amounts that may be rendered against any of the parties.
- **Memorandum of Understanding/Oversight Agreement.** Prior to opening, either: (a) accept an agreement with the SBE, administered through the CDE, to be the direct oversight entity for the school, specifying the scope of oversight and reporting activities, including, but not limited to, adequacy and safety of facilities; or (b) enter into an appropriate agreement between the charter school, the SBE (as represented by the Executive Director of the SBE), and an oversight entity, pursuant to the California *Education Code (EC)* Section 47605(k)(1), regarding the scope of oversight and reporting activities, including, but not limited to, adequacy and safety of facilities.
- **Special Education Local Plan Area Membership.** Prior to opening, submit written verification of having applied to a Special Education Local Plan Area (SELPA) for membership as a local educational agency and submit either written verification that the school is (or will be at the time pupils are being served) participating in the SELPA; or an agreement between a SELPA, a school district that is a member of the SELPA, and the school that describes the roles and responsibilities of each party and that explicitly states that the SELPA and the district consider the school's pupils to be pupils of the school district in which the school is physically located for purposes of special education programs and services (which is the equivalent of participation in the SELPA). Satisfaction of this condition should be determined by the Executive Director of the SBE based primarily on the advice of CDE staff following a review of either: (1) the school's written plan for membership in the SELPA, including any proposed contracts with service providers; or (2) the agreement between a SELPA, a school district, and the school, including any proposed contracts with service providers.

- **Educational Program.** Prior to opening, submit a description of the curriculum development process the school will use and the scope and sequence for the grades envisioned by the school; and submit the complete educational program for pupils to be served in the first year including, but not limited to, a description of the curriculum and identification of the basic instructional materials to be used; plans for professional development of instructional personnel to deliver the curriculum and use the instructional materials; and identification of specific assessments that will be used in addition to the assessment identified in *EC* Section 60640 in evaluating student progress. Satisfaction of this condition should be determined by the Executive Director of the SBE based primarily on the advice of CDE staff.
- **Student Attendance Accounting.** Prior to opening, submit for approval the specific means to be used for student attendance accounting and reporting that will be satisfactory to support state average daily attendance claims and satisfy any audits related to attendance that may be conducted. Satisfaction of this condition should be determined by the Executive Director of the SBE based primarily on the advice of the Director of the School Fiscal Services Division.
- **Facilities Agreements.** Prior to opening, present written agreements (e.g., a lease or similar document) indicating the school's right to use the principal school sites and any ancillary facilities identified by the petitioners for at least the first year of each school's operation and evidence that the facilities will be adequate for the school's needs. Satisfaction of this condition should be determined by the Executive Director of the SBE based primarily on the advice of the Director of the School Facilities and Transportation Services Division.
- **Zoning and Occupancy.** Not less than 30 days prior to the school's opening, present evidence that each school's facility is located in an area properly zoned for operation of a school and has been cleared for student occupancy by all appropriate local authorities. For good cause, the Executive Director of the SBE may reduce this requirement to fewer than 30 days, but may not reduce the requirement to fewer than 10 days. Satisfaction of this condition should be determined by the Executive Director of the SBE based primarily on the advice of the Director of the School Facilities and Transportation Services Division.
- **Final Charter.** Prior to opening, present a final charter that includes all provisions and/or modifications of provisions that reflect appropriately the SBE as the chartering authority and otherwise address all concerns identified by CDE and/or SBE staff, and that includes a specification that the school will not operate satellite schools, campuses, sites, resource centers, or meeting spaces not identified in the charter without the prior written approval of the Executive Director of the SBE based primarily on the advice of the Charter Schools Division (CSD) staff. Satisfaction of this condition is determined by the Executive Director of the SBE based primarily on the advice of the Director of the CSD.

- **Processing of Employment Contributions.** Prior to the employment of any individuals by the school, present evidence that the school has made appropriate arrangements for the processing of the employees' retirement contributions to the California Public Employees' Retirement System and the California State Teachers' Retirement System.
- **Operational Date.** If any deadline specified in these conditions is not met, approval of the charter is terminated, unless the SBE deletes or extends the deadline not met. If the school is not in operation by September 30, 2015, approval of the charter is terminated.