Santa Ana Unified School District
1601 E. Chestnut Avenue
Santa Ana, California 92701

MINUTES

REGULAR MEETING
SANTA ANA BOARD OF EDUCATION

October 8, 2013

CALL TO ORDER

The meeting was called to order at 4:54 p.m. by Board Vice President Richardson. Other members in attendance were Mr. Palacio and Ms. Iglesias.

Cabinet members present were Dr. Phillips, Mr. McKinney, Ms. Lohnes, Ms. Miller, and Dr. Rodriguez. Mr. Dixon was not in attendance.

CLOSED SESSION PRESENTATIONS

Mr. Richardson asked those wishing to address the Board in matters pertaining to Closed Session to step to the lectern.

There were no individuals wishing to address the Board on matters of Closed Session.

RECESS TO CLOSED SESSION

The Regular Board meeting was immediately recessed to consider legal issues, negotiations, and personnel matters. Mr. Hernández and Dr. Yamagata-Noji arrived during Closed Session.

RECONVENE OPEN MEETING

The Regular Board meeting reconvened at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The meeting was opened with the Pledge of Allegiance led by Mr. Hernández.

SUPERINTENDENT'S REPORT

Dr. Phillips greeted all present at the meeting.

Dr. Phillips highlighted a few activities that have taken place for National Hispanic Heritage Month, September 15 - October 15, 2013.
Jackson Elementary students and staff dressed in apparel, native to their ancestry; Heroes Elementary-author and teacher Ruben Acosta, inspired students to write stories and following their dreams. Mr. Acosta also shared his inspirational message to the students at Martin Elementary School; and Valley High School students participated in a rally on the importance and history of Hispanic Heritage Month and enjoyed dancing to Spanish selections by the school's marching band.

Dr. Phillips invited Mr. Dennis McGeeney, principal at Roosevelt, and Mr. Erik Rossmann, 5th grade teacher at Roosevelt to the lectern. They recognized the Orange County Low Rider Alliance, for their continual support of Roosevelt Elementary School through the Annual Classic Car Show and their contributions to the school.

Dr. Phillips had an opportunity to "Walk to School" with students, parents, cabinet members, and community members in the Sepulveda Elementary School neighborhood. After the walk, she attended a brief program that addressed the safety improvements that were made thanks to the partnership with the City Public Works Department.

Many preschoolers at Heninger Elementary School learned about *Otis the Tractor* during Read for the Record last Thursday. Each year, the District partners with the Pearson Foundation, Jumpstart, and THINK Together to promote a love of reading at an early age. The special guest reader this year was Mr. Jose Solorio, Vice President, Rancho Santiago Community College District. Each child was given their own copy of the book *Otis the Tractor* to take home and enjoy with their families.

Dr. Phillips concluded her remarks by thanking Mr. Richardson and Ms. Iglesias for attending the Districts' New Hire Orientation on Saturday. New employees were provided valuable information to support them for success in their new positions in the District.

RECOGNITION

Classified Employee of the Month for October 2013, Rosa Ramirez

Mr. Hernández called Mr. McKinney, Associate Superintendent, Human Resources to step to the lectern. He introduced Ms. Calvert-Bertrand, Principal at Diamond Elementary School, and Mrs. Rosa Ramirez. Mrs. Ramirez was selected as the Classified Employee of the Month for October 2013, for being kind, patient, and a gracious instructional assistant. Rosa shows compassion and a thorough understanding of each child's developmental level. Mrs. Ramirez works collaboratively with the special education teacher and has an intuitive ability to determine instructional strategies and supports that are most beneficial to students she supports.

PRESENTATIONS

District Student Dress Code Policies Update

Mr. Hernández asked Ms. Miller, Assistant Superintendent, Secondary Education to step to the lectern.

Ms. Miller provided the Board with an update on the actions and next steps to the SAUSD Student Dress Code and Dress Code and Grooming Policies.

Local Control Accountability Plan Update

Mr. Hernández asked Dr. Wold, Executive Director, Business Services to step to the lectern.

Dr. Wold provided the Board with an update on the development of Local Control Accountability Plan with an emphasis on the structural deficit, implementation of the Local Control Funding Formula, and current District areas of focus.

PUBLIC HEARINGS

Charter Petition for 21st Century Global Academy

Mr. Hernández declared the Public Hearing open. He asked those wishing to address the Board to step to the lectern. Virginia Carrillo, Julie Rosales, and Kelli Wagstaff provided a presentation and addressed the Board on their support to the charter petition for 21st Century Global Academy.

After hearing comments, Mr. Hernández declared the Public Hearing closed.

Adopt Santa Ana Unified School District's (SAUSD) Initial Bargaining Proposal, and Accept Santa Ana Educators' Association (SAEA) and California School Employees Association (CSEA), Chapter 41, Initial Bargaining Proposals for 2013-16 School Years

Mr. Hernández declared the Public Hearing open. He asked those wishing to address the Board to step to the lectern.

After hearing no comments, Mr. Hernández declared the Public Hearing closed.

Change in Order of Agenda

Mr. Hernández received consensus from the Board, to bring forward agenda items 10.0, 11.0, and 12.0.

10.0 ADOPT SANTA ANA UNIFIED SCHOOL DISTRICT'S INITIAL BARGAINING PROPOSAL WITH SANTA ANA EDUCATORS' ASSOCIATION AND CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, CHAPTER 41 FOR 2013-16 SCHOOL YEARS

11.0 ACCEPT SANTA ANA EDUCATORS' ASSOCIATION 2013-14 INITIAL BARGAINING PROPOSAL

12.0 ACCEPT CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, CHAPTER 41, 2013-16 INITIAL BARGAINING PROPOSAL

It was moved by Dr. Yamagata-Noji, seconded by Mr. Richardson, and carried 4-0, Ms. Iglesias out of room, to adopt the Santa Ana Unified School District's initial bargaining proposal with the Santa Ana Educators' Association and the California School Employees Association, Chapter 41 for the 2013-16 school years; Accept the Santa Ana Educators' Association 2013-14 initial bargaining proposal; and Accept the California School Employees Association, Chapter 41, 2013-16 initial bargaining proposal.

PUBLIC PRESENTATIONS

Mr. Hernández asked those wishing to address the Board on matters related to agenda items to step to the lectern. Shelley Sullman, Linda Duffy, Dorothy Sheldon, and Sharon Tesdall addressed the Board opposing the Common Core State Standards.

1.0 APPROVAL OF CONSENT CALENDAR

The following items were removed from the Consent Calendar for discussion and separate action:

1.6 Approval of Memorandum of Understanding with AltaMed Health Services Corporation for 2013-14 School Year

It was moved by Mr. Richardson, seconded by Mr. Palacio, and carried 5-0, to approve the remaining items on the Consent Calendar as follows:

1.1 Approval of Minutes of Regular Board Meeting - September 24, 2013

1.2 Approval of Extended Field Trip(s) in Accordance with Board Policy (BP) 6153 - School-Sponsored Trips and Administrative Regulation (AR) 6153.1 - Extended School- Sponsored Trips

1.3 Acceptance of K-12 Network for a Healthy California Grant Funding for 2013-16 School Years

1.4 Approval of Master Contracts and/or Individual Service Agreements with Nonpublic Schools and Agencies for Students with Disabilities for 2013-14 School Year

1.5 Ratification of Personnel Agreement with Orange County Department of Education for 2013-14 School Year

1.7 Approval of Personnel Agreement with Orange County Department of Education for Mental Health Support for 2013-14 School Year

1.8 Ratification of Purchase Order Summary and Listing of Orders $25,000 and Over for Period of September 11, 2013 through September 24, 2013

1.9 Ratification of Expenditure Summary and Warrant Listing for Period of September 11, 2013 through September 24, 2013

1.10 Approval/Ratification of Listing of Agreements/Contracts with Santa Ana Unified School District and Various Consultants Submitted for Period of September 11, 2013 through September 24, 2013

1.11 Approval of Disposal of Obsolete Library Books and/or Textbooks

1.12 Approval of Disposal of Used Vehicles

1.13 Authorization to Obtain Bids for Installation of Structured Cabling System and Network Equipment at Various E-Rate Eligible Sites District-wide

1.14 Authorization to Obtain Bids for Purchase of Custodial Supplies for Warehouse Stock

1.15 Acceptance of Completion of Contracts for Various Projects District-wide

ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION AND SEPARATE ACTION:

1.6 Approval of Memorandum of Understanding with AltaMed Health Services Corporation for 2013-14 School Year

It was moved by Dr. Yamagata-Noji, seconded by Mr. Palacio, and carried 5-0, to approve the Memorandum of Understanding with AltaMed Health Services Corporation for the 2013-14 school year.

REGULAR AGENDA - ACTION ITEMS

2.0 APPROVAL TO APPOINT ACTING SUPERINTENDENT AND APPROVAL OF TERMS OF APPOINTMENT

It was moved by Mr. Palacio, seconded by Mr. Hernández, and carried 5-0, to appoint Dr. Phillips as Acting Superintendent and approve an adjustment in pay commensurate with the duties she will assume.

3.0 ACCEPTANCE OF GIFTS IN ACCORDANCE WITH BOARD POLICY 3290 - GIFTS, GRANTS, AND BEQUESTS

It was moved by Mr. Richardson, seconded by Dr. Yamagata-Noji, and carried 5-0, to accept gifts in accordance with Board Policy (BP) 3290 - Gifts, Grants, and Bequests. Attached is a listing of the gifts.

4.0 RECOMMENDATION FOR 28-DAY REVIEW OF HIGH SCHOOL ADVANCED PLACEMENT SPANISH LANGUAGE AND CULTURE TEXTBOOK

It was moved by Mr. Hernández, seconded by Mr. Richardson, and carried 5-0, to recommend a 28-day review of the high school AP Spanish Language and Culture textbook.

5.0 RECOMMENDATION FOR 28-DAY REVIEW OF HIGH SCHOOL ADVANCED PLACEMENT SPANISH LITERATURE AND CULTURE TEXTBOOK

It was moved by Mr. Hernández seconded by Mr. Richardson, and carried 5-0, to recommend a 28-day review of the high school AP Spanish Literature and Culture textbook.

6.0 DENIAL OF CHARTER PETITION FOR MAGNOLIA SCIENCE ACADEMY - SANTA ANA AND ADOPTION OF RESOLUTION NO. 13/14-2982 - EFFECTUATING THAT ACTION

It was moved by Mr. Richardson seconded by Dr. Yamagata-Noji, and carried 3-2, Mr. Palacio and Ms. Iglesias dissenting, to adopt Resolution No. 13/14-2982 Denying the Charter Petition for Magnolia Science Academy-Santa Ana and making written factual findings supporting that denial.

7.0 ACKNOWLEDGEMENT OF RECEIPT OF UNITED CHARTER SCHOOL CHARTER PETITION

No action required.

8.0 ACKNOWLEDGEMENT OF RECEIPT OF IRVINE/NEWPORT DEVELOPMENT AREA CHARTER SCHOOL PETITION

No action required.

9.0 APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH ORANGE COUNTY WATER DISTRICT TO ESTABLISH AN EASEMENT AT HERITAGE MUSEUM SITE

Item 9.0 was removed from the Agenda.

10.0 ADOPT SANTA ANA UNIFIED SCHOOL DISTRICT'S INITIAL BARGAINING PROPOSAL WITH SANTA ANA EDUCATORS' ASSOCIATION AND CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, CHAPTER 41 FOR 2013-16 SCHOOL YEARS

Action taken earlier in meeting.

11.0 ACCEPT SANTA ANA EDUCATORS' ASSOCIATION 2013-14 INITIAL BARGAINING PROPOSAL

Action taken earlier in meeting.

12.0 ACCEPT CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, CHAPTER 41, 2013-16 INITIAL BARGAINING PROPOSAL

Action taken earlier in meeting.

13.0 APPROVAL OF PERSONNEL CALENDAR

It was moved by Mr. Richardson seconded by Mr. Palacio, and carried 5-0, to approve the Personnel Calendar. Copy of Personnel Calendar attached.

14.0 CALIFORNIA SCHOOL BOARD ASSOCIATION ANNUAL EDUCATION CONFERENCE AND TRADE SHOW, DECEMBER 2013

No action required.

15.0 BOARD AND STAFF REPORTS/ACTIVITIES

Ms. Iglesias

- Attended the California Latino School Board Association; nice to have seen Tom Torlakson, State Superintendent of Public Education and other district Latino school board members.

Mr. Richardson

- Announced the upcoming Annual Boys and Girls Club Gala taking place in Newport Beach on Saturday night.

Mr. Palacio

- Attended the Latino Health Access 20th Anniversary; great program was well received.
- Looking forward in attending the Orange County Community Housing Corporation "Stepping Up" Education Foundation.
- Announced the Orange County Hispanic Education Endowment Fund 20th Anniversary on Saturday.
- Will attend the Fuel Your School Program sponsored by Chevron Corporation at Taft Elementary on Wednesday.

REPORT OF ACTION TAKEN IN CLOSED SESSION

By a vote of 3-0, the Board took action to approve the Workers' Compensation Stipulated Award in the amount of $23,641.54 for classified food service worker, as named in Closed Session - Claim No. SUSD-006744.

Moved: Hernández _____ Richardson _____ Yamagata-Noji _____ Palacio __X__ Iglesias _____

Seconded: Hernández _____ Richardson _____ Yamagata-Noji _____ Palacio _____ Iglesias __X__

Vote: Ayes __3__ Noes __0__ Abstain _____ Absent __2__

By a vote of 4-0, the Board took action to approve the appoint Nata Shin to the position of Assistant Principal, Lathrop Intermediate School.

Moved: Hernández _____ Richardson _____ Yamagata-Noji _____ Palacio __X__ Iglesias _____

Seconded: Hernández _____ Richardson __X__ Yamagata-Noji _____ Palacio _____ Iglesias _____

Vote: Ayes __4__ Noes __0__ Abstain _____ Absent __1__

By a vote of 4-0, the Board took action to appoint Gerardo Correa to the position of Assistant Principal, Saddleback High School.

Moved: Hernández _____ Richardson _____ Yamagata-Noji _____ Palacio __X__ Iglesias _____

Seconded: Hernández _____ Richardson _____ Yamagata-Noji __X__ Palacio _____ Iglesias _____

Vote: Ayes __4__ Noes __0__ Abstain _____ Absent __1__

ADJOURNMENT

There being no further business to come before the Board, Mr. Hernández adjourned the meeting 9:29 p.m. in memory of Richard Rankin, former Santa Ana Unified District Administrator.

The next Regular Meeting will be held on Tuesday, October 22, 2013, at 6:00 p.m.

ATTEST:

Stefanie P. Phillips
Acting Secretary
Santa Ana Board of Education

RESOLUTION NO. 13/14-2982
BOARD OF EDUCATION
SANTA ANA UNIFIED SCHOOL DISTRICT
ORANGE COUNTY, CALIFORNIA

DENYING CHARTER SCHOOL PETITION FOR
MAGNOLIA SCIENCE ACADEMY - SANTA ANA

WHEREAS, pursuant to Education Code Section 47605 *et seq.*, the Governing Board of the Santa Ana Unified School District ("SAUSD" and/or "District") is required to review and consider authorization of charter schools; and

WHEREAS, on or about June 28, 2013, Dr. Mehmet Argin, lead petitioner, on behalf of Magnolia Educational & Research Foundation *dba* Magnolia Public Schools ("MPS") delivered to the District office a charter petition ("Charter") for Magnolia Science Academy - Santa Ana ("MSA-SA and/or "Charter School"); and

WHEREAS, in accordance with the Charter Schools Act of 1992, the Charter was brought to the District Governing Board meeting of July 23, 2013, at which time it was received by the District Governing Board, thereby commencing the timelines for District Governing Board action thereon; and

WHEREAS, in March 2009 the State Board of Education ("SBE") approved a statewide benefit charter for Pacific Technology Schools ("PTS"), with one of the originally proposed two PTS school sites to be located within the SAUSD boundaries. The PTS school that is currently operating within the District's boundaries is Pacific Technology School-Santa Ana ("Pac Tech-SA"). The District is aware the PTS charter expires June 30, 2014; and

WHEREAS, PTS is operated and governed by MPS, which also operates a number of locally approved charter schools within California, under the name "Magnolia"; and

WHEREAS, a public hearing on the provisions of the MSA-SA Charter was conducted on August 27, 2013, pursuant to Education Code Section 47605, at which time the District Board considered the level of support for this Charter by teachers employed by the District, other employees of the District, and parents; and

WHEREAS, at the public hearing no District teachers or other District employees spoke in favor of the Charter; and

WHEREAS, at the public hearing a number of parents/guardians of current Pac Tech-SA students and current employees of Pac Tech-SA spoke in favor of the Charter, though those comments specifically related to the current operations and benefits the speakers indicated were received by students at Pac Tech-SA, and a number of such speakers specifically requested that the District "renew" the current Pac Tech-SA charter; and

WHEREAS, at the public hearing, Dr. Argin, the CEO of MPS and the lead petitioner for the MSA-SA, stated unequivocally MPS was seeking "local authorization from Santa Ana Unified School District for our current Pacific Technology School while extending to elementary school grades;" and

WHEREAS, the Charter itself makes a number of references to Pac Tech-SA, including the following:

> MPS currently operates a statewide benefit charter school, Pacific Technology School-Santa Ana (PTS-Santa Ana) in the Santa Ana Unified School District boundaries. Approved in early 2009 by the California Department of Education, PTS-SA currently has an enrollment about [sic] 190 students in grades 6-12 for 2012-13 school year [sic]. PTS-SA has an API of 838 and met all 2012 AYP requirements. The school has a focus of [sic] STEM education with college prep in mind. MPS is seeking for [sic] local authorization of this school while extending to elementary grades. Please see Appendix A2 for more information on PTS-SA. (Charter p. 8.)

WHEREAS, while the Charter makes references to Pac Tech-SA and appears to rely on the achievements of Pac Tech-SA, including statements that MSA-SA will "continue" the Pac Tech-SA educational programs and that its proposal is to "add" elementary grades to the Pac Tech-SA middle and high school program, the Charter fails to include any explanation of the proposed relationship between MSA-SA and PTS/Pac Tech-SA or any discussion of whether Pac Tech-SA will continue to operate in addition to the proposed MSA-SA; and

WHEREAS, only the SBE has the authority to renew a charter for a statewide benefit charter, including the PTS charter; and

WHEREAS, based on Dr. Argin's specific request that the District locally authorize the *current* Pac Tech-SA charter, the District determined that effectively what was being requested by MPS was local renewal or authorization of its existing statewide benefit charter, which is outside the authority of the District; and

WHEREAS, in response to this issue, the District provided written notice to MPS, dated August 30, 2013, that MPS's request was beyond the District's authority and the District was not the appropriate entity to take action on a request to renew the PTS/Pac Tech-SA charter, therefore the District would take no further action in response to the Charter; and

WHEREAS, MPS and its representatives thereafter explained to the District that MPS does not believe that it will be able to obtain a renewal of the PTS statewide benefit charter from SBE and was, therefore, attempting to obtain local authorization for the MSA-SA Charter, and what MPS actually wanted was to continue to provide the same option currently offered by Pac Tech-SA, effectively unchanged other than an extension to elementary grades; and

WHEREAS, MPS stated in writing in a letter to the District dated September 18, 2013:

> MSA-SA, if approved, will be wholly separate from PTS-SA, which will close upon its natural expiration. MSA-SA will have its own unique and distinct County-District-School ("CDS") code and State Board of Education assigned charter school number.

That correspondence, however, also included unclear statements regarding whether MPS was committing to closing Pac Tech-SA if MSA-SA is approved, or if it was possible that Pac Tech-SA could also continue to operate; and

WHEREAS, the District staff indicated to MPS that on the basis of MPS's specific, unequivocal representation that the MSA-SA Charter submitted to the District is for an entirely new charter school, with its own County-District-School code and State Board of Education-assigned charter school number, District staff anticipated that an action item to approve or deny the MSA-SA Charter as submitted

to the District would be included on the District Governing Board's October 8, 2013, agenda; and

WHEREAS, in reviewing the Petition for the MSA-SA Charter, the Governing Board has been cognizant of the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged; and

WHEREAS, the District staff, working with an independent evaluator and District legal counsel, have reviewed and analyzed all of the information received with respect to the Charter, including information related to the operation and potential effects of MSA-SA, and made a recommendation to the District Governing Board that the MSA-SA Charter be denied based on that review; and

WHEREAS, the District Governing Board has fully considered the Charter submitted for the establishment of MSA-SA and the recommendation provided by District staff;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED AS FOLLOWS:

I. That the Governing Board of SAUSD finds the above listed recitals to be true and correct and incorporates them herein by this reference.

II. That the Governing Board of SAUSD, having fully considered and evaluated the Charter for the establishment of the proposed Magnolia Science Academy - Santa Ana, hereby finds that it is not consistent with sound educational practice, based upon grounds and factual findings including, but not limited to, the following, and hereby denies the Charter pursuant to Education Code Section 47605:

A. The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition. [Education Code Section 47605(b)(2)] The Governing Board of SAUSD hereby determines the foregoing findings are supported by specific facts, including but not limited to the following:

1. It is evident, from a review of the MSA-SA Charter itself as well as statements made by the lead petitioner and other

153 representatives of MPS relative to this Charter, that MPS does
154 not fully grasp the import of what it is requesting through the
155 submission of the MSA-SA Charter. As noted above, the Charter
156 makes a number of references to Pac Tech-SA and the Charter
157 narrative references simply expanding Pac Tech-SA through the
158 addition of more grade levels. There is nothing in the Charter
159 that explains that MSA-SA will replace Pac Tech-SA, that Pac
160 Tech-SA will actually close if MSA-SA is approved, or any other
161 explanation of the proposed relationship between MSA-SA and Pac
162 Tech-SA. From a review of the Charter, it is impossible to
163 determine from its terms if MPS is proposing that MSA-SA and Pac
164 Tech-SA will both operate simultaneously or if the Charter
165 proposes that MSA-SA will somehow take-over or absorb Pac Tech-SA
166 into its own operations. While MPS representatives ultimately
167 stated the MSA-SA was an entirely new charter, even in that
168 September 18, 2013, correspondence it left open the possibility
169 that Pac Tech-SA could also continue to operate, though it
170 indicated that MSA-SA was intended to replicate and replace Pac
171 Tech-SA. The Charter itself includes no discussion of the plan
172 for the closure of Pac Tech-SA and the transfer of operations to
173 MSA-SA, including any resources, assets, or obligations, though
174 the Charter appears to be premised on such a transfer. PTS is a
175 separately authorized statewide benefit charter, and Pac Tech-SA
176 is a single school operating pursuant to that PTS charter. While
177 PTS and MSA-SA are proposed to have the same governing entity,
178 the two charters and/or the schools operating under those
179 charters are not interchangeable.
180
181 A required element of any charter is a description of closure
182 procedures, and PTS would be obligated to comply with the closure
183 procedures set forth in its charter. PTS could not simply
184 transfer or transition operations and assets to a wholly new
185 charter school. The MSA-SA Charter simply does not adequately
186 describe what MPS is actually proposing or a workable plan to
187 transition from the operation of Pac Tec-SA to MSA-SA. The
188 statements by MPS representatives relative to what it is
189 requesting from the District only served to illustrate that MPS
190 does not appear to have fully considered the implications of this

change and/or developed a plan to successfully open and operate MSA-SA as a viable "replacement" or "alternative" or "expansion" of Pac Tech-SA.

2. The Charter specifies that currently, in its fifth year of serving students, Pac Tech-SA has an enrollment of approximately 190 students in grades 6-12. The Charter, however, is premised on a first year enrollment of 660 students, expanding to 1020 students in its fifth year of operation. The projected enrollment for even the first year of operation is significantly higher than the figures available on the MPS website for any of its currently operating schools and is more than three times as many students as currently attend Pac Tech-SA, even after five years of operation and recruitment efforts. The Charter provides no basis to believe the projected enrollment figures are realistic or likely to materialize, and the enrollment projections appear to be premised entirely on the fact that MPS gathered signatures from "potentially interested students" and has adopted an undefined "recruitment plan." In the past Pac Tech-SA, in support of requests for District facilities, has made similarly optimistic projections of increased enrollment, also based on signature gathering campaigns, none of which projections have materialized to date. Even the addition of more grade levels does not support such an extreme increase in projected enrollment. Thus the bases for MSA-SA's overall plans and projections, including its budget assumptions, are unrealistic and not viable.

The foregoing resolution was considered, passed, and adopted by this Board at its regular meeting of October 8, 2013.

By: _____
José Alfredo Hernández, J.D.,
President of the Board of Education
Santa Ana Unified School District

Attest:

Audrey Yamagata-Noji, Ph.D.,
Clerk of the Board of Education

STATE OF CALIFORNIA)
) ss
ORANGE COUNTY)

I, Audrey Yamagata-Noji, Clerk of the Board of Education do hereby certify that the foregoing is a true and correct copy of Resolution No. 13/14-2982, which was duly adopted by the Board of Education of the Santa Ana Unified School District at meeting thereof held on the 8th day of October, 2013, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

By

Audrey Yamagata-Noji, Ph.D.,
Clerk of the Board of Education

BOARD OF EDUCATION
REGULAR MEETING

SANTA ANA UNIFIED SCHOOL DISTRICT
1601 EAST CHESTNUT AVENUE
SANTA ANA, CA 92701

TUESDAY
OCTOBER 08, 2013
6:00 PM

BOARD RESULTS

1.0	**APPROVAL OF CONSENT CALENDAR**	
1.1	Approval of Minutes of Regular Board Meeting - September 24, 2013	5-0
1.2	Approval of Extended Field Trip(s) in Accordance with Board Policy (BP) 6153 – School-Sponsored Trips and Administrative Regulation (AR) 6153.1 – Extended School- Sponsored Trips	5-0
1.3	Acceptance of K-12 Network for a Healthy California Grant Funding for 2013-16 School Years	5-0
1.4	Approval of Master Contracts and/or Individual Service Agreements with Nonpublic Schools and Agencies for Students with Disabilities for 2013-14 School Year	5-0
1.5	Ratification of Personnel Agreement with Orange County Department of Education for 2013-14 School Year	5-0
1.6	Approval of Memorandum of Understanding with AltaMed Health Services Corporation for 2013-14 School Year	5-0
1.7	Approval of Personnel Agreement with Orange County Department of Education for Mental Health Support for 2013-14 School Year	5-0
1.8	Ratification of Purchase Order Summary and Listing of Orders $25,000 and Over for Period of September 11, 2013 through September 24, 2013	5-0
1.9	Ratification of Expenditure Summary and Warrant Listing for Period of September 11, 2013 through September 24, 2013	5-0
1.10	Approval/Ratification of Listing of Agreements/Contracts with Santa Ana Unified School District and Various Consultants Submitted for Period of September 11, 2013 through September 24, 2013	5-0
1.11	Approval of Disposal of Obsolete Library Books and/or Textbooks	5-0
1.12	Approval of Disposal of Used Vehicles	5-0
1.13	Authorization to Obtain Bids for Installation of Structured Cabling System and Network Equipment at Various E-Rate Eligible Sites District-wide	5-0
1.14	Authorization to Obtain Bids for Purchase of Custodial Supplies for Warehouse Stock	5-0
1.15	Acceptance of Completion of Contracts for Various Projects District-wide	5-0
Items removed from Consent Calendar for discussion and separate action: 1.6		

REGULAR AGENDA - ACTION ITEMS

2.0	Approval to Appoint Acting Superintendent and Approval of Terms of Appointment	5-0
3.0	Acceptance of Gifts in Accordance with Board Policy 3290 – Gifts, Grants, and Bequests	5-0
4.0	Recommendation for 28-day Review of High School Advanced Placement Spanish Language and Culture Textbook	5-0
5.0	Recommendation for 28-day Review of High School Advanced Placement Spanish Literature and Culture Textbook	5-0
6.0	Denial of Charter Petition for Magnolia Science Academy – Santa Ana and Adoption of Resolution No. 13/14-2982 – Effectuating that Action	3-2
7.0	Acknowledgement of Receipt of United Charter School Charter Petition	No Action Required
8.0	Acknowledgement of Receipt of Irvine/Newport Development Area Charter School Petition	No Action Required
9.0	Approval of Memorandum of Understanding with Orange County Water District to Establish Basis for Negotiation of an Easement and Payment to District	Item Removed
10.0	Adopt Santa Ana Unified School District's Initial Bargaining Proposal with Santa Ana Educators' Association and California School Employees Association, Chapter 41 for 2013-16 School Years	4-0
11.0	Accept Santa Ana Educators' Association 2013-14 Initial Bargaining Proposal	4-0
12.0	Accept California School Employees Association, Chapter 41, 2013-16 Initial Bargaining Proposal	4-0
13.0	Approval of Personnel Calendar	5-0
14.0	California School Board Association Annual Education Conference and Trade Show, December 2013	No Action Required
15.0	Board Reports/Activities	No Action Required

Magnolia Public Schools
13950 Milton Ave. 200B Westminster, CA 92683
P: (714) 892 5066 F: (714) 892 5022

November 12, 2013

Al Mijares, Ed.D
Superintendent of Schools
Orange County Department of Education
200 Kalmus Drive
Costa Mesa, CA 92626

Dear Superintendent Mijares:

On October 8, 2013, the Santa Ana Unified School District Board of Education ("District") took formal action to deny our petition for Magnolia Science Academy – Santa Ana (MSA SA), citing its findings in District Resolution No. 3/14 2982 (Tab 3). The purpose of this letter is to provide you and the County Board of Education with our response to the written findings contained in that resolution and to the staff's oral presentation of additional findings made to the Board at its meeting. By way of background, I am also providing the reasons that Magnolia Public Schools (MPS) petitioned the District for a new school to open in Fall 2014, upon the closure of a currently operating MPS school in June 2014 also located within the District's boundaries.

Closure of Pacific Technology School/Petition for MSA---SA
Pacific Technology School Santa Ana (PTS SA) has been operating within the District's boundaries since its approval by the State Board of Education (SBE) in 2009 as a school of statewide benefit. Its charter terms will expire on June 30, 2014.

Three statewide benefit schools have been approved by the SBE – Aspire Public Schools, High Tech High, and Pacific Technology School. Because the SBE deemed the educational program of each of these schools to be of statewide benefit, the SBE granted approval to them to rapidly replicate in districts where they are most needed without going through the steps of local approval.

However, shortly after receiving approval as a statewide benefit charter, California's economic crisis began to have a seriously adverse impact on educational funding, which severely limited our plan to replicate the number of schools proposed in the original statewide benefit charter. In fact, this widespread economic devastation, coupled with expensive and remotely located facilities, impacted our ability to sustain one of the two campuses opened under our statewide benefit charter.

In addition to the economic crisis, two other factors occurred simultaneously and have directly influenced our decision to relinquish our statewide benefit charter: 1) the SBE was sued related to its approval of Aspire Public Schools as a school of statewide benefit, with the result that Aspire relinquished its statewide benefit charter and obtained local approval for each of its campuses

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operating under it, and 2) the SBE has repeatedly expressed a preference for local approval of charter schools whenever possible.

Due to the combination of these three factors, MPS determined that it was prudent to seek local approval for its remaining statewide benefit charter campus. Local approval, and thus a new authorizer, requires the technical closure of the existing school and the establishment of a "new" school, complete with a new county district school code, new accountability metrics, and new funding. Although some of these issues can be addressed with the California Department of Education in exactly the same manner as was accomplished by Aspire Public Schools, MPS is fully aware of the specific requirements that accompany the closure of one school and opening of a new school, including the necessity to recruit and select teachers, and require all students to reapply and if necessary, participate in a lottery. The charter petition before you contains narrative addressing all of these requirements as they apply to a new school.

The District expressed initial concern regarding the appropriateness of our request for petition approval because the school currently existed under a different authorizer, and proposed that the petition be submitted to the SBE for renewal. However, we were under the impression prior to the board meeting on October 8, 2013, that these concerns had been resolved and that agreement had been reached that our petition for a new school had been appropriately submitted to the District.

Below, please find the summary of findings from the District Resolution, in the order in which they were presented, immediately followed by the Charter School's response.

District Written Finding #1: Demonstrably Unlikely to Successfully Implement the Program Set forth in the Petition (Ed. Code Section 47605(b)(2).) – Establishment of New Charter School

Although the District states that MPS is demonstrably unlikely to establish a new charter school, MPS has a long and successful history of opening and operating successful schools (Table 1), all of which the statute governing approval of charter schools identifies as necessary consideration in making such a determination. Rather, we believe that this finding is related to the confusion regarding the appropriateness of our submission of the charter petition itself, which we have explained above.

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Table 1 MPS schools

School	Opening Year	Opening Enrollment	Current Enrollment	2013 API
PTS Santa Ana (6 12)	2009	63	174	850
MSA San Diego (6 8)	2005	81	355	847
MSA Santa Clara (6 10)	2010	102	487	904
MSA 1 (6 12)	2002	188	534	797
MSA 2 (6 12)	2007	58	435	755
MSA 3 (6 12)	2008	228	421	748
MSA 4 (6 12)	2008	61	203	761
MSA 5 (6 12)	2008	63	235	759
MSA 6 (6 8)	2009	74	141	828
MSA 7 (K 5)	2010	96	302	904
MSA 8 (6 8)	2010	441	494	763

Finding #2: Demonstrably Unlikely to Successfully Implement the Program Set Forth in the Petition (Ed. Code Section 47605(b)(2).) – Charter School Closure Procedures

This District finding appears to pertain to the closure of the existing charter, not to the description provided for closure of the school for the charter petition under consideration. The petition submitted to the District contains a clear closure plan that has been approved by the four authorizers of MPS operated schools: Los Angeles Unified School District, San Diego Unified School District, the Santa Clara County Office of Education, and the State Board of Education.

Although the petition submitted to the District does not describe a transition plan, and is not required to do so, it does provide assurances that all procedures related to opening a new school will be conducted in a manner appropriate for a new school. Additionally, we were and are prepared to respond to any questions regarding any activities that could be construed to be transitional, including staffing, admissions, enrollment, and the transfer of assets.

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Finding #3: Demonstrably Unlikely to Successfully Implement the Program Set Forth in the Petition (Ed. Code Section 47605(b)(2).) – Enrollment Projections

Although the District found our enrollment projections to be undefined and optimistic, we determined them based on relevant and accurate data at the time the petition was submitted to the district: a facility with the capacity to serve 1020 students, 579 parent signatures, and our successful history of operating schools of this size (see Table 1).

Additional Findings Presented by district staff on October 8 Board Meeting:

During the staff presentation on October 8 2013, it was stated that the petition did not include information regarding the elementary program of our proposed school. However, the original petition addresses the instructional design and the curriculum of the K 12 school under Tab 3 Element 1, including the elementary program. In addition, we provided 58 pages of elementary curriculum under Tab 4 Appendix 6, Curriculum and Course Descriptions.

On behalf of the students, parents, staff and entire MPS community, we appreciate your time and consideration of our petition and our response to the District findings. We are eager to answer your questions and to collaborate with you through the petition process and throughout the life of our charter. Please don't hesitate to contact me at 714 892 5066.

Mehmet Argin, Ph.D.
Chief Executive Officer Lead petitioner
Magnolia Public Schools

EXECUTIVE SUMMARY
STAFF REPORT AND PROPOSED FINDINGS OF FACT
REGARDING MAGNOLIA SCIENCE ACADEMY-SANTA ANA

I. Introduction

The Santa Ana Unified School Board denied the Magnolia Science Academy-Santa Ana Petition ("Petition") on October 8, 2013. The Lead Petitioner filed an appeal with the Orange County Board of Education. Under the Charter Schools Act, the Orange County Board of Education ("County Board") is required to evaluate the Petition under all of the standards contained in Education Code section 47605(b) regardless of the School District's reasons for denial.[1]

In August 2009, the California Department of Education (CDE) authorized Magnolia Charter Schools to open up to 10 statewide-benefit charter schools, beginning with Pacific Technology School-Santa Ana and Pacific Technology School-Orangevale. Both schools were granted five-year terms with a renewal date of June 30, 2014. In April of 2013, CDE reported concerns with the financial condition of both sites. The Santa Ana site has responded to two CDE reports regarding fiscal issues (April and October, 2013). The Orangevale location was closed at the end of the 2012-2013 school year. By regulation, a statewide-benefit charter school must maintain at least two operating school sites.[2] Therefore, the Pacific Technology School-Santa Ana does not qualify for renewal as a statewide benefit charter. Consequently, a petition was submitted to the Santa Ana Board of Education to be authorized as a new, locally-approved charter school by the name of Magnolia Science Academy-Santa Ana. On October 8, 2013, the Santa Ana Board of Education took action to deny the Magnolia Science Academy-Santa Ana (MSA-SA). This charter school petition is now under consideration on appeal to the Orange County Board of Education.

II. Summary of Findings and Recommendations

Based upon the information provided in the Petition, the Petitioners are demonstrably unlikely to successfully implement the educational program for the following reasons:

A. The Petition presents an inadequate and unrealistic financial and operational plan for the proposed charter school and fails to provide a reasonably comprehensive description of the proposed finances and operations of the school (the petition and budget do not include any reference to LCFF requirements, appear to over-

[1]In addition, Title 5, California Code of Regulations section 11967.5.1, which governs the petition review by the State Board of Education, is instructive. Subsection (c) (1) notes that to determine whether charter petitioners are "demonstrably unlikely to successfully implement the program," the reviewing body should consider petitioner's past history of involvement in charter schools or other education agencies (public or private), including where a charter has been revoked or "ceased operation for reasons within the petitioners' control."

[2]Title5, California Code of Regulations section 11967.6.

project enrollment, do not provide enough information to determine whether cash flow is adequate, and do not appear to allocate funding to key areas such as reserves and special education).

B. The Petition fails to address and fails to provide reasonably comprehensive descriptions of key governance issues (the petition does not include the required composition for specified councils to ensure parent involvement and is unclear regarding Brown Act and Public Records Act compliance).

C. The Petition fails to demonstrate a basic understanding of the laws and procedures required for public contracting (there is only a skeletal description of contract procedures, and provisions do not address issues identified regarding other charter schools operated by Magnolia).

D. The Petition inadequately addresses and fails to provide reasonably comprehensive descriptions of key student issues (responsibility for special education is deferred to the "district" without additional clarification; English Learner notices and parent involvement provisions do not appear to comply with legal requirements; and language regarding student fees and access to pupil records do not appear to comply with legal requirements).

For all of the reasons summarized above, staff recommends as follows:

1. That the Petition be denied because it is demonstrably unlikely that the Petitioners will successfully implement the program set forth in the Petition; and

2. That the Petition be denied because it does not contain reasonably comprehensive descriptions of the elements noted above.

In order to deny the Petition on the grounds set forth above, under Education Code section 47605(b), the County Board must make "written factual findings specific to the particular petition, setting forth specific facts to support one or more" grounds for denying the Petition. Staff recommends that the County Board adopt the staff report and proposed findings of fact as its own, should the County Board decide to deny the Petition.

STAFF REPORT AND PROPOSED FINDINGS OF FACT REGARDING MAGNOLIA SCIENCE ACADEMY-SANTA ANA

I. Introduction

The Santa Ana Unified School Board denied the Magnolia Science Academy-Santa Ana Petition ("Petition") on October 8, 2013. The Lead Petitioner filed an appeal with the Orange County Board of Education. Under the Charter Schools Act, the Orange County Board of Education ("County Board") is required to evaluate the Petition under all of the standards contained in Education Code section 47605(b) regardless of the School District's reasons for denial.[1] Please see Attachment I for an overview of the Charter School Act's requirements for petition review.

II. Brief Chronology

In August 2009, the California Department of Education (CDE) authorized Magnolia Charter Schools to open up to 10 statewide-benefit charter schools, beginning with Pacific Technology School-Santa Ana and Pacific Technology School-Orangevale. Both schools were granted five-year terms with a renewal date of June 30, 2014. On April 12, 2013, the CDE issued a report to the State Board of Education regarding the financial condition of state board-authorized charter schools (see Attachment II). This report noted that both Magnolia Charter Schools were found to be in poor financial condition and both were issued notices of concern and requested to develop a corrective action plan due by May 1, 2013. Pacific Technology School-Santa Ana is noted as having a "significant operating deficit of $332,286 and a negative unrestricted fund balance of $238,156" in the CDE report (Attachment II, p. 16). Citing a decline in enrollment and expensive facilities costs, Pacific Technology School-Santa Ana had apparently over-projected enrollment for the school and was cutting staff, books and supplies to address the budget shortfall (Attachment II, p. 16). As indicated in the CDE report, Pacific Technology School-Orangevale presented the same concerns. In June 2013, Pacific Technology School-Orangevale voluntarily closed.

By regulation, a statewide-benefit charter school must maintain at least two operating school sites.[2] Therefore, the Pacific Technology School-Santa Ana does not qualify for renewal as a statewide benefit charter. Consequently, a petition was submitted to the Santa Ana Board of Education to be authorized as a new, locally-approved charter school by the name of Magnolia Science Academy-Santa Ana. On October 8, 2013, the Santa Ana Board of Education took action to deny the Magnolia Science Academy-Santa Ana (MSA-SA). This charter school petition is now under consideration on appeal to the Orange County Board of Education.

[1]In addition, Title 5, California Code of Regulations section 11967.5.1, which governs the petition review by the State Board of Education, is instructive. Subsection (c) (1) notes that to determine whether charter petitioners are "demonstrably unlikely to successfully implement the program," the reviewing body should consider petitioner's past history of involvement in charter schools or other education agencies (public or private), including where a charter has been revoked or "ceased operation for reasons within the petitioners' control."
[2]Title 5, California Code of Regulations section11967.6.

III. Staff Review and Findings

Following a thorough review of the charter school petition as conducted by staff from the Orange County Department of Education, below are key points and factual findings from the petition review.

A. BUDGET

1. Local Control Funding Formula Requirements

The petition does not include any references to the Local Control Funding Formula, which was enacted into law on July 1, 2013. Although petitioners indicated the petition was provided to the school district on June 28, 2013, it was not officially submitted to the board of education until July 23, 2013.

Issues with Enrollment Projections

The OCDE review concurs with SAUSD's findings in that the enrollment projections seem optimistic, even with parent signatures. SAUSD noted in its decision regarding this petition:

> The projected enrollment for even the first year of operation [660 students] is significantly higher than the figures available on the MPS website for any of its currently operating schools[3] and is more than three times as many students as currently attend the Pac Tech-SA [193 students], even after five years of operation and recruitment efforts…In the past Pac Tech-SA, in support of requests for District facilities, has made similarly optimistic projections of increased enrollment, also based on signature gathering campaigns, none of which projections have materialized to date." (Santa Ana Unified School District Board Resolution, p. 6).

This concern is also supported by the CDE's report (see Attachment II). In addition, page 26 of the petition provides a chart of the projected grade-level enrollment, beginning with the 2013-14 school year. According to this chart, in the 2013-14 school year, there are steep enrollment declines in the eleventh and twelfth grade; for example, there are 55 seventh grade students and only 7 eleventh grade students. No explanation is given for this decline, and graduation rates are of particular importance for accountability reporting requirements. Such a decline does not indicate that the school will be able to attract and retain students sufficient to meet its projections, an issue identified in the CDE report as well.

[3]From www.magnoliapublicschools.org: PTS-Santa Ana, 140 (grades 6-11); MSA-San Diego, 320 (grades 6-12); MSA-Santa Clara, 225 (grades 6-9); MSA 1-Reseda, 525 (grades 6-12); MSA-2 Valley, 300 (grades 6-12); MSA-3 Carson, 300 (grades 6-11); MSA-4 Venice, 170 (grades 6-11); MSA-5 Hollywood, 225 (grades 6-11); MSA-6 Palms, 175 (grades 6-8); MSA-7 Van Nuys, 175 (grades K-5); MSA-8 Bell, 425 (grades 6-12). Enrollment numbers on website indicate data is from the 2011-2012 school year.

In response to the CDE's notice of concern dated April 4, 2013, regarding the school's poor financial condition, petitioner responded that "the negative fund balance and inadequate reserves are corrected by waiving the management fee of Magnolia Educational and Research Foundation (MERF)[4] and intercompany loans between PTSSA and MERF, MERF's donation, increasing the student enrollment after the completion of the facilities construction." (see Attachment III, page 5).[5] However, in a letter dated December 17, 2013, from School Site Solutions, Inc., which is working with Magnolia Charter Schools on the facilities for this school, the construction on this project can proceed as early as spring of 2014 with occupancy in the fall of 2015 (please see Attachment IV). This timeline does not match the timeframe of the 2014-2015 school year for the K-5 expansion or construction completion noted in the petition (see Tab 15, MSA-Santa Ana Facility Project Description). The petition documents do not budget or account for temporary classrooms to facilitate enrollment pending completion of construction, and the budget issues identified by CDE appear to rely on increased student enrollment to be resolved.

2. <u>Cash Flow Issues</u>

The petition did not have detailed cash flow statements, so it was difficult to determine what the petitioner will do for cash until they receive their apportionment. This could be related to the statements regarding closing Pacific Technology, and whether the petitioners can use any funds from that site. However, given the cash flow issues identified by two other authorizers, the CDE and Los Angeles Unified School District, not having additional detail in this area presents a concern.[6]

3. <u>Funding Levels</u>

Special education services may be underfunded, as there is not enough documentation to show how petitioner will provide services that may be needed. Since the petition attempts to defer all responsibility for special education to a "district," the underfunding in the petition could have a direct impact on the authorizer.

There is a lack of expenditures for furniture and equipment for a new school site. It does not appear that petitioners have budgeted for the expansion to 600 students in the first year. Some of the costs may be built into the furniture and equipment grant, but given the projection of a larger student population, the budget does not appear to account for higher future expenses.

[4]The management fee, noted in the proposed budget, is 11% of revenues. This is on the high end of the spectrum for charter schools, which generally range from 2% to 10%.*Charter Schools Insider*, May 2011.

[5]*State Board of Education-Authorized Charter Schools: Charter Schools Annual Report*, SSI Memorandum to State Board of Education, dated October 17, 2013.

[6]The Center for Education Reform estimates 65.7 percent of charter schools that closed did so because of financial reasons or mismanagement, compared to only 18.6 percent attributed to academic performance. (January 2012, downloaded from: http://www.edreform.com/2011/12/charter-school-closure-report/). In addition, the National Association of Charter School Authorizers reported that fiscal issues were the top reason large authorizers closed charter schools outside the renewal process. *Charter Schools Insider*, May 2011.

On page 139, the petition indicates it is recommended to maintain the reserve outlined in Title 5, section 15450 of the California Code of Regulations.[7] However, this reserve is required for public schools, and was an issue presented in the audit by another authorizer of Magnolia Public Schools.[8] This issue relates to the cash flow issue noted above; as an authorizer, maintaining appropriate reserves for a public school would be a necessary component of the budget, not discretionary.[9] In addition, Title 5, section 11967.5.1 (c) (3) (B) of the California Code of Regulations, which provides guidance to the State Board of Education in reviewing charter petitions, expressly notes that in the area of financial administration, the charter or supporting documents must:

1. Include, at a minimum, the first-year operational budget, start-up costs, and cash flow, and financial projections for the first three years.

2. Include in the operational budget reasonable estimates of all anticipated revenues and expenditures necessary to operate the school, including, but not limited to, special education, based, when possible, on historical data from schools or school districts of similar type, size, and location.[10]

Without this information available as part of the petition, the review is inconclusive as to whether or not the financial administration of the school meets the requirements of the Charter Schools Act.

[7] Section 15450 states:(a) Available reserves for any of the budget year or two subsequent fiscal years are not less than the following percentages or amounts as applied to total expenditures and other financing uses:
the greater of 5% or $55,000 for districts with 0-300 ADA
the greater of 4% or $55,000 for districts with 301-1,000 ADA
3% for districts with 1,001-30,000 ADA
2% for districts with 30,001-400,000 ADA
1% for districts with 400,001 and over ADA
(b) For purposes of this section, the following shall apply:
(1) Available reserves are the unrestricted amounts in the Reserve for Economic Uncertainties and the Unassigned/Unappropriated accounts in the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.
(2) A school district that serves as the AU of a SELPA may exclude from its expenditures the distribution of funds to its participating members.
(3) The dollar amounts are to be adjusted annually by the prior year statutory cost-of-living adjustment (Education Code section 42238), rounded to the nearest thousand.

[8] Audit Report, Magnolia Science Academy—Charter Schools, August 20, 2012, Los Angeles Unified School District Office of the Inspector General, p. 14. Available at: http://notebook.lausd.net/pls/ptl/ptl_apps.nbk_docinfo.docinfo_qu?p_doc_id=1267274.

[9] 5 CCR section 11967.5.1 (c) (3) (B) states: "In the area of financial administration, the charter or supporting documents do not adequately: 4. Present a budget that in its totality appears viable and over a period of no less than two years of operations provides for the amassing of a reserve equivalent to that required by law for a school district of similar size to the proposed charter school."

[10] 5 CCR section 11967.5.1 (c) (3) (B).

B. OPERATIONAL ISSUES

1. Governance Issues

Education Code section 47605(b)(5)(D) states that charter schools must provide a reasonably comprehensive description of the governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement. As described in the petition, the composition of the School Site Council does not appear to meet legal requirements.[11] This also is problematic, as noted above, for the composition of the ELAC. Although the Bylaws included with the petition indicate that Article VIII, charter school-related meetings will comply with Brown Act (Article VII), committee meetings appear to have a separate bylaw that does not necessarily comply with Brown Act (Article VII, section 17).[12] Finally, the petition does not contain clear provisions regarding compliance with the California Public Records Act for both the school and Magnolia Charter Schools Office. All transactions related to the charter school must fall within the Act to ensure the transparency required for a public school.

2. Public Contracting Requirements

A petition should describe, for any contract services, criteria for the selection of a contractor or contractors that demonstrate necessary expertise and the procedure for selection of the contractor or contractors.[13]This petition provides a very brief, vague reference to public contracting requirements. On page 165, the petition notes that "Contracts for service, equipment and facility alterations/improvements will be submitted to multiple bidders. OCBE is able to bid on all projects" (p. 165). Without additional details about the contracting processes, the petition is difficult to evaluate in this area.[14] In addition, issues related to governance and related party transactions that have arisen between Magnolia Public Schools and some of its other charter schools are not addressed in this petition.[15]

3. Assurances

The assurances for nondiscrimination do not include all protected categories required by statute (pp. 112, 131).

4. Risk Management

The petition states that the charter school will provide insurance as required by the District (p. 132). However, the petition fails to provide a reasonably comprehensive description of what types of insurance would be included (pp. 132, 166). With regard to criminal

[11]No Child Left Behind Act of 2001 (Public Law 107-110), Section 1112 of Subpart 1 of Part A of Title I.
[12]The Brown Act applies to the "legislative bodies" of all local agencies in California, e.g., councils, boards, commissions and committees (Government Code sections 54951, 54952.)
[13]5 CCR section 11967.5.1.
[14]Public Contract Code sections 20111 and following require public schools to follow bid requirements, including requiring the contract to be given to the lowest responsible bidder.
[15]Audit Report, Magnolia Science Academy—Charter Schools, August 20, 2012, pp. 13, 30-31.

background checks, the petition states that these checks by vendors will be conducted "prior to any unsupervised contact with students" by vendor employees (p. 167). However, this does not address whether services may have commenced and whether the performance of such services may have placed an uncleared employee in contact with students or personally identifiable student information. In addition, the petition notes that health benefits will be determined "as part of the individual employment agreement," with no reference to Affordable Care Act requirements (p. 152). Failing to address compliance with the Affordable Care Act could result in liability for the charter school, which should also be addressed in the budget. With regard to student activities, additional review may be required. It is unclear what the term "sleepovers" refers to on page 76, nor where they take place. In the Appendices section, contained within Tab 9, pages 30-33, the petition illustrates a "Reading Camp" and a "Sample Sleepover Schedule," but it is still unclear what takes place, who supervises the students and activities, and where this camp is located. An additional concern is that this camp costs $95 (see Student Rights section, below, regarding unauthorized student fee issues).

5. <u>Student Rights</u>

The petition contains a section regarding child abuse and neglect reporting, a statutory mandate (p. 131). However, this provision fails to include all grounds for reporting and additionally, requires mandated reporters on staff to report suspicions of abuse/neglect to the principal, which may violate the confidentiality provisions of the Child Abuse and Neglect Reporting Act. The petition also states that contact information of a responding Child Protective Services representative would be kept in the pupil's record, which is not authorized by the Child Abuse and Neglect Reporting Act.

Although the petition addresses some required complaint processes (p. 109), the petition does not provide for Uniform Complaint Procedures, which include but are not limited to complaints regarding discrimination, bullying, and unauthorized student fees. Article IX, Section 5 of the California Constitution provides for free public schools. The California Supreme Court has held that this provision prohibits public schools from charging mandatory fees for educational activities, including both curricular and extracurricular activities.[16]By statute, these provisions apply to charter schools.[17]There is no assurance from the petition that petitioners are mindful of the prohibition against charging students fees for curricular and extracurricular activities and supplies, except as otherwise authorized by law.

Students have a right to confidentiality and privacy afforded under federal laws and the state Constitution. Although the petition indicates the school will comply with the Family Educational Rights and Privacy Act (FERPA, 20 U.S.C. section 1232g), the petition does not contain a description of how compliance will be assured. In addition, as part of the admissions process, the petition states that if the charter school were oversubscribed, the public lottery for admissions would be video-recorded, but there is no indication that parent/guardian consent

[16]*Hartzell v. Connell*, 35 Cal.3d 899, 913 (1984).
[17]Education Code sections 49010(a), 49011(d). In fact, charter schools have greater restrictions in terms of authorized student fees than traditional public schools. See CDE Fiscal Management Advisory 12-01, *Pupil Fees, Deposits and Other Charges*, March 20, 2013.

would first be secured (p. 135). In its closure procedures, the petition indicates the school "should" provide parents/guardians and students with notice of the closure, copies of pupil records, transfer information, and for high school students, college entrance requirement information (p. 160). Under FERPA, parents/guardians are entitled to access all pupil record information. Without notice of the closure and transfers, and assured access to pupil records, parents/guardians and students would be significantly impeded in ensuring continuity of education.

C. INSTRUCTIONAL PROGRAM

Staff reviewed the curriculum, English Learner provisions, and special education provisions. While concerns were expressed regarding each, these issues did not rise to the same level of concern as those regarding the proposed budget and operational issues, as noted above.

With regard to the science curriculum, it was noted that the petition does not mention the use of the newly adopted *Next Generation Science Standards, Crosscutting Concepts* and the *Science and Engineering Practices* as the driving force behind new course development. If this is a STEM school, science, math, engineering or technology should be the central organizer around the other subject offerings. There does not appear to be time dedicated to Professional Learning Communities in the proposed Instructional Calendar. The A+ Advanced STEM program described in the petition appears available only to gifted students. It is unclear why at risk or other students would not be included. Finally, there is no mention of science safety as it relates to facilities requirements and safety equipment necessary to the instructional program.

Regarding English Learners, parents of ELs will receive an "explanation" prior to completing the Home Language Survey outlining its purposes and uses (page 78). The petitioners do not state, however, whether required notifications will be provided in the parents' home languages.[18] An English Learner Advisory Committee (ELAC) is indicated as follows: "The ELAC is mainly a committee of parents or other community members who want to advocate for ELs" (page 107). The notion of advocacy is in line with the purpose of ELAC, but it is not clear whether or how this will be effectively operationalized.[19]

For special education, there appears to be a general lack of understanding regarding the breadth and depth of services and supports necessary to ensure students with disabilities are successful in a school setting. Overall, the petitioners defer most (if not all) responsibility for delivery of services, supplemental supports, and compliance issues to the "district" (see, e.g., page 83). Finally, the petition provides only a vague description of how Section 504 of the Rehabilitation Act will be implemented.

[18]ESEA Title III: Language Instruction for Limited English Proficient and Immigrant Students.

[19]This issue of governance structures not adequately including parents was also noted in an audit of Magnolia Charter Schools authorized by Los Angeles Unified School District. Audit Report, Magnolia Science Academy—Charter Schools, August 20, 2012, Los Angeles Unified School District Office of the Inspector General, available at http://notebook.lausd.net/pls/ptl/ptl_apps.nbk_doc_info.docinfo_qu?p_doc_id=1267274.

IV. Findings and Recommendation

Based upon the information provided in the Petition, as noted in the facts outlined above, the Petitioners are demonstrably unlikely to successfully implement the educational program for the following reasons:

A. The Petition presents an inadequate and unrealistic financial and operational plan for the proposed charter school and fails to provide a reasonably comprehensive description of the proposed finances and operations of the school (see above, sections III A and B).

B. The Petition fails to address and fails to provide reasonably comprehensive descriptions of key governance issues (see above, section III B 1).

C. The Petition fails to demonstrate a basic understanding of the laws and procedures required for public contracting (see above, section III B 2).

D. The Petition inadequately addresses and fails to provide reasonably comprehensive descriptions of key student issues, including special education, English Learners, and student rights (see above, sections III B 5 and C).

Recommendation of Denial of Petition

For all of the reasons stated above, staff recommends as follows:

1. That the Petition be denied because it is demonstrably unlikely that the Petitioners will successfully implement the program set forth in the Petition; and

2. That the Petition be denied because it does not contain reasonably comprehensive descriptions of the elements noted above.

In order to deny the Petition on the grounds set forth above, under Education Code section 47605(b), the County Board must make "written factual findings specific to the particular petition, setting forth specific facts to support one or more" grounds for denying the Petition. Staff recommends that the County Board adopt the above report containing findings of fact as its own, should the County Board decide to deny the Petition.

---------- Forwarded message ----------
From: **Mehmet Argin** <margin@magnoliapublicschools.org>
Date: Tue, Jan 14, 2014 at 2:51 PM
Subject: Magnolia's Response to OCBE Staff Report
To: Al Mijares <AMijares@ocde.us>, Kelly Gaughran <kgaughran@ocde.us>
Cc: rhammond@ocde.us, dboyd@ocde.us, kwilliams@ocde.us, jbedell@ocde.us, eparker@ocde.us, Alfredo Rubalcava <arubalcava@magnoliapublicschools.org>, Umit Yapanel <uyapanel@magnoliapublicschools.org>

Dear Superintendent Dr. Al Mijares:

This letter is respectfully submitted to provide you with our response to the inaccuracies or incomplete information provided in the OCBE Staff ("Staff") Report of our charter petition for Magnolia Science Academy–Santa Ana (MSA-Santa Ana). We intend to present our response to the board at its meeting tomorrow, and by providing our response in advance in writing are maintaining our commitment to transparent and full communications with you throughout the petition approval process.

Sincerely,

--
Mehmet Argin, Ph.D.
Chief Executive Officer
Magnolia Educational and Research Foundation dba Magnolia Public Schools
13950 Milton Ave. STE 200B
Westminster CA 92683
Phone: (714) 892-5066
Fax: (714) 892-5022
www.magnoliapublicschools.org

January 14, 2014

Dr. Al Mijares, Superintendent
200 Kalmus Drive
Costa Mesa, CA 92626

Dear Superintendent Dr. Al Mijares:

This letter is respectfully submitted to provide you with our response to the inaccuracies or incomplete information provided in the OCBE Staff ("Staff") Report of our charter petition for Magnolia Science Academy–Santa Ana (MSA-Santa Ana). We intend to present our response to the board at its meeting tomorrow, and by providing our response in advance in writing are maintaining our commitment to transparent and full communications with you throughout the petition approval process. As you know, we have requested the opportunity to meet with county staff prior to the publication of the Staff Report to respond to staff questions or concerns. We are confident that had we been given the opportunity to respond to concerns or answer questions, most if not all could have been resolved. Not having been given the opportunity to answer questions during the review process that generated the Staff Report, we are submitting our responses in writing, and trust that the staff presentation tomorrow will acknowledge our ongoing efforts to engage in meaningful and clarifying communications.

Approval by the Orange County Board of Education ("County") will allow MSA-Santa Ana to provide high quality education programs in Santa Ana. Conversely, denial by the County of this petition will eliminate this opportunity for over 600 families who want it.

Pursuant to Education Code Section 47605(b)(5), the Orange County Board of Education may not deny a charter petition unless it makes written factual findings specific to the particular petition, setting forth <u>specific facts</u> to support one or more of the following findings:

(1) The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.

(2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.

(3) The petition does not contain the number of signatures required by subdivision (a) of Education Code Section 47605.

(4) The petition does not contain an affirmation of each of the conditions described in subdivision (d) of Education Code Section 47605.

(5) The petition does not contain reasonably comprehensive descriptions of all of the elements described in Education Code Section 47605(b)(5)(A)-(P)

The Staff Report fails to provide the County with factual findings setting forth specific facts to support one or more of the findings. Instead, as described below, the staff misstates and misinterprets the law applicable to charter schools, and misstates relevant facts or provides conjecture to support its findings.

We have outlined our response using the same numbering format as the staff report for your easy reference.

II

1. Statewide benefit school conditions

MSA-Santa Ana response:

The staff report mentions MPS operation of the statewide benefit charter school, Pacific Technology School–Santa Ana (PTS-Santa Ana) and purports to explain that the petition for MSA-Santa Ana) was submitted to the Santa Ana Unified School District (SAUSD) because PTS-Santa Ana no longer qualifies as a statewide benefit charter. This is not an accurate or complete portrayal of the facts related to our decision to submit a petition to SAUSD.

Neither the California Department of Education nor the State Board of Education has provided us with such notice. Rather, it was the intention of the Magnolia Public Schools (MPS) Board to seek a locally approved charter in order to work more closely with the districts of the communities where our schools are located.

We believe it is very important to make note of the fact that in 2013, PTS-Santa Ana, which currently serves 173 students, exceeded its API growth targets, both school wide and in all subgroups:
http://dq.cde.ca.gov/dataquest/Acnt2013/2013GrowthSch.aspx?allcds=09765960119537

- API schoolwide: 850, a growth of twelve (12) points
- API for Hispanic/Latino subgroup: 819, a growth of fifteen (15) points
- API growth for socioeconomically disadvantaged subgroup: fifty-one (51) points.

2. Fiscal concerns noted by CDE

MSA-Santa Ana response:

Staff incompletely describes the fiscal difficulties that the California Department of Education identified in a notice to which we provided a written corrective plan. At the root of our fiscal problems with both campuses of the statewide benefit charter are facilities. The northern California facility, located in a somewhat rural setting with limited enrollment draw, was provided by the school district at fair market value rather than through Prop 39. Combined with a requirement to open in 2009 or lose the charter, MPS

was forced to accept a rent that was not sustainable due to the sparse population of the surrounding area, and made the prudent decision to close the school. The second campus of the statewide benefit charter is in Santa Ana has maintained strong family support and demand. It is only the limited capacity of the facility that limits enrollment.

To address the concerns expressed by the CDE, we have proactively taken a multifaceted approach: we closed the northern California campus where we were unable to generate enrollment due to location, we obtained funding for a facility in Santa Ana that will allow for a robust enrollment and meet the demands of the local community, and we obtained manageable grants/loans through Prop 1D funding. In addition, we have been fully transparent with our authorizers about our activities, and none have acted in a manner to indicate that they are dissatisfied with our plan or our activities. In fact, LAUSD has approved our renewal petitions for all schools they authorize, and the CDE has not taken further action after receiving our corrective plan in May, 2013. The Fiscal Condition of SBE-Authorized Schools report attached to the Staff Report is from FY 2011-12. The most recent audited financials for PTS-Santa Ana for FY 2012-13 reflects a greatly improved financial standing with a net income of $81,649 as can be seen in the attached 2012-13 audit report.

III
A. Budget
1. Local Control Funding Formula Requirements
MSA-Santa Ana response:
The original petition was submitted to the SAUSD on June 28, 2013, *prior to the establishment of the LCFF in law*. This submission date was required by the district in order for 'formal submission' to the SAUSD board on July 23, 2013. At such time as the original petition was submitted, no further changes were accepted by the district for consideration.

Staff accurately states that LCFF was not included in the originally submitted petition. However, the LCFF was not a law at the time the petition was submitted.

LCFF ensures that funding for both charter schools and school districts will not be less than 2012-13 funding levels. Therefore, the MSA-Santa Ana budget submitted with the original petition contains an even more conservative budget than the rate of actual anticipated revenues due to the anticipated demographics of MSA-Santa Ana.

Issues with enrollment projections
MSA-Santa Ana response:

1. MSA-Santa Ana projected 660 students in the first year of the charter based on acquiring a facility with the capacity to serve 1,020 students. (Appendix 15 D2: Facilities Project Description)

2. Initial enrollment projections were based on facilities information available at the time the petition was submitted. In June 2013, the funding for the new facility was on track

to allow for an opening date of Fall 2014. On August 19, 2013, the Office of Public School Construction informed MPS that funding for the new facility would be delayed one year pending a Spring 2014 bond sale. MSA-Santa Ana is prepared to submit current enrollment and balanced budget projections. Unfortunately, staff declined to consider updated information.

3. At capacity/In the first year of the originally submitted petition, 420 students are projected for grades TK-5, a reasonable estimate for a STEM focused elementary school based on the need in Santa Ana as determined by parent signatures.

4. At capacity/In the first year of the originally submitted petition, 240 students are projected for grades 6-12. Currently 173 6-12 students are enrolled in PTS-Santa Ana. The enrollment projections in the submitted petition are based on current grade level enrollments at PTS-Santa Ana with most increases in enrollment established the earlier grades, in order to ensure the development of a strong school culture.

5. Staff references a decline from 55 to 7 students between 7th and 11th grades in 2013. However, this is not an accurate representation of student mobility. The 11th grade enrollment projections are cohort based, and contain a conservative estimate of students based on the current enrollment levels of PTS-Santa Ana accompanied by reasonable growth projections soundly assigned to lower grade levels to develop and sustain a strong school culture. The PTS-Santa Ana 11th grade cohort began with 13 students, not 55, (Reference: CDE DataQuest records for 2009-10) and attrition is a result of inadequate high school facilities, which MPS has addressed by securing funds for a state of the art comprehensive high school facility.

2. Cash Flow

MSA-Santa Ana response:

Staff states that there are not enough details in the cash flow statements related to operations prior to the receipt of apportionment in the budget submitted with the original petition. The original petition as submitted contains cash flow details prior to receipt of apportionment. Please find attached cash flow documents with more details.

3. Funding Levels

MSA-Santa Ana response:

1. Special Education: Based on first year enrollment as submitted in the petition, MSA-Santa Ana projected $367,180.20 special education funds ($272,725.20 AB 602 funds and $94,455 IDEA funds). MSA-Santa Ana acknowledged that it may exercise its right to be a school of the district for special education purposes, but also retains the right to select its SELPA membership. Two schools, including the statewide benefit charter currently operating in Santa Ana, are schools of the El Dorado Charter SELPA, and upon approval of MSA-SA, this school may also apply for membership in the El Dorado SELPA.

2. Furniture/equipment: Staff notes that the budget does not provide for adequate furnishings for the level of enrollment projected. However, these furnishings will be covered by the facilities funding that has been secured under Prop 1D, and were not included in the operational budget. Please note that $15,000 for furniture/equipment was allocated to address potential additional needs.

3. Reserves: The submitted budget meets the 5 percent reserve required by law.

B. Operational Issues
1. Governance Issues
MSA-Santa Ana response:

Brown Act: This finding misinterprets a portion of Magnolia's corporate bylaws. Article VII, section 17 reads as follows:

> "Meetings and actions of committees of the Board of Directors shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Board of Directors' actions, and the Brown Act, if applicable, *except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board of Directors' resolution or, if none, by resolution of the committee.* Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board of Directors has not adopted rules, the committee may do so." (emphasis added)

The Staff report interprets the italicized language as an exception to the Brown Act. However, the exception identified is not in reference to the Brown Act, but instead is an exception to the prior clause with regard to meetings "governed by, held, and taken under the provisions of these bylaws concerning meetings." Article VIII of the bylaws governs meetings of the Board of Directors and calls for these meetings to be held at 7:00 p.m. on the 2nd Thursday of every other month. The exception in the italicized language above allows the committee meetings to be called by resolution of the Board of Directors or by resolution of the committee if no resolution by the Board of Directors. There is nothing in that language that allows Magnolia to violate the Brown Act.

Furthermore, MPS operates eleven (11) schools in California and has operated charter schools in California since 2002. In twelve years of operation, Magnolia has never received a complaint regarding a violation of the Brown Act.

Accordingly, the Staff Report misinterprets the language provided within the bylaws and thus is not supported by fact. Additionally, the language of the finding, itself, uses conjecture. Because Magnolia complies with the Brown Act and the language of the charter

and the bylaws also calls for compliance with the Brown Act, there are no facts upon which to support this finding and therefore cannot be used to support this basis for denial.

School Site Council: Magnolia is not subject to any legal requirement that requires a school site council with a specific composition. Education Code Section 52012 which provides for a specific school site council composition does not apply to charter schools, per Education Code Section 47610, often referred to as the "mega-waiver," which exempts charter schools from all laws applicable to school districts.

Nevertheless, Magnolia does indeed comply with Education Code Section 52012, despite its lack of application to charter schools. That section requires the following with regard to school site council composition:

> At the secondary level the council shall be constituted to ensure parity between (a) the principal, classroom teachers and other school personnel; and (b) equal numbers of parents, or other community members selected by parents, and pupils."

Magnolia's school site council, which it is not required to have as a matter of law, is composed of the following: the school principal, a teacher, a parent, a student, and a community representative (see p. 107 of the charter).

In alignment with Education Code Section 52012, MSA-Santa Ana's school site council will consist of the same numbers of parents and community members as school representatives. Additionally, the site council will have a student member, going beyond Section 52012's directive.

Furthermore, the governance structure as described in the charter provides a reasonably comprehensive description of the process that will ensure parental involvement as required by Education Code Section 47605(b)(5)(D). The charter describes parental representation on the Board (p. 108), school site council (p. 107), the English Language Advisory Committee (pp. 107-108), and other methods of parental involvement (pp. 108-109).

Accordingly, the finding here is factually incorrect. It is also incorrect as to the Staff interpretation of the laws that apply to charter schools. Here, the charter has provided a reasonably comprehensive description of its governance structure in accordance with Education Code Section 47605(b)(5)(D) and has absolutely ensured parental involvement throughout its governance structure. Accordingly, there are no facts here that can be used to support a lawful finding for denial of the charter.

2. Public Contracting Requirements

MSA-Santa Ana response:

Magnolia is not subject to competitive bidding laws because of the mega waiver contained within Education Code Section 47610. Section 47610 provides that a charter school is exempt from the laws governing school districts with four specific exceptions (Education Code Section 47611, Education Code Section 41365, all laws requiring minimum age for school attendance, and the California Building Standards Code). None of these four exemptions relates to compliance with public bidding laws applicable to school districts.

Public Contract Code (PCC), Section 20111 states: "The governing board of <u>any school district</u>, in accordance with any requirement established by that governing board pursuant to subdivision (a) of Section 2000, shall let any contracts…" **This section of the PCC, specifically applies to school districts, and not charter schools.** Thus, by application of the mega waiver described in Education Code Section 47610, Section 20111 would not apply to a charter school.

MSA-Santa Ana is not subject to public bidding laws governing school districts because it is specifically exempted under Education Code Section 47610. Accordingly, this finding in the Staff Report misinterprets the laws applicable to charter schools and thus cannot lawfully be used to support a basis for denial of a charter school.

3. Assurances
MSA-Santa Ana response:

On p. 134 of the submitted petition, MSA-Santa Ana has provided affirmation of compliance with all nondiscrimination requirements, prohibiting discrimination against any category described in Section Education Code Section 220 as specifically required by Education Code Section 47605(d). Below is the language provided in the petition:

> "MSA-Santa Ana will be nonsectarian in its programs, admission policies, and all other operations, and will not charge tuition nor discriminate against any pupil on the basis of the characteristics listed in Section 220 (actual or perceived disability, gender, gender identity, gender expression, nationality, race or ethnicity, religion, sexual orientation, or any other characteristic that is contained in the definition of hate crimes set forth in Section 422.55 of the Penal Code or association with an individual who has any of the aforementioned characteristics)."

Accordingly, the language of the charter complies with the law and the Staff Report misstates facts and thus cannot be used to support a lawful denial of a charter petition as required by Education Code Section 47605(b).

4. Risk Management
MSA-Santa Ana response:

Education Code Section 47605(b)(5)(A)-(P) describes the required contents of a charter. Insurance types and amounts are not a legally required provision of the charter. Nor, is any

reference to the Affordable Care Act, or any description of health benefits. Accordingly, any finding that Magnolia has not addressed either area in the charter is not a violation of the legally required components of a charter and therefore cannot be used as a lawful basis for denial.

With regard to criminal background checks, please see page 130 of the charter petition, which specifically affirms Magnolia's understanding and compliance with fingerprinting and background check laws:

> "Each employee and contractor of the school will submit to a criminal background check and furnish a criminal record summary as required by Education Code Section 44237 and 45125.1. Employees and contractors will submit fingerprints to the Department of Justice via LiveScan processing. Employees will not start working until results are received from the Department of Justice and they are cleared to begin work. The Principal of MSA-Santa Ana shall monitor compliance with this policy and report to the MPSCO on a regular basis. The MPSCO shall monitor the fingerprinting and background clearance of each Principal. Volunteers who will volunteer outside of the direct supervision of a credentialed employee shall be fingerprinted and receive background clearance prior to volunteering without the direct supervision of a credentialed employee."

Education Code Section 47605(b)(5)(G) requires a charter to include health and safety procedures, including the requirement that each employee of the school furnish the school with a criminal record summary as described in Section 44237. Here, Magnolia has fully complied with Section 47605(b)(5)(G), by specifically describing its compliance with Education Code Section 44237. Accordingly, this cannot be used as a basis to lawfully support a denial of a charter petition.

5. Student Rights
MSA-Santa Ana response:

Education Code Section 47605(b)(5)(A-P) describes the required content of a charter. Nothing in this Section requires a charter to describe child abuse reporting, uniform complaint procedures, FERPA compliance, School Fees Prohibition (except for an affirmation acknowledging that the Charter School may not charge tuition, which is included on page 6 of the submitted petition). Magnolia complies with all of these laws, but the law does not require Magnolia to prove such in the charter petition, nor ask the authorizer to judge such compliance through the charter petition document. As such, these cannot be used as a basis for denial. Furthermore, by failing to provide Magnolia with an opportunity to respond to any such concerns, Staff has prevented Magnolia from providing a full explanation of compliance.

With regard to the section on charter school closure, you will note that the Section begins with a statement that the closure procedures will comply with applicable laws: California

Education Code sections 47604.32, 47605, 47605.6, and 47607 as well as California Code of Regulations, Title 5 (5 CCR), sections 11962 and 11962.1. The staff criticizes language taken verbatim from the California Department of Education's recommended process for the closure of charter schools as described in the following link:

http://www.cde.ca.gov/sp/cs/lr/csclosurerules.asp

Accordingly, the charter complies with applicable law and the CDE's recommended process for school closure and therefore, the concerns listed by Staff, here, do not equate to support a lawful basis for denial.

C. Instructional program
MSA-Santa Ana response:

1. On page 56, the petition assures the implementation of Common Core State Standards. Magnolia Public Schools has been successfully implementing its transition plan across all of its schools.

2. The Next Generation Science Standards were adopted by the State Board of Education at its September 4, 2013 meeting. (Ed Code 60605.85), after the date of the submission of the petition. MSA-Santa Ana will implement the standards in accordance with the State plans.

3. Professional Learning Communities and the MSA-Santa Ana Professional Development Plan are comprehensively described in the submitted petition under Tab 6-Element 1.7.

4. The A+ Advanced STEM program is open to all students including gifted and at-risk students. All students are encouraged to participate in this program, as described on page 54.

5. Had the Staff provided an opportunity to Magnolia to respond, Magnolia would have been able to assure Staff that notifications to families of English Learners are provided in parents' home languages. However, this assurance is not a legally required component of the charter. As such, Magnolia is not required to prove such compliance within the charter, nor is the County Board asked to judge such compliance in its review of the charter. Accordingly, nothing here equates to a lawful basis for denial.

6. ELAC meetings are conducted quarterly at MPS.

7. MSA-Santa Ana's procedures and regulations regarding the implementation of Section 504 of the Rehabilitation Act are described in section 1.12 of the petition, which means that the petition specifically complies with Education Code Sections 47641 and 47646 and 20 USC 1413 (a)(5) by describing operation of the charter school as a public

school of its authorizer for special education purposes until it becomes a local educational agency for special education purposes. PTS–Santa Ana operates as a local educational agency for special education purposes within the El Dorado County Special Education Local Plan Area's Charter SELPA. As you can see from the attached letter from the SELPA, Magnolia has priority for new charter applications and is in good standing with the SELPA. Accordingly, MPS will initiate its application for SELPA approval immediately upon approval of MSA–Santa Ana and anticipates a quick approval.

Furthermore, nothing in Education Code Section 47605(b)(5)(A-P), requires a description of Section 504 of the Rehabilitation Act, and yet, Magnolia has provided a description of its commitment to fully comply with Section 504, including a description of child find, evaluation requirements, 504 Plan development and review.

Accordingly, here the Staff Report has provided no lawful basis to support a denial of the charter. We respectfully request that staff provide an amended report that reflects an accurate picture of our petition and of our success in providing sound educational programs in public charter schools for over 12 years.

Sincerely,

Mehmet Argin, Ph.D.
Chief Executive Officer
Magnolia Public Schools

Attachments:

- Email communication with SAUSD
- FY 2012-13 audit report of PTS-Santa Ana
- More detailed cash flow documents
- Letter from El Dorado County Charter SELPA

cc: Orange County Board of Education

From: Mitchell, Mavis <Mavis.Mitchell@sausd.us>
Date: Thu, May 16, 2013 at 4:45 PM
Subject: RE: new charter school petition
To: David Yilmaz <dyilmaz@magnoliapublicschools.org>
Cc: Mehmet Argin <margin@magnoliapublicschools.org>, "Martinez, Maribel" <Maribel.Martinez@sausd.us>

Dear Mr. Yilmaz,

As mentioned previously, charter petitions to be considered by the Santa Ana Unified School District Board of Education are subject to a formal acknowledgment and receipt process. Formal acknowledgement and receipt of a charter petition is included as an action item on the agenda of a regular meeting of the Board of Education. Specifically, this is the next regularly scheduled Board meeting following the delivery of the charter petition to the District office for which the agenda deadline has not already passed.

Recorded action taken at the regular meeting of the SAUSD Board of Education effectively acknowledges and formally documents the date of receipt of the petition as the date of the meeting. The date of formal receipt marks and initiates the statutory 60 day timeline during which the Board must consider and take action on the proposed charter. The scheduled date of the required public hearing and the date of board action to approve or deny the charter petition are determined subsequent to the initiation of the 60 day timeline.

Delivery of a proposed charter school petition to the District Office must be made before or by the agenda item submission deadline. The deadline for items to be included on the Regular Meeting Agenda for May 28, 2013, specifically-- an action item to document formal acknowledgement and receipt of a charter petition submission, has already passed.

The deadline for the delivery of a charter petition to be included as an item on the June 11, 2013 Regular Meeting Agenda is no later than noon, Friday, May 17, 2013. Subsequent to the previously mentioned meetings, the next Regular Meeting of the SAUSD Board of Education is scheduled for July 23, 2013 and delivery of the charter petition must be made no later than noon, Friday, June 28, 2013 to be included on that agenda.

Hopefully, this information is helpful.

Sincerely,

Mavis Mitchell

Charter Schools Financial Coordinator

PACIFIC TECHNOLOGY SCHOOL SANTA ANA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2013

PACIFIC TECHNOLOGY SCHOOL SANTA ANA

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HILL, MORGAN AND ASSOCIATES, LLP

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Partners
Jeffrey Hill, CPA
Raymond Morgan, CPA

To the Board of Directors
Pacific Technology School Santa Ana
Costa Mesa, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of **Pacific Technology School Santa Ana** which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flow for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the organization's 2012 financial statements and in our report dated November 23, 2012 an unqualified opinion was expressed on those financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's control. Accordingly, we express no such opinion. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriated to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Pacific Technology School Santa Ana** as of June 30, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements**.** Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2013 on our consideration of **Pacific Technology School Santa Ana's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Pacific Technology School Santa Ana's** internal control over financial reporting and compliance.

Hill, Morgan and Associates, LLP

Carson, California
October 21, 2013

PACIFIC TECHNOLOGY SCHOOL SANTA ANA
STATEMENT OF FINANCIAL POSITION
At June 30, 2013
(With comparative totals at June 30, 2012)

	Unrestricted	Temporarily restricted	2013 Total	2012 Total
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents (Note 5)	$ 164,175	$ 959,362	$ 1,123,537	$ 4,037,355
Prepaid expense				6,000
Accounts receivable	370,207		370,207	289,502
Security deposit	6,917		6,917	
Total current assets	541,299	959,362	1,500,661	4,332,857
PROPERTY AND EQUIPMENT:				
Construction in progress (Note 2)	23,927	3,122,034	3,145,961	133,261
Furniture and equipment (Note 2)	110,236		110,236	94,717
Less: accumulated depreciation (Note 2)	(46,092)		(46,092)	(25,597)
Net property and equipment	88,071	3,122,034	3,210,105	202,381
Total assets	$ 629,370	$ 4,081,396	$ 4,710,766	$ 4,535,238
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	$ 71,976	$	$ 71,976	$ 182,954
Accrued payroll and related liabilities	1,676		1,676	5,044
Intercompany payable (Note 3)	26,000		26,000	444,000
Loans payable - current portion (Note 4 and 8)	308,069		308,069	20,000
Total current liabilities	407,721		407,721	651,998
LONG-TERM LIABILITIES:				
Loans payable - net of current portion (Note 4 and 8)	140,000	2,040,698	2,180,698	2,080,698
Total long-term liabilities	140,000	2,040,698	2,180,698	2,080,698
Total liabilities	547,721	2,040,698	2,588,419	2,732,696
NET ASSETS:				
Unrestricted	81,649		81,649	(238,156)
Temporarily restricted (Note 5)		2,040,698	2,040,698	2,040,698
Total net assets	81,649	2,040,698	2,122,347	1,802,542
Total liabilities and net assets	$ 629,370	$ 4,081,396	$ 4,710,766	$ 4,535,238

The accompanying notes are an integral part of these financial statements.

PACIFIC TECHNOLOGY SCHOOL SANTA ANA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2013
(With comparative totals for the year ended June 30, 2012)

	Unrestricted	Temporarily restricted	2013 Total	2012 Total
REVENUES:				
Federal support	$ 59,211	$	$ 59,211	$ 60,083
State support	933,558		933,558	2,915,996
Local support	504,321		504,321	36,818
Total revenues	1,497,090		1,497,090	3,012,897
EXPENSES:				
Certificated salaries	494,654		494,654	546,173
Classified salaries	64,666		64,666	41,643
Fringe benefits	160,392		160,392	171,903
Books and supplies	87,980		87,980	129,574
Services and other operating expenses	340,425		340,425	399,941
Interest expense	8,673		8,673	389
Depreciation	20,495		20,495	14,862
Total expenses	1,177,285		1,177,285	1,304,485
Increase (decrease) in net assets	319,805		319,805	1,708,412
Net assets, beginning of the year	(238,156)	2,040,698	1,802,542	94,130
Net assets, end of the year	$ 81,649	$ 2,040,698	$ 2,122,347	$ 1,802,542

The accompanying notes are an integral part of these financial statements.

PACIFIC TECHNOLOGY SCHOOL SANTA ANA
STATEMENT OF CASH FLOWS
For the year ended June 30, 2013
(With comparative totals for the year ended June 30, 2012)

	2013	2012
Cash flows from operating activities:		
Increase in net assets	$ 319,805	$ 1,708,412
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,495	14,862
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(80,705)	(126,111)
Security deposit	(6,917)	
Prepaid expense	6,000	(6,000)
Increase (decrease) in liabilities:		
Accounts payable	(110,978)	153,830
Intercompany payable	(418,000)	444,000
Accrued payroll and related liabilities	(3,368)	5,044
Net cash (used in) provided by operating activities	(273,668)	2,194,037
Cash flows from investing activities:		
Cash used for construction in progress	(3,012,700)	(133,261)
Cash used to purchase equipment	(15,519)	(40,818)
Net cash used in investing activities	(3,028,219)	(174,079)
Cash flows from financing activities:		
Proceeds from loan	411,400	2,040,698
Cash used to pay down loan principal	(23,331)	(33,334)
Net cash provided by financing activities	388,069	2,007,364
Net (decrease) increase in cash	(2,913,818)	4,027,322
Cash and cash equivalents, beginning of the year	4,037,355	10,033
Cash and cash equivalents, end of the year	$ 1,123,537	$ 4,037,355
SUPPLEMENTAL INFORMATION:		
Cash paid for interest expense	$ 8,673	$ 389

The accompanying notes are an integral part of these financial statements.

PACIFIC TECHNOLOGY SCHOOL SANTA ANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

Pacific Technology School Santa Ana (School) is a charter school located in Costa Mesa, California that provides sixth through twelfth grade education to approximately 139 students. The School was created under the approval the California State Board of Education, and receives public per-pupil funding to help support their operation. The School is economically dependent on Federal and State funding.

FINANCIAL STATEMENT PRESENTATION

The accompanying financial statements are prepared on the accrual basis in accordance with the AICPA's Audit and Accounting Guide, "Not-for-Profit Organizations."

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, the School considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

INCOME TAXES

The School is a not-for-profit organization that is exempt from Federal and state income taxes under the Internal Revenue Code Section 501(c) (3) and the California State Revenue and Taxation Code 23701 (d) except on net income derived from unrelated business activities. The School's management believes that it has support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The School's Forms 990, Return of Organization Exempt from Income Tax for the years ending June 30, 2010, 2011, 2012 and 2013 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

PROPERTY AND EQUIPMENT

Property and equipment is capitalized at cost or fair market value on the date of receipt in the case of donated property. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years. Leasehold improvements are depreciated over the lease term (including options) or the useful life.

PACIFIC TECHNOLOGY SCHOOL SANTA ANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired their cost and the related accumulated depreciation are removed from the accounts with the resulting gain or loss reflected in the Statement of Activities.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2013 comprise the following:

Description	Cost	Accum. deprec.	Net book Value
Construction in progress	$ 3,145,961	$	$ 3,145,961
Furniture and equipment	110,236	(46,092)	64,144
Net property and equipment	$ 3,256,197	$ (46,092)	$ 3,210,105

NOTE 3 - INTERCOMPANY PAYABLE

The June 30, 2013 intercompany payable results from a net cumulative difference between resources provided by Magnolia Educational and Research Foundation (Foundation) to the School and reimbursement for those resources from the School to the Foundation, and cash transfers for cash flow purposes. The School and the Foundation are related because they are the same legal entity, share the same tax identification number, governed by the same board of directors and share key management personnel. On June 30, 2013, the School had an intercompany payable balance of $26,000 to the Foundation.

NOTE 4 - LOANS PAYABLE

Revenue Anticipation Draw Down Notes

Facilitated by the California School Finance Authority, the School received loan amounts from a local financing company for an accumulated total of $261,400 during the fiscal year. The loan balance as of June 30, 2013 was $261,400. The loan has an annual interest rate of 5%. The loan is secured by anticipated State funding that was deferred due to the State budget crisis, and it will be repaid by State revenue directly to the local financing company when the funds are disbursed from the State. The full balance was paid off on October 16, 2013 (Note 8.)

PACIFIC TECHNOLOGY SCHOOL SANTA ANA

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - LOANS PAYABLE (continued)

CALIFORNIA DEPARTMENT OF EDUCATION-I

The School received an unsecured revolving loan payable to the California Department of Education totaling $100,000 on May 25, 2010. The loan balance as of June 30, 2013 was $36,669. The loan has an interest rate of 0.53% and it matures in five years. The repayment terms require six monthly payments each year in five fiscal years beginning on August 20, 2010. The State Controller's Office deducts the loan payments from the School's State School Fund Apportionments.

CALIFORNIA DEPARTMENT OF EDUCATION-II

The School received another unsecured revolving loan payable to the California Department of Education totaling $150,000 on November 30, 2012. The loan balance as of June 30, 2013 was $150,000. The loan has an interest rate of 0.53% and it matures in five years. The repayment terms require six monthly payments each year in five fiscal years beginning on October 30, 2013. The State Controller's Office deducts the loan payments from the School's State School Fund Apportionments.

CHARTER SCHOOL FACILITIES PROGRAM

The School was approved for a loan of $8,706,978 from California School Finance Authority for the land acquisition and construction of a new school facility. The School received $2,040,698 in the year ended June 30, 2012. The outstanding loan balance as of June 30, 2013 was $2,040,698. The loan has an annual interest rate of 3% and it matures in 30 years after the completion of the project, which is estimated to be in the middle of calendar year 2014. The repayment schedule will be determined after completion of the project. The State Controller's Office will deduct the loan payments from the School's State School Fund Apportionments.

Principal maturities for the outstanding loans are listed as follows:

Year ended June 30,		Amount
2014	$	308,069
2015		50,000
2016		30,000
2017		30,000
2018		30,000
There after		2,040,698
Total	$	2,488,767

PACIFIC TECHNOLOGY SCHOOL SANTA ANA

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

The School has been approved from the State of California's Charter School Facilities Program for $17,413,956 for constructing a new facility which will cost the same amount. The State will fund 50% of the total amount of $17,413,956 through a grant in the amount of $8,706,978; the State will fund another 50% of the total project cost through a loan in the amount of $8,706,978. As of June 30, 2012, the School has received total amount of $4,081,396, of which $2,040,698 was loan, and $2,040,698 was grant. The grant portion of the amount is classified as temporarily restricted net assets until the fund is used for the purchase of the land and the construction of the facility.

NOTE 6 - OPERATING LEASES

The School leases its facilities in Costa Mesa, California, under an operating lease, which commenced August 1, 2009. The lease is for a five year term till June 30, 2014 with monthly payments of $15,500. Total rent expense during the year ended June 30, 2013 was $199,484.

The future minimum commitments are as follows:

For the year ended June 30,		Amount
2014	$	198,540
Total	$	198,540

NOTE 7 - CONCENTRATION OF CREDIT RISK

The School's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The School maintains its cash account primarily with local banks. The total cash balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of June 30, 2013, the School had cash on deposit that exceeded the balance insured by the FDIC in the amount of $937,604. Management believes that the School is not exposed to any significant credit risk related to cash because of the solvency of the bank in which these funds are held.

PACIFIC TECHNOLOGY SCHOOL SANTA ANA

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – SUBSEQUENT EVENT

The School's Management has evaluated subsequent events for the period from June 30, 2013 through October 21, 2013, the date the financial statements were available to be issued. Management identified the following transactions that require disclosure or that would have an impact on the financial statements.

The loan mentioned in note 3 was paid off on October 16, 2013.

SUPPLEMENTARY INFORMATION

PACIFIC TECHNOLGY SCHOOL SANTA ANA

SUPPLEMENTARY SCHOOL

LOCAL EDUCATIONAL AGENCY ORGANIZATION STRUCTURE

Name of School	Pacific Technology School Santa Ana
Sponsoring District	California State Board of Education
Original date of charter	03/12/2009
Charter expiration date	06/30/2014

GOVERNING BOARD

Member	Title	Term Expires
Umit Yapanel, Ph.D.	President	10/11/17
Saken Sherkhanov	Secretary	11/12/14
Dr. Bayram Yenikaya, Ph.D.	Director	11/18/14
Dr. Mustafa Kaynak, Ph.D.	Director	10/11/17
Mr. Francisco Huidobro	Director	10/11/17
Mrs. Noel Russell-Unterburger	Director	10/11/17

MANAGEMENT TEAM

Emrah Erduran - Principal
Mekan Muhammedov, Chief Financial Officer

PACIFIC TECHNOLGY SCHOOL SANTA ANA

SUPPLEMENTARY SCHOOL

SCHEDULE OF AVERAGE DAILY ATTENDANCE

	Annual ADA	Second Period ADA
Elementary School		
Grades four through six-classroom based	25.25	25.82
Middle School		
Grades seven through eight-classroom based	74.84	74.71
High School		
Grades nine through twelve-classroom based	36.84	37.04
Total	136.9	137.57

The above schedule of average daily attendance is a measurement of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

SCHEDULE OF INSTRUCTIONAL TIME

Grade level	Minute requirement	Actual Minutes	Number of days	Status
Grade 4	52,457	64,849	175	Complied
Grade 5	52,457	64,849	175	Complied
Grade 6	52,457	64,849	175	Complied
Grade 7	52,457	64,849	175	Complied
Grade 8	52,457	64,849	175	Complied
Grade 9	62,949	64,849	175	Complied
Grade 10	62,949	64,849	175	Complied
Grade 11	62,949	64,849	175	Complied
Grade 12	62,949	64,849	175	Complied

The above schedule presents information on the amount of instructional time offered by the School and whether the School complied with the provisions of Education Code Sections 46200 through 46206.

SUPPLEMENTARY INFORMATION SECTION REQUIRED BY GOVERNMENT AUDITING STANDARDS

HILL, MORGAN AND ASSOCIATES, LLP

Certified Public Accountants

19602 Fariman Drive Carson, CA 90746 Phone (310) 749-1014 Fax (310) 639-0498
9031 Krueger Street, Culver City, CA 90232 Phone (323) 377-4385 Fax (310) 836-5727

Partners
Jeffrey Hill, CPA
Raymond Morgan, CPA

To the Board of Directors
Pacific Technology School Santa Ana
Costa Mesa, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Pacific Technology School Santa Ana**, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2013

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Pacific Technology School Santa Ana's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Pacific Technology School Santa Ana's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Pacific Technology School Santa Ana's** internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be

prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Pacific Technology School Santa Ana's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hill, Morgan and Associates, LLP

Carson, California
October 21, 2013

HILL, MORGAN AND ASSOCIATES, LLP
Certified Public Accountants
19602 Fariman Drive Carson, CA 90746 Phone (310) 749-1014 Fax (310) 639-0498
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Partners
Jeffrey Hill, CPA
Raymond Morgan, CPA

To the Board of Directors
Pacific Technology School Santa Ana
Costa Mesa, California

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

We have audited **Pacific Technology School Santa Ana**'s compliance with the types of compliance requirements described in the Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-13, published by the Education Audit Appeals Panel, for the year ended June 30, 2013. The School's State programs are identified in the schedule below. Compliance with the requirements of laws, regulations, contracts, and grants is the responsibility of the School's management. Our responsibility is to express an opinion on **Pacific Technology School Santa Ana**'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-13. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to below occurred. An audit includes examining, on a test basis, evidence about **Pacific Technology School Santa Ana**'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements:

	Procedures in Audit Guide	Procedures performed
Attendance Accounting:		
Attendance reporting	6	Not applicable
Teacher certification and misassignments	3	Not applicable
Kindergarten continuance	3	Not applicable
Independent study	23	Not applicable
Continuation education	10	Not applicable

	Procedures in Audit Guide	Procedures performed
Instructional Time:		
School districts	6	Not applicable
County offices of education	3	Not applicable
Instructional Materials:		
General requirements	8	Not applicable
Ratios of Administrative Employees to Teachers	1	Not applicable
Classroom teacher salaries	1	Not applicable
Early retirement incentive	4	Not applicable
Gann limit calculation	1	Not applicable
School accountability report cards	3	Not applicable
Juvenile court schools	8	Not applicable
Class Size Reduction Program (Including Charter School):		
General requirements	7	Not applicable
Option one classes	3	Not applicable
Option two classes	4	Not applicable
District or charter schools with only one school Servicing K-3	4	Not applicable
After school education and safety program: (Including Charter Schools):		
General requirements	4	Not applicable
After school	5	Not applicable
Before school	6	Not applicable
Charter Schools:		
Contemporaneous record of attendance	1	Yes
Mode of instructions	1	Yes
Non classroom-based instruction/independent study	15	Not applicable
Determination of funding for non classroom-based instruction	3	Not applicable
Annual instructional minutes-classroom based	4	Yes

In our opinion, **Pacific Technology School Santa Ana** complied, in all material respects, with the compliance requirements referred to on the previous page for the year ended June 30, 2013.

This report is intended solely for the information and use of **Pacific Technology School Santa Ana's** management, the State Controller's Office, and the Department of Education, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Hall, Morgan and Associates, LLP

Carson, California
October 21, 2013

PACIFIC TECHNOLOGY SCHOOL SANTA ANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

None noted.

STATE AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings noted.

For the year ended June 30, 2013

June 30, 2013, annual financial and budget report fund balance:	$	1,984,472
Adjustments and reclassifications:		
Revenues		160,809
Depreciation expense		(20,495)
Other expenses		(2,439)
Total adjustments and reclassifications:	$	137,875
June 30, 2013 audited financial statements net assets	$	2,122,347

This schedule provides the information necessary to reconcile the net assets as reported on the Charter School Unaudited Actuals Financial Report-Alternative Form

PTS- Santa Ana	FY 14-15	FY 15-16
Total Enrollment	660	810
Total Revenue	$ 4,800,296.27	$ 5,895,354.86
Total Expenses	$ 3,939,185.60	$ 5,237,795.95
Carryover from previous year	$ 12,098.00	$ 633,193.86
5% Reserve	$ 240,014.81	$ 294,767.74
Net Income (Loss)	$ 621,095.86	$ 362,791.17
Ending Fund Balance	$ 633,193.86	$ 995,985.03

ENROLLMENT

Students		
TK	30	30
K	90	90
1	60	90
2	60	60
3	60	60
Total K-3	***300***	***330***
4	60	60
5	60	60
6	60	90
Total 4-6	***180***	***210***
7	30	90
8	30	60
Total 7-8	***60***	***150***
9	30	30
10	30	30
11	30	30
12	30	30

Total 9-12	***120***	***120***
Total Enrollment	***660***	***810***
Daily Attendance %	97.00%	97.00%
Estimated Average Daily Attendance (ADA)	***640.20***	***785.70***
Free & Reduced %	75.00%	75.00%
# of FR students	***480***	***589***
English Language Learners %	50.00%	50.00%
# of ELL students	***320***	***393***

REVENUE & RESOURCES

STATE REVENUE

General Purpose Block Grant

Rates per student		
Projected Enrollment K-3		
Projected Enrollment 4-6		
Projected Enrollment 7-8		
Projected Enrollment 9-12		
Total General Block Grant	***$ 3,415,641.60***	***$ 4,181,437.20***

In Lieu of Property Tax

Rate per student		
Total Property Tax(Inlcuded in General Block Grant)	$ -	$ -

FEDERAL REVENUE

No Child Left Behind			
Title I	(Part A, Basic Grants Low-Income and Neglected)	$ 160,050.00	$ 196,425.00
Title II	(Title II, Part A, Teacher & Principal Training)	$ 3,500.00	$ 4,000.00
Title III	(Limited-English-proficient and immigrant students)		
Title V	(Public Charter Schools Grant Program - PCSGP)		
Total Title Funds		$ 163,550.00	$ 200,425.00
	Rate per ADA	$ 147.54	$ 147.54
	Sp. Ed. Fair Share Contr Rate		
Special Education	(Individuals with Disabilities Education Act, Part B)	**$ 94,455.11**	**$ 115,922.18**
NSLP	(National School Lunch Program)	**$ 263,002.16**	**$ 322,775.38**
Total Federal Revenue		***$ 521,007.27***	***$ 639,122.56***

OTHER STATE REVENUE

Categorical Block Grant		
Rate per student($400/ADA for schools started before 08-09)	$ 411.00	$ 411.00
Total Categorical Block Grant	$ 263,122.20	$ 322,922.70
Economic Impact Aid		
Rate per student	$ 338.00	$ 338.00
Total eligible ADA (ELL + Free & Reduced)	***600***	***650***
Total Economic Impact Aid	$ 202,800.00	$ 219,700.00
Lottery		
Rate per student	$ 121.00	$ 121.00
Total Lottery (Prior Year ADA$121)*	$ 25,000.00	$ 77,464.20
Special Education - State (AB 602)		
Rate per ADA	$ 426.00	$ 426.00
Sp. Ed. Fair Share Contr Rate		
Total Special Education	$ 272,725.20	$ 334,708.20
Facility Grants		
SB 740		

State Charter Schools Facilities Incentive Grant		
Total Facility Grant	$ -	$ -
Other state rev.		
Total Other State Revenue	***$ 763,647.40***	***$ 954,795.10***

OTHER LOCAL REVENUE

Student Activities, Field Trips and etc.	$ 25,000.00	$ 35,000.00
Fundraiser/Donations	$ 40,000.00	$ 50,000.00
Lunch Fees	$ 10,000.00	$ 10,000.00
Uniform	$ 25,000.00	$ 25,000.00
Total Other Revenue	***$ 100,000.00***	***$ 120,000.00***
TOTAL REVENUE & RESOURCES	***$ 4,800,296.27***	***$ 5,895,354.86***

EXPENDITURES

1000 - Certificated Salary

1100 - Teachers' Salaries		
Full Time Teachers		
# of FT Teachers	31.0	33
Avg Salary	$ 46,000.00	$ 46,500.00
Part Time Teachers		
# of PT Teachers	5	6
Avg Salary	$ 20,000.00	$ 20,000.00
Subtotal 1100 - Teachers' Salaries	***$ 1,526,000.00***	***$ 1,654,500.00***
1300 - School Administrator Salaries		

Principal Salary	$ 85,000.00	$ 90,000.00
# of Deans	1	2
Avg Salary of Deans	$ 65,000.00	$ 65,500.00
Subtotal 1300 - School Administrators' Salaries	***$ 150,000.00***	***$ 221,000.00***
1000 - Total Certificated Salary	***$ 1,676,000.00***	***$ 1,875,500.00***

2000 - Classified (Non Certified) Salary

2400 - Clerical and Office Salaries		
Office Manager		
# of Fulltime Office Managers	2	2
Avg Salary	$ 25,000.00	$ 26,000.00
Subtotal 2400 - Clerical and Office Salaries	***$ 50,000.00***	***$ 52,000.00***
2900 - Other Non-certificated Salaries		
# of full time employees		0
Average Salary		
# of part time employees	3	5
Average Salary	$ 18,000.00	$ 18,000.00
Subtotal 2900 Total Part Employees	***$ 54,000.00***	***$ 90,000.00***
Total Classified (Non Certified) FTE	*2*	*2*
Total # of Full-Time Employees	*35.0*	*38.0*
Total # of Part-Time Employees	*8*	*11*
2000 - Total Classified (Non Certified) Salary	***$ 104,000.00***	***$ 142,000.00***
Total Salaries (Total of 1000 & 2000 Series)	***$ 1,780,000.00***	***$ 2,017,500.00***

3000 - Employee Benefits

3100 - State Teacher Retirement System-STRS		
STRS salaries	$ 1,576,000.00	$ 1,755,500.00
STRS matching rate	8.25%	8.25%
Subtotal 3100 - STRS	***$ 130,020.00***	***$ 144,828.75***
3200 - Public Employee Retirement System-PERS		
PERS salaries	$ 36,000.00	$ 52,000.00
PERS matching rate	11.42%	11.42%
Subtotal 3200 - PERS	***$ 4,110.12***	***$ 5,936.84***
3300 - OASDI / Medicare / Alternative		
Social Security Rate @ 6.20%	6.20%	6.20%
Total Social Security	$12,648.00	$16,244.00
Medicare Rate @ 1.45%	1.45%	1.45%
Total Medicare	$25,810.00	$29,253.75
Subtotal 3300-OASDI / Medicare / Alternative	***$ 38,458.00***	***$ 45,497.75***
3400 - Health and Welfare Benefits		
Annual expense per full time employee	$ 9,000.00	$ 9,000.00
Total FT Employees	***35.0***	***38.0***
Subtotal 3400 - Health Benefits	***$ 315,000.00***	***$ 342,000.00***
3500 - Unemployment Insurance		
Unemployment Insurance Rate	1.20%	1.20%
Subtotal 3500 - Unemployment Insurance	***$ 21,360.00***	***$ 24,210.00***
3600 - Worker's Compensation		
% of Total Salaries	2.00%	2.00%
Subtotal 3600 - Worker's Compensation	***$ 35,600.00***	***$ 40,350.00***

Unused Personel/Sick day compensation	***$ 13,125.00***	***$ 14,250.00***
3000 - Total Employee Benefits	***$ 557,673.12***	***$ 617,073.34***
Total Salaries & Benefits (1000,2000, 3000)	***$ 2,337,673.12***	***$ 2,634,573.34***

4000 - Books and Supplies

4100 - Approved Textbooks & Curricula Materials		
Textbooks	$ 145,000.00	$ 95,000.00
Other books	$ 10,000.00	$ 15,000.00
Subtotal 4100 - Approved Textbooks & Curricula Materials	***$ 155,000.00***	***$ 110,000.00***
4200 - Books and Other Reference Materials		
Map Test	$ 5,000.00	$ 5,000.00
Accelerated Reading	$ 4,000.00	$ 4,000.00
Accelerated Math	$ 5,000.00	$ 7,000.00
Renaicense Learning etc…	$ 5,000.00	$ 6,000.00
Subtotal 4200 - Books and Other Reference Materials	***$ 19,000.00***	***$ 22,000.00***
4300 - Materials & Supplies		
Instructional Materials		
Cost Per student	$ 60.00	$ 60.00
Subtotal Instructional Materials	***$ 39,600.00***	***$ 48,600.00***
Cleaning Supplies		
Monthly Cost		
Subtotal Cleaning Supplies	***$ -***	***$ -***
School Furniture	***$ 15,000.00***	***$ 15,000.00***
IT Materials	***$ 5,000.00***	***$ 7,500.00***

Office Supplies		
Monthly Cost	$ 2,000.00	$ 2,300.00
Subtotal Office Supplies	***$ 24,000.00***	***$ 27,600.00***
Subtotal 4300 - Instructional Mats & Supplies	***$ 83,600.00***	***$ 98,700.00***
4400 - Noncapitalized Equipment		
Science Lab equipment		
Cost Per Student	$ 15.00	$ 20.00
Subtotal lab equipment	***$ 9,900.00***	***$ 16,200.00***
Computer Lab		
# of computers	60	30
Cost per computer	$ 750.00	$ 750.00
Subtotal Computer	***$ 45,000.00***	***$ 22,500.00***
Projectors		
# of projectors	15	10
Cost per projector	$ 500.00	$ 500.00
Subtotal projectors	***$ 7,500.00***	***$ 5,000.00***
Smart Board		
# Smart Boards		
Cost per unit		
Subtotal	***$ -***	***$ -***
Other Equipment	***$ 10,000.00***	***$ 15,000.00***
Subtotal 4400 - Noncapitalized Equipment	***$ 72,400.00***	***$ 58,700.00***
4700 - Food		
Number of eligible students	***480***	***589***

Cost per student	$ 3.00	$ 3.25
Subtotal 4700 - Food	***$ 252,078.75***	***$ 335,150.16***
4000 - Total Books and Supplies	***$ 582,078.75***	***$ 624,550.16***

5000 - Services & Other Operating Expenses

5200 - Travel & Conferences		
Charter Schools Conference annual cost	$ 5,000.00	$ 7,500.00
CDE Workshops and Charter School Training	$ 7,500.00	$ 9,000.00
Other conferences, trainings and workshops	$ 10,000.00	$ 15,000.00
Subtotal 5200 - Travel & Conferences	***$ 22,500.00***	***$ 31,500.00***
5300 - Dues & Memberships		
Cost per Month	$ 250.00	$ 450.00
Subtotal 5300 - Dues & Memberships	***$ 3,000.00***	***$ 5,400.00***
5400 - Insurance (Umbrella liability)		
Cost per student	$ 90.00	$ 90.00
Subtotal 5400 - Insurance (Umbrella Liability)	***$ 59,400.00***	***$ 72,900.00***
5500 - Operations & Housekeeping		
Utilities cost per month		
Gas	$ 3,000.00	$ 5,000.00
Water	$ 3,000.00	$ 3,500.00
Electric	$ 4,000.00	$ 4,500.00
Garbage	$ 3,000.00	$ 3,000.00
Subtotal Utilities	***$ 156,000.00***	***$ 192,000.00***
Janitorial Services		
Cost per month	$ 1,000.00	$ 1,250.00
Subtotal Janitorial Services	***$ 12,000.00***	***$ 15,000.00***

Subtotal 5500 - Operations & Housekeeping	***$ 168,000.00***	***$ 207,000.00***
5600 - Rentals, Leases, Repairs & NonCap Improvements		
Rent		
Cost per month	$ -	$ 56,000.00
Subtotal Rent	***$ -***	***$ 672,000.00***
Maintenance & Repairs		
Cost per month		$ -
Subtotal Maintenance & Repairs	***$ -***	***$ -***
Equipment Lease		
# of copiers	3	4
Monthly cost per copier	$ 350.00	$ 350.00
Subtotal Equip Lease	***$ 12,600.00***	***$ 16,800.00***
Subtotal 5600 - Rentals, Leases, & Repairs	***$ 12,600.00***	***$ 688,800.00***
5792 District Fees and Services		
% of Revenue	1.00%	1.00%
District Oversight Fee	$ 48,002.96	$ 58,953.55
Other Services (mail, security, testing etc)		
Subtotal 5792 - District Fees and Services	***$ 48,002.96***	***$ 58,953.55***
5800 - Professional/Consulting Serv and Operating Expenses		
Accounting		
Annual Audit	$ 3,500.00	$ 4,000.00
Interest	$ 4,000.00	$ 4,000.00
Bank Service Charges	$ 5,000.00	$ 10,000.00
Monthly Payroll Fees	$ 200.00	$ 225.00
Subtotal Accounting	***$ 14,900.00***	***$ 20,700.00***

Advertising / Community Outreach		
Monthly cost	$ 2,500.00	$ 2,250.00
Subtotal Advertising	***$ 30,000.00***	***$ 27,000.00***
Business Service by MERF		
11% of total revenue	11.00%	11.00%
Subtotal Business Services	***$ 429,722.02***	***$ 528,167.65***
Student Activities, Field Trips and etc.	***$ 25,000.00***	***$ 35,000.00***
Legal Services		
Substitute Teachers		
% teacher absence	3.00%	3.00%
Avg Daily Sub Pay	$ 185.00	$ 185.00
Subtotal Substitute Teacher Fees	***$ 30,108.75***	***$ 32,051.25***
BTSA Program		
# of Teachers in Program	1	5
Per Teacher Cost	$ 3,500.00	$ 3,500.00
Subtotal Other Consultants	***$ 3,500.00***	***$ 17,500.00***
Professional Development	***$ 7,500.00***	***$ 15,000.00***
Security		
Monthly cost		
Subtotal Security		
Special Education Encroachment		
Special Ed. Fees		

Technology Support(CoolSIS)		
Cost per month	$ 1,000.00	$ 1,250.00
Subtotal Technology Services	***$ 12,000.00***	***$ 15,000.00***
Other Professional Services	***$ 15,000.00***	***$ 35,000.00***
Subtotal 5800 - Professional/Consulting Serv & Operating Srv		
5900 - Communications		
Internet / Phone		
Monthly cost	$ 800.00	$ 950.00
Subtotal Internet / Phone	***$ 9,600.00***	***$ 11,400.00***
Postage & Delivery		
Monthly Cost	$ 300.00	$ 400.00
Subtotal Postage & Delivery	***$ 3,600.00***	***$ 4,800.00***
Subtotal 5900 - Communications	***$ 13,200.00***	***$ 16,200.00***
5000 - Total Services & Other		
6000 - Capital Outlay		
6400 Depreciation	***$ 15,000.00***	***$ 22,500.00***
6000 - Total Capital Outlay	***$ 15,000.00***	***$ 22,500.00***
TOTAL EXPENDITURES	***$ 3,939,185.60***	***$ 5,237,795.95***

FY 16-17	FY 17-18	FY 18-19
990	1020	1020
$ 7,181,579.61	$ 7,485,032.36	$ 7,570,288.26
$ 6,336,766.43	$ 6,607,062.58	$ 6,592,466.28
$ 995,985.03	$ 1,481,719.22	$ 1,985,437.39
$ 359,078.98	$ 374,251.62	$ 378,514.41
$ 485,734.19	$ 503,718.17	$ 599,307.57
$ 1,481,719.22	$ 1,985,437.39	$ 2,584,744.95

30	30	30
90	60	30
90	90	60
90	90	90
90	90	90
390	***360***	***300***
90	90	90
90	90	90
90	90	90
270	***270***	***270***
90	90	90
90	90	90
180	***180***	***180***
60	90	90
30	60	90
30	30	60
30	30	30

150	***210***	***270***

990	***1020***	***1020***
97.00%	97.00%	97.00%
960.30	***989.40***	***989.40***
75.00%	75.00%	75.00%
720	***742***	***742***
50.00%	50.00%	50.00%
480	***495***	***495***

$ 5,076.00	$ 5,076.00	$ 5,076.00
$ 5,193.00	$ 5,193.00	$ 5,193.00
$ 5,349.00	$ 5,349.00	$ 5,349.00
$ 6,190.00	$ 6,190.00	$ 6,190.00
$ 5,114,877.90	***$ 5,327,424.30***	***$ 5,392,259.10***

$ -	$ -	$ -

$ 240,075.00	$ 247,350.00	$ 247,350.00
$ 5,000.00	$ 5,000.00	$ 5,000.00
$ 245,075.00	$ 252,350.00	$ 252,350.00

$ 147.54	$ 147.54	$ 147.54
$ 141,682.66	**$ 145,976.08**	**$ 145,976.08**

$ 394,503.24	**$ 406,457.89**	**$ 406,457.89**

$ 781,260.91	***$ 804,783.96***	***$ 804,783.96***

$ 411.00	$ 411.00	$ 411.00
$ 394,683.30	$ 406,643.40	$ 406,643.40

$ 338.00	$ 338.00	$ 338.00
700	***750***	***800***
$ 236,600.00	$ 253,500.00	$ 270,400.00

$ 121.00	$ 121.00	$ 121.00
$ 95,069.70	$ 116,196.30	$ 119,717.40

$ 426.00	$ 426.00	$ 426.00
$ 409,087.80	$ 421,484.40	$ 421,484.40

$ -	$ -	$ -

$ 1,135,440.80	***$ 1,197,824.10***	***$ 1,218,245.20***

$ 60,000.00	$ 65,000.00	$ 70,000.00
$ 60,000.00	$ 60,000.00	$ 60,000.00
$ 10,000.00	$ 10,000.00	$ 10,000.00
$ 20,000.00	$ 20,000.00	$ 15,000.00
$ 150,000.00	***$ 155,000.00***	***$ 155,000.00***

$ 7,181,579.61	***$ 7,485,032.36***	***$ 7,570,288.26***

44	46	46
$ 47,000.00	$ 47,500.00	$ 48,000.00

3	3	3
$ 20,000.00	$ 20,000.00	$ 20,000.00

$ 2,128,000.00	***$ 2,245,000.00***	***$ 2,268,000.00***

$ 92,000.00	$ 94,000.00	$ 96,000.00

2	3	3
$ 66,000.00	$ 66,500.00	$ 67,000.00
$ 224,000.00	***$ 293,500.00***	***$ 297,000.00***

$ 2,352,000.00	***$ 2,538,500.00***	***$ 2,565,000.00***

3	3	3
$ 27,000.00	$ 27,500.00	$ 27,500.00
$ 81,000.00	***$ 82,500.00***	***$ 82,500.00***

0	0	0

6	6	5
$ 18,000.00	$ 18,000.00	$ 18,000.00
$ 108,000.00	***$ 108,000.00***	***$ 90,000.00***

3	*3*	*3*

50.0	*53.0*	*53.0*

9	*9*	*8*

$ 189,000.00	***$ 190,500.00***	***$ 172,500.00***

$ 2,541,000.00	***$ 2,729,000.00***	***$ 2,737,500.00***

$ 2,292,000.00	$ 2,478,500.00	$ 2,505,000.00
8.25%	8.25%	8.25%
$ 189,090.00	***$ 204,476.25***	***$ 206,662.50***

$ 81,000.00	$ 82,500.00	$ 82,500.00
11.42%	11.42%	11.42%
$ 9,247.77	***$ 9,419.03***	***$ 9,419.03***

6.20%	6.20%	6.20%
$15,438.00	$15,531.00	$14,415.00
1.45%	1.45%	1.45%
$36,844.50	$39,570.50	$39,693.75
$ 52,282.50	***$ 55,101.50***	***$ 54,108.75***

$ 9,000.00	$ 9,000.00	$ 9,000.00
50.0	***53.0***	***53.0***
$ 450,000.00	***$ 477,000.00***	***$ 477,000.00***

1.20%	1.20%	1.20%
$ 30,492.00	***$ 32,748.00***	***$ 32,850.00***

2.00%	2.00%	2.00%
$ 50,820.00	***$ 54,580.00***	***$ 54,750.00***

$ 18,750.00	***$ 19,875.00***	***$ 19,875.00***

$ 800,682.27	***$ 853,199.78***	***$ 854,665.28***

$ 3,341,682.27	***$ 3,582,199.78***	***$ 3,592,165.28***

$ 75,000.00	$ 30,000.00	$ 20,000.00
$ 15,000.00	$ 10,000.00	$ 10,000.00
$ 90,000.00	***$ 40,000.00***	***$ 30,000.00***

$ 5,000.00	$ 8,000.00	$ 8,000.00
$ 4,000.00	$ 4,000.00	$ 4,000.00
$ 8,000.00	$ 10,000.00	$ 10,000.00
$ 6,000.00	$ 6,000.00	$ 6,000.00
$ 23,000.00	***$ 28,000.00***	***$ 28,000.00***

$ 60.00	$ 60.00	$ 60.00
$ 59,400.00	***$ 61,200.00***	***$ 61,200.00***

$ -	***$ -***	***$ -***

$ 15,000.00	***$ 15,000.00***	***$ 15,000.00***

$ 15,000.00	***$ 15,000.00***	***$ 15,000.00***

$ 2,500.00	$ 2,600.00	$ 2,650.00
$ 30,000.00	***$ 31,200.00***	***$ 31,800.00***

$ 119,400.00	***$ 122,400.00***	***$ 123,000.00***

$ 23.00	$ 24.00	$ 24.00
$ 22,770.00	***$ 24,480.00***	***$ 24,480.00***

30	0	0
$ 500.00	$ 500.00	$ 500.00
$ 15,000.00	***$ -***	***$ -***

10	2	2
$ 500.00	$ 500.00	$ 500.00
$ 5,000.00	***$ 1,000.00***	***$ 1,000.00***

0	0	0
$ 500.00	$ 500.00	$ 500.00
$ -	***$ -***	***$ -***

$ 17,500.00	***$ 17,500.00***	***$ 20,000.00***

$ 60,270.00	***$ 42,980.00***	***$ 45,480.00***

720	***742***	***742***

$ 3.25	$ 3.25	$ 3.25
$ 409,627.97	***$ 422,040.94***	***$ 422,040.94***

$ 702,297.97	***$ 655,420.94***	***$ 648,520.94***

$ 10,000.00	$ 10,000.00	$ 10,000.00
$ 12,000.00	$ 15,000.00	$ 18,000.00
$ 20,000.00	$ 25,000.00	$ 25,000.00
$ 42,000.00	***$ 50,000.00***	***$ 53,000.00***

$ 500.00	$ 500.00	$ 500.00
$ 6,000.00	***$ 6,000.00***	***$ 6,000.00***

$ 90.00	$ 90.00	$ 90.00
$ 89,100.00	***$ 91,800.00***	***$ 91,800.00***

$ 5,000.00	$ 5,000.00	$ 5,000.00
$ 5,000.00	$ 5,000.00	$ 5,000.00
$ 5,000.00	$ 5,000.00	$ 5,000.00
$ 3,000.00	$ 3,000.00	$ 3,000.00
$ 216,000.00	***$ 216,000.00***	***$ 216,000.00***

$ 2,000.00	$ 2,000.00	$ 2,000.00
$ 24,000.00	***$ 24,000.00***	***$ 24,000.00***

$ 240,000.00	***$ 240,000.00***	***$ 240,000.00***

$ 56,000.00	$ 56,000.00	$ 56,000.00
$ 672,000.00	***$ 672,000.00***	***$ 672,000.00***

$ 200.00	$ 250.00	$ 250.00
$ 2,400.00	***$ 3,000.00***	***$ 3,000.00***

5	5	5
$ 350.00	$ 350.00	$ 350.00
$ 21,000.00	***$ 21,000.00***	***$ 21,000.00***

$ 695,400.00	***$ 696,000.00***	***$ 696,000.00***

1.00%	1.00%	1.00%
$ 71,815.80	$ 74,850.32	$ 75,702.88
$ 71,815.80	***$ 74,850.32***	***$ 75,702.88***

$ 4,500.00	$ 4,500.00	$ 4,500.00
$ 5,000.00	$ 5,000.00	$ 5,000.00
$ 10,000.00	$ 10,000.00	$ 10,000.00
$ 250.00	$ 250.00	$ 250.00
$ 22,500.00	***$ 22,500.00***	***$ 22,500.00***

$ 2,000.00	$ 2,000.00	$ 1,500.00
$ 24,000.00	***$ 24,000.00***	***$ 18,000.00***

11.00%	11.00%	11.00%
$ 642,535.40	***$ 671,414.04***	***$ 680,792.19***

$ 60,000.00	***$ 65,000.00***	***$ 70,000.00***

$ 20,000.00	***$ 25,000.00***	***$ 25,000.00***

3.00%	3.00%	2.00%
$ 185.00	$ 185.00	$ 185.00
$ 42,735.00	***$ 44,677.50***	***$ 29,785.00***

6	6	6
$ 3,500.00	$ 3,500.00	$ 3,500.00
$ 21,000.00	***$ 21,000.00***	***$ 21,000.00***

$ 25,000.00	***$ 25,000.00***	***$ 25,000.00***

$ -	***$ -***	***$ -***

$ 180,000.00	***$ 200,000.00***	***$ 200,000.00***

$ 1,500.00	$ 1,500.00	$ 1,500.00
$ 18,000.00	***$ 18,000.00***	***$ 18,000.00***

$ 45,000.00	***$ 45,000.00***	***$ 45,000.00***

$ 1,100,770.40	***$ 1,161,591.54***	***$ 1,155,077.19***

$ 1,100.00	$ 1,100.00	$ 1,100.00
$ 13,200.00	***$ 13,200.00***	***$ 13,200.00***

$ 500.00	$ 500.00	$ 500.00
$ 6,000.00	***$ 6,000.00***	***$ 6,000.00***

$ 19,200.00	***$ 19,200.00***	***$ 19,200.00***

$ 2,264,286.20	***$ 2,339,441.86***	***$ 2,336,780.07***

$ 28,500.00	***$ 30,000.00***	***$ 15,000.00***

$ 28,500.00	***$ 30,000.00***	***$ 15,000.00***

$ 6,336,766.43	***$ 6,607,062.58***	***$ 6,592,466.28***

PTS- Santa Ana

SUMMARY	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Total Revenue & Resources	**$ 4,800,296.27**	**$ 5,895,354.86**	**$ 7,181,579.61**	**$ 7,485,032.36**	**$ 7,570,288.26**
Total Budgeted Expenditures	**$ 3,939,185.60**	**$ 5,237,795.95**	**$ 6,336,766.43**	**$ 6,607,062.58**	**$ 6,592,466.28**
5% Reserve	**$ 240,014.81**	**$ 294,767.74**	**$ 359,078.98**	**$ 374,251.62**	**$ 378,514.41**
Carry-over From Previous Year	**$ -**	**$ 633,193.86**	**$ 995,985.03**	**$ 1,481,719.22**	**$ 1,985,437.39**
Net Income (Loss)	**$ 621,095.86**	**$ 362,791.17**	**$ 485,734.19**	**$ 503,718.17**	**$ 599,307.57**
Ending Fund Balance	**$ 633,193.86**	**$ 995,985.03**	**$ 1,481,719.22**	**$ 1,985,437.39**	**$ 2,584,744.95**
REVENUE & RESOURCES DETAIL					
Total Enrollment	***660***	***810***	***990***	***1020***	***1020***
Estimated Average Daily Attendance (ADA)	***640***	***786***	***960***	***989***	***989***
REVENUE					
STATE REVENUE	$ 3,415,641.60	$ 4,181,437.20	$ 5,114,877.90	$ 5,327,424.30	$ 5,392,259.10
FEDERAL REVENUE	$ 521,007.27	$ 639,122.56	$ 781,260.91	$ 804,783.96	$ 804,783.96
OTHER STATE REVENUE	$ 763,647.40	$ 954,795.10	$ 1,135,440.80	$ 1,197,824.10	$ 1,218,245.20
OTHER LOCAL REVENUE	$ 100,000.00	$ 120,000.00	$ 150,000.00	$ 155,000.00	$ 155,000.00
TOTAL REVENUE & RESOURCES	***$ 4,800,296.27***	***$ 5,895,354.86***	***$ 7,181,579.61***	***$ 7,485,032.36***	***$ 7,570,288.26***
STATE REVENUE					
General Purpose Block Grant	$ 3,415,641.60	$ 4,181,437.20	$ 5,114,877.90	$ 5,327,424.30	$ 5,392,259.10
Percent of Revenue / Resources	71.15%	70.93%	71.22%	71.17%	71.23%
Avg. Gen. Purpose Grant per ADA	$ 5,335.27	$ 5,321.93	$ 5,326.33	$ 5,384.50	$ 5,450.03
FEDERAL REVENUE					
Title Funds (No Child Left Behind)	$ 163,550.00	$ 200,425.00	$ 245,075.00	$ 252,350.00	$ 252,350.00
Special Education (IDEA)	$ 94,455.11	$ 115,922.18	$ 141,682.66	$ 145,976.08	$ 145,976.08
National School Lunch Program (NSLP)	$ 263,002.16	$ 322,775.38	$ 394,503.24	$ 406,457.89	$ 406,457.89
Sub-total Federal Revenue	$ 521,007.27	$ 639,122.56	$ 781,260.91	$ 804,783.96	$ 804,783.96
Percent of Revenue/Resources	10.85%	10.84%	10.88%	10.75%	10.63%

OTHER STATE REVENUE					
Categorical Block Grant	$ 263,122.20	$ 322,922.70	$ 394,683.30	$ 406,643.40	$ 406,643.40
Economic Impact Aid	$ 202,800.00	$ 219,700.00	$ 236,600.00	$ 253,500.00	$ 270,400.00
Lottery	$ 25,000.00	$ 77,464.20	$ 95,069.70	$ 116,196.30	$ 119,717.40
Special Education (AB 602)	$ 272,725.20	$ 334,708.20	$ 409,087.80	$ 421,484.40	$ 421,484.40
Facility Grants	$ -	$ -	$ -	$ -	
Other state rev.	$ -	$ -	$ -	$ -	
Sub-total Other State Revenue	***$ 763,647.40***	***$ 954,795.10***	***$ 1,135,440.80***	***$ 1,197,824.10***	***$ 1,218,245.20***
Percent of Revenue/Resources	15.91%	16.20%	15.81%	16.00%	16.09%
OTHER LOCAL REVENUE					
Student Activities, Field Trips and etc.	$ 25,000.00	$ 35,000.00	$ 60,000.00	$ 65,000.00	$ 70,000.00
Fundraiser/Donations	$ 40,000.00	$ 50,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00
Lunch Fees	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
Other	$ 25,000.00	$ 25,000.00	$ 20,000.00	$ 20,000.00	
Sub-total other Local Revenue	***$ 100,000.00***	***$ 120,000.00***	***$ 150,000.00***	***$ 155,000.00***	***$ 155,000.00***
Percent of Revenue/Resources	2.08%	2.04%	2.09%	2.07%	2.05%
TOTAL REVENUE & RESOURCES	**$ 4 800,296.27**	**$ 5,895,354.86**	**$ 7,181,579.61**	**$ 7 485,032.36**	**$ 7,570,288.26**
EXPENDITURES					
1000 - Total Certificated Salary	$ 1,676,000.00	$ 1,875,500.00	$ 2,352,000.00	$ 2,538,500.00	$ 2,565,000.00
2000 - Total Classified (Non Certified) Salary	$ 104,000.00	$ 142,000.00	$ 189,000.00	$ 190,500.00	$ 172,500.00
3000 - Total Employee Benefits	$ 557,673.12	$ 617,073.34	$ 800,682.27	$ 853,199.78	$ 854,665.28
4000 - Total Books and Supplies	$ 582,078.75	$ 624,550.16	$ 702,297.97	$ 655,420.94	$ 648,520.94
5000 - Total Services & Other	$ 1,004,433.73	$ 1,956,172.45	$ 2,264,286.20	$ 2,339,441.86	$ 2,336,780.07
6000 - Total Capital Outlay	$ 15,000.00	$ 22,500.00	$ 28,500.00	$ 30,000.00	$ 15,000.00
TOTAL EXPENDITURES	***$ 3 939,185.60***	***$ 5,237,795.95***	***$ 6 336,766.43***	***$ 6 607,062.58***	***$ 6 592,466.28***
EXPENDITURES					
1000 - Certificated Salary					
Total Certificated FTE's					
1100 - Teachers' Salaries	$ 1,526,000.00	$ 1,654,500.00	$ 2,128,000.00	$ 2,245,000.00	$ 2,268,000.00
1300 - School Supervisors' and Administratorss Sa	$ 150,000.00	$ 221,000.00	$ 224,000.00	$ 293,500.00	$ 297,000.00
1000 - Total Certificated Salary	***$ 1,676,000.00***	***$ 1,875,500.00***	***$ 2,352,000.00***	***$ 2,538,500.00***	***$ 2,565,000.00***
Percent of Revenue/Resources	42.55%	35.81%	37.12%	38.42%	38.91%

2000 - Classified (Non Certified) Salary					
Total Classified (Non Certified) FTE	2	2	3	3	3
2400 - Clerical and Office Salaries	$ 50,000.00	$ 52,000.00	$ 81,000.00	$ 82,500.00	$ 82,500.00
2900 - Other Non Certificated Salaries	$ 54,000.00	$ 90,000.00	$ 108,000.00	$ 108,000.00	$ 90,000.00
2000 - Total Classified (Non Certified) Salary	***$ 104,000.00***	***$ 142,000.00***	***$ 189,000.00***	***$ 190,500.00***	***$ 172,500.00***
Percent of Revenue/Resources	2.64%	2.71%	2.98%	2.88%	2.62%
1000 & 2000 - Total Salaries	$ 1,780,000.00	$ 2,017,500.00	$ 2,541,000.00	$ 2,729,000.00	$ 2,737,500.00
Percent of Total Salaries	45.19%	38.52%	40.10%	41.30%	41.52%
3000 - Employee Benefits					
3100 - State Teacher Retirement System-STRS	$ 130,020.00	$ 144,828.75	$ 189,090.00	$ 204,476.25	$ 206,662.50
3200 - Public Employee Retirement System-PERS	$ 4,110.12	$ 5,936.84	$ 9,247.77	$ 9,419.03	$ 9,419.03
3300 - OASDI / Medicare / Alternative	$ 38,458.00	$ 45,497.75	$ 52,282.50	$ 55,101.50	$ 54,108.75
3400 - Health and Walfare Benefits	$ 315,000.00	$ 342,000.00	$ 450,000.00	$ 477,000.00	$ 477,000.00
3500 - Unemployment Insurance	$ 21,360.00	$ 24,210.00	$ 30,492.00	$ 32,748.00	$ 32,850.00
3600 - Worker's Compensation	$ 35,600.00	$ 40,350.00	$ 50,820.00	$ 54,580.00	$ 54,750.00
3000 - Total Employee Benefits	***$ 557,673.12***	***$ 617,073.34***	***$ 800,682.27***	***$ 853,199.78***	***$ 854,665.28***
Percent of Revenue/Resources	14.16%	11.78%	12.64%	12.91%	12.96%
1000 & 2000 & 3000 - Total Salaries and Benefits	$ 2,337,673.12	$ 2,634,573.34	$ 3,341,682.27	$ 3,582,199.78	$ 3,592,165.28
Percent of Total Salaries and Benefits	59.34%	50.30%	52.73%	54.22%	54.49%
4000 - Books and Supplies					
4100 - Approved Textbooks & Curricula Materials	$ 155,000.00	$ 110,000.00	$ 90,000.00	$ 40,000.00	$ 30,000.00
4200 - Books and Other Referance Materials	$ 19,000.00	$ 22,000.00	$ 23,000.00	$ 28,000.00	$ 28,000.00
4300 - Materials & Supplies	$ 83,600.00	$ 98,700.00	$ 119,400.00	$ 122,400.00	$ 123,000.00
4400 - Noncapitalized Equipment	$ 72,400.00	$ 58,700.00	$ 60,270.00	$ 42,980.00	$ 45,480.00
4700 - Food	$ 252,078.75	$ 335,150.16	$ 409,627.97	$ 422,040.94	$ 422,040.94
4000 - Total Books and Supplies	***$ 582,078.75***	***$ 624,550.16***	***$ 702,297.97***	***$ 655,420.94***	***$ 648,520.94***
Percent of Revenue/Resources	14.78%	11.92%	11.08%	9.92%	9.84%
5000 - Services & Other Operating Expenses					
5200 - Travel & Conferences	$ 22,500.00	$ 31,500.00	$ 42,000.00	$ 50,000.00	$ 53,000.00
5300 - Dues & Memberships	$ 3,000.00	$ 5,400.00	$ 6,000.00	$ 6,000.00	$ 6,000.00
5400 - Insurance (Umbrella liability)	$ 59,400.00	$ 72,900.00	$ 89,100.00	$ 91,800.00	$ 91,800.00
5500 - Operations & Housekeeping	$ 168,000.00	$ 207,000.00	$ 240,000.00	$ 240,000.00	$ 240,000.00
5600 - Rentals, Leases, Repairs & NonCap Improve	$ 12,600.00	$ 688,800.00	$ 695,400.00	$ 696,000.00	$ 696,000.00
5792 - District Fees and Services	$ 48,002.96	$ 58,953.55	$ 71,815.80	$ 74,850.32	$ 75,702.88
5800 - Professional/Consulting Serv and Operating	$ 677,730.77	$ 875,418.90	$ 1,100,770.40	$ 1,161,591.54	$ 1,155,077.19
5900-Communications	$ 13,200.00	$ 16,200.00	$ 19,200.00	$ 19,200.00	$ 19,200.00
5000 - Total Services & Other	***$ 1,004,433.73***	***$ 1,956,172.45***	***$ 2,264,286.20***	***$ 2,339,441.86***	***$ 2,336,780.07***
Percent of Revenue/Resources	25.50%	37.35%	35.73%	35.41%	35.45%
6000 - Capital Outlay					
6400 - Depreciation	$ 15,000.00	$ 22,500.00	$ 28,500.00	$ 30,000.00	$ 15,000.00
6000 - Total Capital Outlay	***$ 15,000.00***	***$ 22,500.00***	***$ 28,500.00***	***$ 30,000.00***	***$ 15,000.00***
Percent of Revenue/Resources	0.38%	0.43%	0.45%	0.45%	0.23%
TOTAL EXPENDITURES	**$ 3,939,185.60**	**$ 5,237,795.95**	**$ 6,336,766.43**	**$ 6,607,062.58**	**$ 6,592,466.28**

					July	August
A.	BEGINNING CASH		9110	Budget	35,500	82,049
B.	RECEIPTS					
	Revenue Limit Sources					
		EPA	8012	$ 580,659.07		
		Property Taxes	8020-8079			
		Principal Apportionment	8010-8019	$ 2,834,982.53		141,749
		Miscellaneous Funds	8080-8099			
	Federal Revenue		8100-8299	$ 521,007.27	4,593	9,187
	Other State Revenue		8300-8599	$ 763,647.40	38,146	76,291
	Other Local Revenue		8600-8799	$ 100,000.00		10,000
	All Other Financing Sources (CSC)		8930-8979			
	Other Receipts/Non-Revenue					
	TOTAL RECEIPTS			$ 4,800,296.27	$ 42,739	$ 237,227
C.	DISBURSEMENTS					
	Certificated Salaries		1000-1999	$ 1,676,000.00	139,667	139,667
	Classified Salaries		2000-2999	$ 104,000.00	8,667	8,667
	Employee Benefits		3000-3999	$ 557,673.12	46,473	46,473
	Books, Supplies		4000-4999	$ 582,078.75	47,013	47,013
	Services, Other Operating Expenses		5000-5999	$ 1,004,433.73	33,703	33,703
	Capital Outlay		6000-6999	$ 15,000.00	1,250	1,250
	Other Outgo		7000-7499			
	All Other Financing Uses		7630-7699			
	TOTAL DISBURSEMENTS			$ 3,939,185.60	276,772	276,772
D.	PRIOR YEAR TRANSACTIONS, Other					
	Accounts Receivable		9200-9399		280,582	
	Accounts Payable (Liabilitiy accts, including Def Rev)		9500-9630, 9650			
	TOTAL PRIOR YEAR TRANSACTIONS				280,582	-
E.	INTRACOMPANY TRANSACTIONS					
	Intracompany Transfers In					
	Intracompany Transfers Out					
	TOTAL INTRACOMPANY TRANSACTIONS				-	-
F.	(B - C + D + E)			$ 861,110.67	46,549	(39,545)
G.	ENDING CASH (A + F)				82,049	42,504
H	ENDING CASH, PLUS ACCRUALS					

				July	August
	FY2015-16				
A.	BEGINNING CASH	9110	Budget	733,103	741,994
B.	RECEIPTS				
	Revenue Limit Sources				
	EPA	8012	$710,844.32		
	Property Taxes	8020-8079			
	Principal Apportionment	8010-8019	$3,470,593.20		173,530
	Miscellaneous Funds	8080-8099			
	Federal Revenue	8100-8299	$639,122.56	5,635	11,269
	Other State Revenue	8300-8599	$954,795.10	47,694	95,388
	Other Local Revenue	8600-8799	$120,000.00		12,000
	All Other Financing Sources (CSC)	8930-8979			
	Other Receipts/Non-Revenue				
	TOTAL RECEIPTS		$5,895,355.18	53,328	292,187
C.	DISBURSEMENTS				
	Certificated Salaries	1000-1999	$1,875,500.00	156,292	156,292
	Classified Salaries	2000-2999	$142,000.00	11,833	11,833
	Employee Benefits	3000-3999	$617,073.34	51,423	51,423
	Books, Supplies	4000-4999	$624,550.16	104,092	104,092
	Services, Other Operating Expenses	5000-5999	$1,956,172.45	163,014	163,014
	Capital Outlay	6000-6999	22500	1,875	1,875
	Other Outgo	7000-7499			
	All Other Financing Uses	7630-7699			
	TOTAL DISBURSEMENTS		$5,237,795.95	488,529	488,529
D.	PRIOR YEAR TRANSACTIONS, Other				
	Accounts Receivable	9200-9399		444,091	
	Accounts Payable (Liabilitiy accts, including Def Rev)	9500-9630, 9650		-	5,000
	TOTAL PRIOR YEAR TRANSACTIONS			444,091	(5,000)
E.	INTRACOMPANY TRANSACTIONS				
	Intracompany Transfers In				
	Intracompany Transfers Out				
	TOTAL INTRACOMPANY TRANSACTIONS			-	-
F.	(B - C + D + E)		$657,559.24	8,891	(201,342)
G.	ENDING CASH (A + F)			741,994	540,651
H	ENDING CASH, PLUS ACCRUALS				

				July	August
	FY2016-17				
A.	BEGINNING CASH	9110	Budget	1,259,112	1,294,268
B.	RECEIPTS				
	Revenue Limit Sources				
	EPA	8012	$869,529.24		
	Property Taxes	8020-8079			
	Principal Apportionment	8010-8019	$4,245,348.90		212,267
	Miscellaneous Funds	8080-8099			
	Federal Revenue	8100-8299	$781,260.91	6,888	13,776
	Other State Revenue	8300-8599	$1,135,440.80	56,717	113,435
	Other Local Revenue	8600-8799	$150,000.00	12,500	12,500
	All Other Financing Sources (CSC)	8930-8979			
	Other Receipts/Non-Revenue				
	TOTAL RECEIPTS		$7,181,579.85	76,105	351,978
C.	DISBURSEMENTS				
	Certificated Salaries	1000-1999	$2,352,000.00	196,000	196,000
	Classified Salaries	2000-2999	$189,000.00	15,750	15,750
	Employee Benefits	3000-3999	$800,682.27	66,724	66,724
	Books, Supplies	4000-4999	$702,297.97	117,050	117,050
	Services, Other Operating Expenses	5000-5999	$2,264,286.20	188,691	188,691
	Capital Outlay	6000-6999	$ 28,500.00	2,375	2,375
	Other Outgo	7000-7499			
	All Other Financing Uses	7630-7699			
	TOTAL DISBURSEMENTS		$6,336,766.43	586,589	586,589
D.	PRIOR YEAR TRANSACTIONS, Other				
	Accounts Receivable	9200-9399		545,640	
	Accounts Payable (Liabilitiy accts, including Def Rev)	9500-9630, 9650		-	5,000
	TOTAL PRIOR YEAR TRANSACTIONS			545,640	(5,000)
E.	INTRACOMPANY TRANSACTIONS				
	Intracompany Transfers In				
	Intracompany Transfers Out				
	TOTAL INTRACOMPANY TRANSACTIONS			-	-
F.	(B - C + D + E)		$844,813.41	35,156	(239,611)
G.	ENDING CASH (A + F)			1,294,268	1,054,657
H	ENDING CASH, PLUS ACCRUALS				

CA$H FLOW

PTS- Santa Ana

2014-2015

PART A

September	October	November	December	January	February	March	April
42,504	69,631	42,772	88,672	229,738	142,331	230,970	414,913
145,165			145,165			145,165	
141,749	255,148	255,148	255,148	255,148	255,148	255,148	255,148
6,124	33,903	33,903	33,903	68,624	38,497	33,138	67,859
50,861	50,861	50,861	50,861	82,833	89,006	44,503	76,475
10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
$ 353,899	$ 349,913	$ 349,913	$ 495,077	$ 416,605	$ 392,652	$ 487,954	$ 409,482
139,667	139,667	139,667	139,667	139,667	139,667	139,667	139,667
8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667
46,473	46,473	46,473	46,473	46,473	46,473	46,473	46,473
97,013	97,013	24,253	24,253	124,253	24,253	24,253	24,253
33,703	83,703	83,703	133,703	183,703	83,703	83,703	83,703
1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
326,772	376,772	304,012	354,012	504,012	304,012	304,012	304,012
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
27,127	(26,859)	45,900	141,065	(87,407)	88,640	183,942	105,470
69,631	42,772	88,672	229,738	142,331	230,970	414,913	520,383

2015-2016

PART A							
September	October	November	December	January	February	March	April
540,651	481,468	417,474	431,548	623,334	719,975	792,378	980,275
177,711			177,711			177,711	
173,530	312,353	312,353	312,353	312,353	312,353	312,353	312,353
7,513	41,589	41,589	41,589	84,182	47,224	40,650	83,242
63,592	63,592	63,592	63,592	103,566	111,286	55,643	95,617
12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
434,345	429,535	429,535	607,246	512,101	482,863	598,358	503,213
156,292	156,292	156,292	156,292	156,292	156,292	156,292	156,292
11,833	11,833	11,833	11,833	11,833	11,833	11,833	11,833
51,423	51,423	51,423	51,423	51,423	51,423	51,423	51,423
104,092	104,092	26,023	26,023	26,023	26,023	26,023	26,023
163,014	163,014	163,014	163,014	163,014	163,014	163,014	163,014
1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
488,529	488,529	410,460	410,460	410,460	410,460	410,460	410,460
5,000	5,000	5,000	5,000	5,000			
(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	-	-	-
-	-	-	-	-	-	-	-
(59,183)	(63,994)	14,074	191,785	96,641	72,403	187,897	92,753
481,468	417,474	431,548	623,334	719,975	792,378	980,275	1,073,028

2016-2017

PART A							
September	October	November	December	January	February	March	April
1,054,657	990,025	919,480	936,722	1,171,346	1,288,190	1,369,037	1,598,061
217,382			217,382			217,382	
212,267	382,081	382,081	382,081	382,081	382,081	382,081	382,081
9,184	50,839	50,839	50,839	102,903	57,727	49,691	101,755
75,623	75,623	75,623	75,623	123,161	132,341	66,170	113,708
12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
526,957	521,043	521,043	738,426	620,646	584,649	727,825	610,045
196,000	196,000	196,000	196,000	196,000	196,000	196,000	196,000
15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750
66,724	66,724	66,724	66,724	66,724	66,724	66,724	66,724
117,050	117,050	29,262	29,262	29,262	29,262	29,262	29,262
188,691	188,691	188,691	188,691	188,691	188,691	188,691	188,691
2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375
586,589	586,589	498,801	498,801	498,801	498,801	498,801	498,801
5,000	5,000	5,000	5,000	5,000	5,000		
(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	-	-
-	-	-	-	-	-	-	-
(64,632)	(70,545)	17,242	234,624	116,844	80,847	229,023	111,243
990,025	919,480	936,722	1,171,346	1,288,190	1,369,037	1,598,061	1,709,304

		PART B	A+B
May	June	Accruals	TOTAL
520,383	559,160		
	145,165		580,659
		-	-
255,148	255,148	255,148	2,834,983
			-
33,138	33,138	124,999	521,007
44,503	44,503	63,944	763,647
10,000			100,000
			-
			-
$ 342,789	$ 477,954	$ 444,091	$ 4,800,296
139,667	139,667		1,676,000
8,667	8,667		104,000
46,473	46,473		557,673
24,253	24,253		582,077
83,703	83,703		1,004,434
1,250	1,250		15,000
			-
			-
304,012	304,012	-	3,939,184
			280,582
			-
-	-	-	
			-
			-
-	-	-	-
38,778	173,942	444,091	861,112
559,160	733,103		
			896,612

		PART B	A+B
May	June	Accruals	TOTAL
1,073,028	1,083,214		
	177,711		710,844
		-	-
312,353	312,353	312,353	3,470,593
			-
40,650	40,650	153,337	639,122
55,643	55,643	79,949	954,795
12,000			120,000
			-
			-
420,646	586,358	545,640	5,895,354
156,292	156,292		1,875,500
11,833	11,833		142,000
51,423	51,423		617,073
26,023	26,023		624,551
163,014	163,014		1,956,172
1,875	1,875		22,500
			-
			-
410,460	410,460	-	5,237,796
			444,091
			30,000
-	-	-	
			-
			-
-	-	-	-
10,186	175,897	545,640	657,558
1,083,214	1,259,112		
			1,390,660

		PART B	A+B
May	June	Accruals	TOTAL
1,709,304	1,720,945		
	217,382		869,529
		-	-
382,081	382,081	382,081	4,245,349
			-
49,691	49,691	187,439	781,260
66,170	66,170	95,076	1,135,441
12,500	12,500		150,000
			-
			-
510,442	727,825	664,596	7,181,579
196,000	196,000		2,352,000
15,750	15,750		189,000
66,724	66,724		800,682
29,262	29,262		702,298
188,691	188,691		2,264,286
2,375	2,375		28,500
			-
			-
498,801	498,801	-	6,336,766
			545,640
			35,000
-	-	-	
			-
			-
-	-	-	-
11,641	229,023	664,596	844,813
1,720,945	1,949,969		
			2,103,924

December 11, 2013

Kelly Hourigan
Magnolia Public Schools
13950 Milton Avenue, Suite 200B
Westminster, CA 92683

To Whom It May Concern,

Magnolia Public Schools is a current member of the El Dorado County Charter SELPA and is in the process of completing the application process for Magnolia Science Academy – next generation. Per our policy, Magnolia Public Schools will be granted priority admission in the El Dorado County Charter SELPA.

Magnolia Public Schools is a valued partner with the El Dorado County Charter SELPA. We look forward to continuing our relationship. Please contact me at 530-295-2462 if you have any questions.

Sincerely,

David M. Toston
Executive Director
El Dorado County SELPA/Charter SELPA

DT:nc-j