

**Resolution 10-01 of the Ventura County Board of Education  
Approving the Piru Charter School Petition**

Submitted on Appeal by the Piru Charter School after  
Denial of the Charter by the Fillmore Unified School District,  
as Required by Education Code Section 47605(B)(5) and  
Title 5, California Code of Regulations Section 11967(C)

**I. RECITALS**

- A. Education Code Section 47605(j), as it applies to this matter, provides that a petition for the establishment of a charter school that has been denied by a school district may be submitted to the local County Board of Education which will conduct a review of the petition and determine whether or not to grant the petition.
- B. Title 5 of the California Code of Regulations, Section 11967(d), requires that the review of the petition be completed within sixty (60) days of receipt of the petition by the County Board of Education.
- C. Title 5 of the California Code of Regulations, Section 11967(c), requires the County Board of Education to make written factual findings if it denies a charter petition, setting forth specific facts to support one or more of the grounds for denial set forth in Education Code Section 47605(b)(1)-(5).
- D. The Ventura County Board of Education (VCBE) held a public hearing and has reviewed the materials presented in this appeal from the denial by the Fillmore Unified School District (Fillmore) of a charter petition to establish the Piru Charter School (PCS).

The Ventura County Board of Education hereby adopts Resolution 10-01, approving the Piru Charter School petition contingent upon the execution of a Memorandum of Understanding acceptable to the Petitioners, the Ventura County Board of Education, and the Ventura County Office of Education.

*Adopted this 25<sup>th</sup> day of January, 2010*

**AYES:**

**NAYS:**

**ABSTAIN:**

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*Dr. Ramon Flores, President  
Ventura County Board of Education*

**Resolution 10-02 of the Ventura County Board of Education  
Regarding Adoption of Findings of Fact  
After Denial of the Piru Charter School Petition**

Submitted on Appeal by the Piru Charter School after  
Denial of the Charter by the Fillmore Unified School District,  
as Required by Education Code Section 47605(B)(5) and  
Title 5, California Code of Regulations Section 11967(C)

**I. RECITALS**

- A. Education Code Section 47605(j), as it applies to this matter, provides that a petition for the establishment of a charter school that has been denied by a school district may be submitted to the local County Board of Education which will conduct a review of the petition and determine whether or not to grant the petition.
- B. Title 5 of the California Code of Regulations, Section 11967(d), requires that the review of the petition be completed within sixty (60) days of receipt of the petition by the County Board of Education.
- C. Title 5 of the California Code of Regulations, Section 11967(c), requires the County Board of Education to make written factual findings if it denies a charter petition, setting forth specific facts to support one or more of the grounds for denial set forth in Education Code Section 47605(b)(1)-(5).
- D. The Ventura County Board of Education (VCBE) held a public hearing and has reviewed the materials presented in this appeal from the denial by the Fillmore Unified School District (Fillmore) of a charter petition to establish the Piru Charter School (PCS), and the VCBE determines the charter petition should be, and is, denied for the reasons set forth hereinafter, which shall become VCBE's required Findings of Fact.

**II. SPECIFIC FINDINGS**

- A. The petition presents an unsound educational program, for the reasons stated hereinafter.
- B. Petitioners are demonstrably unlikely to successfully implement the program, for the reasons stated hereinafter.
- C. The petition does not contain reasonably comprehensive descriptions of all the matters contained in section 47605(b)(5), for the reasons stated hereinafter.

### III. FACTUAL FINDINGS

- A. The charter petition describes assessment assumptions and indicates that the school will utilize a student management system to monitor the attainment of skills, knowledge and attitudes, but the petition does not provide “clearly measurable outcomes.” The petition lacks sufficient information, and is unclear, on how the school specifically intends to address state content and performance standards in core academics. The petition states “Criterion-referenced tests, end-of-unit tests, performance-based assessments, homework completion, and class participation will form the basis of evaluating student performance and determining student grades,” however the petition is unclear how these will be connected to state content and performance standards in core academic areas. Methods of measurement are listed but not the performance goals.
- B. Appendix F of the petition (page 86) describes ELD, English/Language Arts and mathematics proficiencies for Grades 1-3 only. There are no performance levels listed for kindergarten through grade 6 for history/social science or science. There are no performance standards for ELD, English/Language arts and mathematics for kindergarten or grades 4 through 6.
- C. In the area addressing a Plan for Students Who Are Low Achieving, (pg. 29) there are strong descriptions of the use of a Response to Intervention model similar to the VCOE Pyramid of Intervention, however there is no discreet time allotment in the instructional schedule that provides intervention during the school day (Appendix D). Nor does the charter petition mention a school wide approach to discreet intervention time. The description of intervention should include how the school will provide a skill-based, program based on data, which addresses students’ needs. The program should define the specific entrance and exit criteria and the tools and criteria upon which decisions on student placement will be made.
- D. For migrant students, (pg. 25 and 26), there is a list of six bulleted “beliefs” that the charter school holds for Migrant Education. There is no description how any of those beliefs are going to be addressed or implemented in the instructional program.
- E. The Charter Petition contains numerous defects and deficiencies in the Governance section, including:
1. The petition makes no reference to its intent to adopt and operate under an appropriate Conflict of Interest Policy.
  2. VCBE Board Policy 0420.4 mandates that Charter Schools operating under VCBE authority “shall operate under the provisions of their charters, specific state and/or federal laws, Title 5, California Code of Regulations adopted by the State Board of Education...” This Charter Petition is non-compliant with VCBE Board Policy 0420.4 and Government Code Section 1090, in that the Charter would permit (page 39) up to 49% of its Board to be “interested persons.” Specifically, teachers (employees) of the school, could serve on the Board of Directors and the PCS Council, and as interested persons, would have a conflict of interest when

deciding on matters such as salary, benefits and working conditions. Additionally, the petition provides (page 41) that the handling of 1090 conflicts in the Charter School Council will be passed on to the Board. While the petition seemingly acknowledges the application of Section 1090 to establish conflicts within the School Council, the petition does not acknowledge the application of Section 1090 to the Charter School Board as well.

- F. The composition of the school's Board of Directors, the procedures used to select the Board of Directors, and other matters concerning the Board of Directors are unclear in the petition due to the following:
1. The petition makes reference to a "Founding Board of Directors" as well as a "Permanent Board" without clearly defining these terms, is inconsistent in its references to stakeholder groups from which board members are selected, and is unclear as to the length of the term of the board members.
  2. The petition indicates the process for selection and replacement of board members will be covered in corporate by-laws, which are missing. While there is no obligation in law to have corporate by-laws at this point, the information in the missing by-laws, as to the process for selection and replacement of board members, conflicts of interest, and a conflict of interest policy, are necessary for there to be a reasonably comprehensive description of the governance provisions for the school.
- G. The petition lacks a reasonably comprehensive description of the budget, and describes an unsound program due to the following:
1. There is no detailed plan for the budget development process.
  2. There is no detailed plan for projecting long-term financial viability.
  3. Projected ADA appears overly optimistic, especially in light of the lack of significant support, and active opposition to the school, demonstrated at the public hearing before the VCBE.
  4. A detailed budget for staffing is lacking and would appear to significantly understate the costs associated with teacher salaries in that it does not indicate additional allocation of funds to cover the salaries of the additional staff in years 2-5, resulting in a potential annual shortfall of nearly \$250,000 by the end of the fifth year.
  5. The provisions on insurance, including workers compensation, appear to be significantly understated.

6. Transportation costs appear significantly understated when compared to the costs of Fillmore, in that the petition and budget estimates about 50% of its students will ride the bus, and Fillmore's cost per student on the bus was over \$1,300 per year, reflecting a potential cost to the charter school of \$100,000 to \$200,000 over the budgeted amount, which amount apparently also fails to include the cost of a bus driver.
  7. The budget reflects a revolving loan for which the charter school is not eligible, and the petitioners have not provided any reasonable documentation or verification that this funding will be replaced by a loan with a commercial lending institution, for which reason the funding assumption is not reasonable.
  8. The fund balance reserves are uncertain.
- H. The dispute resolution provisions of the petition contain at least two significant defects, the first being the attempt to impose a "cure" period on any discussion of revocation (65) even where the circumstances present "... a severe and imminent threat to the health or safety of the pupils." The law requires giving the charter school a reasonable opportunity to cure except where such threat exists. By imposing such restrictions on revocation, the petition violates Education Code Section 47607(d). The second defect is in mandating the arbitration of disputes subject to the dispute resolution process, in that the obligation to submit disputes to arbitration is only binding if it was negotiated into a contract, and is not binding where not submitted as the result of negotiations. This makes the dispute resolution provision on arbitration unenforceable, thereby describing an unsound program.

#### IV. CERTIFICATION OF RESOLUTION

Based on the aforementioned Findings of Fact, the Ventura County Board of Education hereby adopts Resolution No. 10-02, denying the Piru Charter School petition.

*Adopted this 25<sup>th</sup> day of January, 2010*

**AYES:**

**NAYS:**

**ABSTAIN:**

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*Dr. Ramon Flores, President  
Ventura County Board of Education*

Michelle Ruskofsky  
California Department of Education

Ms. Ruskofsky,

Thank you for the email informing us that the Charter Schools Division of the California Department of Education, on behalf of the State Board of Education (SBE), has received and is currently reviewing the Piru Charter School petition, which was previously denied by the Fillmore Unified School District and the Ventura County Board of Education.

We are aware that the Piru petition is tentatively scheduled for consideration at the April meeting of the Advisory Commission on Charter Schools in April and the May 12-13 meeting of the SBE. At this time, we do not plan to attend either meeting to address the Commission/Board members regarding this petition, but would respectfully request that this document and the attached matrix be provided to both the Advisory Commission and State Board of Education as materials to be considered in the review process. While we respect the authority of these bodies to make recommendations and ultimately decide the viability of the charter, we feel the review process undertaken here at the county level was extensive and the results thereof should serve as important source documents as these bodies consider the local context of the petition.

During its review, the Ventura County Office of Education (VCOE) found the petition non-compliant under the requirements of California Education Code 47605 (b) 1-5. In addition to such findings in the instructional program and governance sections of the petition, particular concerns were noted in the numerous areas of weakness in the proposed budget of the Piru Charter School (PCS). Because the concerns with the budget weigh so heavily on the viability of the Charter and figure so prominently in the review process, VCOE feels it is particularly important to highlight the following concerns in this letter.

- **Projected ADA** - VCOE is very concerned with the projected ADA used in the budget development of the PCS. A review of the historical enrollment trends of Piru School show a steady decline from 386 in 1999-2000 to 295 in 2008-2009. The Charter expects first year enrollment to be 386 (add a grade level) and then increase to 480 by year 5. This increase seems overly optimistic when the Charter document recognizes that “Piru is an isolated rural community and is located more than six miles away from the closest city of Fillmore” and that “No new industry is projected in the near future.” In addition, it is clear that the PCS does not have the support of many families with children currently attending Piru School. Because of these factors, the enrollment figures are clearly overstated.

- **Student Transportation** – The Charter petition budgets \$54,000 for transportation costs stating that “over 50% of the students take the bus” and “a bus will pick students up in the city of Fillmore...” Given a first year enrollment of 386, the cost per enrollment for transportation is approximately \$280. The current annual cost per student for Fillmore Unified is approximately \$1,312. The Charter petitioners told VCOE staff, in a response to the VCOE finding, that the 50% figure was in error and that the PCS expects to transport approximately 30% of their students. Even at the 30% number, the estimated cost per enrollment becomes \$465. This is still far below the District cost of \$1,312.
- **Cash Flow Analysis** – The PCS includes a cash flow loan of \$350,000 in the projected budget. No details related to this loan are provided. The financial representative of the Charter assured the VCOE that the PCS would receive an unsecured loan in the amount of \$350,000 from a number of commercial banks. However, no assurance of receipt could be provided and the budget documents did not contain any contingency in case the cash flow loan was not received in a timely manner.
- **Newhall Foundation Grant** – The PCS included an annual \$30,000 grant from the Newhall Foundation in the proposed budget. No assurance that the grant will continue could be provided by the PCS and the budget documents did not contain any contingency for replacing these funds if the grant was not received.

The Ventura County Office of Education found that the Piru Charter School budget was built on overly optimistic enrollment projections, a material under estimation of transportation costs, and reliance on outside loans and grants without budgetary contingencies. Because of these issues, VCOE found that the PCS is demonstrably unlikely to successfully implement the program set forth in the petition due to lack of financial resources. As such, we feel that this would ultimately constitute a disservice to both the students and community of Piru.

We appreciate your consideration of these concerns and are aware that the CDE staff report and recommendation will be distributed approximately 10 days prior to the ACCS meeting. We would also very much appreciate being included in the distribution of any materials related to this review process.

Respectfully Submitted

*Stanley C. Mantooth*

Stanley C. Mantooth  
Superintendent of Schools

CC: Members, VCBE  
Jeff Sweeney, Superintendent, Fillmore Unified School District  
Richard Durborow, Piru Charter School

VENTURA COUNTY OFFICE OF EDUCATION CHARTER SCHOOL PETITION REVIEW MATRIX

**PIRU CHARTER SCHOOL**

January 12, 2010

Appeal Charter Petition to VCOE per E.C. 47605

<b>REQUIRED PETITION SIGNATURES (Education Code 47605(a)(2))</b>			
	Yes	No	N/A
50% of the number of permanent status teachers currently employed at the public school to be converted	X		
<b>Comments:</b> <i>The original signed document was retained by the Charter. Signatures were verified on a facsimile copy.</i>			
<b>REQUIRED AFFIRMATIONS (Education Code 47605(d)(1))</b>			
	Yes	No	N/A
Statement that school will be non-sectarian in its programs, admission policies, employment practices, and all other operations, will not charge tuition, and will not discriminate against any pupil on the basis of ethnicity, national origin, gender or disability.	X		
<b>Comments:</b> <i>Included on pages 4-5 of Charter Petition submitted to VCOE</i>			
<b>REQUIRED ELEMENTS (Education Code 47605(b)(5)(A)-(P))</b>			
<b>A. EDUCATIONAL PROGRAM</b>			
<b>1. Targeted School Populations</b>	Yes	No	N/A
a. Age, grade levels and number of students	X		
b. Describe students whom the charter will attempt to educate; describe how the charter will improve learning for the targeted population	X		
c. Clear and concise Mission Statement that defines the purposes and nature of the charter school	X		



a. Includes school year/day, academic calendar, number of school days and instructional minutes		<b>X (Partial)</b>	
b. Includes attendance expectations and requirements		<b>X</b>	
<b>Comments:</b>  <i>The charter petition only includes the instructional day and minutes. (Appendix B page 82) The school year/day, academic calendar, and number of school days are not included in the petition. The attendance expectations and requirements only states that individual students will achieve at 95%. (pg. 44)</i>			
a. Objective of enabling pupils to become self-motivated, competent, lifelong learners	<b>X</b>		
b. Clear list of general academic skills and qualities important for an educated person	<b>X</b>		
c. Clear list of general non-academic skills and qualities important for an educated person	<b>X</b>		
a. Framework for instructional design aligned with needs of target population and based upon successful practice and research	<b>X (Partial)</b>		
b. Description of instructional approaches and strategies including curriculum, teaching methods, materials and technology	<b>X (Partial)</b>		
c. Description of basic learning environment (e.g., site-based, independent study, etc.)	<b>X</b>		
d. Discussion of how chosen instructional approach will enable students to achieve objectives specified in the charter and master academic content standards in core curriculum areas	<b>X</b>		
e. Proposed program strongly aligned to school's mission.	<b>X</b>		
f. Proposal includes, at a minimum, <u>full curriculum</u> for one course or grade level; Proposal also provides that a full curriculum will be submitted prior to the opening of school.	<b>X (partial)</b>		
g. Describes how charter school will identify and respond to needs of students not achieving at or above expected levels	<b>X (partial)</b>		
h. Describes how the charter school will identify and respond to needs of students who are academically high achieving	<b>X</b>		
i. Describes how charter school will identify and respond to needs of English Learners	<b>X (Partial)</b>		

<p>j. Describes how charter school will identify and respond to needs of students with disabilities (See Special Education section)</p>	<p><b>X</b></p>		
<p><b>Comments:</b></p> <p><i>Language used to describe Project Based Learning is in need of descriptions that include, specifically, how projects will be assessed and teachers will deliver instruction. Evidence includes (pg. 18), “All projects will culminate in a tangible product and often a public exhibition of the students’ work”. The expectation that students will present their projects to community members, parents and teachers will deepen student involvement and learning, based on research by Dr. Richard Stiggins, Student-Involved Classroom Assessment. Further, (pg. 18), “Assessment strategies may include performance evaluation, teacher observations, personal communications, standardized testing, and student and teacher developed rubrics, and self-assessment.” While these are well-differentiated for students’ learning styles, the fact that assessment strategies may, rather than will include various assessments lacks commitment to vary assessments to fit the students and the projects they produce. Further, the charter petition refers to instruction that calls for teachers to cover the California State content standards, rather than calling for students to master the required content standards. From the professional development portion of the petition, (pg. 22) “All teachers will receive ongoing training on how to implement the school instructional approaches such as project-based learning.” There is no description of how this or any other professional development included in the charter petition will be monitored on an ongoing basis, for implementation and effectiveness.</i></p> <p><i>Regarding the use of technology, the charter petition includes (pg. 15), “The School empowers all instructional staff to enhance classroom instruction by integrating technology into their lesson plans in alignment with California Content Standards and the National Educational Technology Standards for Students.” The document does not say how teachers are empowered to use technology, nor is there a clear expectation that technology will be included in ongoing, frequent lesson design and delivery. Further, the petition does not mention monitoring the frequency and effective use of technology for students in their efforts to master content standards. The charter petition does not mention any monitoring of instruction to ensure that standards-based strategies are being implemented in every lesson.</i></p> <p><i>In the area of instruction which refers to English Language Development (ELD), the schedule submitted as Appendix D does not break out ELD as a discreet subject which fits into the daily/weekly schedules in a consistent, predictable, school wide manner. Instead the application refers to ELD as “Strategic EL instruction integrated into content area instruction.”</i></p> <p><i>The petition lacks a description of a program that provides leveled ELD, on a daily basis, school wide, at a uniform time K-6. Further, (pg. 25) “Monitoring of student identification and placement, monitoring of parental program choice options, monitoring of availability of adequate resources,” describes no tools or specific details of what will be used to monitor, or how and when monitoring will occur. For migrant students, (pg. 25 and 26), there is a list of six bulleted “beliefs” that PCS holds for Migrant Education. None of the items listed include a description of how any of those beliefs are going to be addressed or implemented in the instructional program.</i></p> <p><i>The Curriculum section of the charter petition describes “an interdisciplinary approach, in a standards-based system, supported by the instructional strategies described earlier.....The PCS Leadership Team will meet on a regular basis to evaluate the effectiveness of the curriculum.” The charter petition includes descriptions of reading, writing, math, science, social studies, PE/Health (pages 18-21). These descriptions include some academic goals and some instructional strategies, as well as a list of textbooks (Appendix C).</i></p>			

*In the section for Methods to Assess Pupil Progress Towards Meeting Outcomes, the charter petition includes a list of five components upon which students will be assessed. These include statewide content standards, authentic performance assessments, mandated special education testing, and on-going student monitoring and parent communication. One item mentions teacher-developed testing procedures. The meaning of procedures is unclear. Further, the petition states “Criterion-referenced tests, end-of-unit tests, performance-based assessments, homework completion, and class participation will form the basis of evaluating student performance and determining student grades.”*

*In the area addressing a Plan for Students Who Are Low Achieving, (pg. 29) there are strong descriptions of the use of a Response to Intervention model similar to the VCOE Pyramid of Intervention. However there is no discreet time allotment in the instructional schedule that provides intervention during the school day (Appendix D). Nor does the charter petition mention a school wide approach to discreet intervention time. The description of intervention should include how the school will provide a skill-based, program based on data, which addresses students’ needs. The program should define the specific entrance and exit criteria and the tools and criteria upon which decisions on student placement will be made.*

a. How Charter School will inform parents about the transferability of courses to other public high schools			X
b. How Charter School will inform parents about the eligibility of courses to meet college entrance requirements			X
<b>Comments:</b>			
<i>The Charter School does not serve high school students.</i>			
1. Describes clearly measurable outcomes to be used by charter school, e.g., attainment of skills, knowledge and attitudes listed in goals in school educational program		X	
2. Describes how pupil outcomes will address state content and performance standards in core academics		X	
3. Clearly stated exit outcomes including acquisition of academic and non-academic skills	X		
4. Affirmation that "benchmark" skills and specific classroom-level skills will be developed	X		
5. Affirmation/description: exit outcomes will align to mission, curriculum and assessments	X		
6. Affirmation that college-bound students wishing to attend California colleges or universities will have the opportunity to take courses that meet the “A–G” requirements			X
7. Lists school-wide student performance goals students will achieve over a given period of time: Projected attendance levels, dropout percentage, graduation rate goals, etc.		X	
8. Acknowledges that exit outcomes and performance goals may need to be modified over time	X		

9. If high school, graduation requirements defined and WASC accreditation addressed			<b>X</b>
<p><b>Comments:</b></p> <p><i>The charter petition describes assessment assumptions and indicates that they will utilize a student management system to monitor the attainment of skills, knowledge and attitudes but it does not provide “clearly measurable outcomes.” It is unclear how the charter specifically intends to address state content and performance standards in core academics. The petition does indicate that they are familiar with and intend to meet the Academic Performance Index growth targets.</i></p> <p><i>The petition states “Criterion-referenced tests, end-of-unit tests, performance-based assessments, homework completion, and class participation will form the basis of evaluating student performance and determining student grades.” It is unclear in the petition how these are connected to state content and performance standards in core academic areas.</i></p> <p><i>Methods of measurement are listed but not the performance goals.</i></p>			
1. At least one assessment method or tool listed for each of the exit outcomes	<b>X</b>		
2. Assessments include multiple, valid and reliable measures using traditional/alternative tools	<b>X</b>		
3. Assessment tools include all required state and federal assessments (Including STAR, API, AYP, CAHSEE, CELDT and physical performance test )	<b>X</b>		
4. Chosen assessments are appropriate for standards and skills they seek to measure	<b>X</b>		
5. Description of how assessments align to mission, exit outcomes, and curriculum	<b>X</b>		
6. Describes minimal required performance level necessary to attain each standard		<b>X</b>	
7. Outlines plan for collecting, analyzing/utilizing and reporting student/school performance data to school staff, parents/guardians and VCOE	<b>X</b>		
<p><b>Comments:</b></p> <p><i>Appendix F (page 86) describes ELD, English/Language Arts and mathematics proficiencies for Grades 1-3 only. There are no performance levels listed for kindergarten through grade 6 for history/social science or science. There are no performance standards for ELD, English/Language arts and mathematics for kindergarten or grades 4 through 6.</i></p> <p><i>The petition includes a list of five components upon which students will be assessed. These include statewide content standards, authentic performance assessments, mandated special education testing, and on-going student monitoring and parent communication. One item mentions teacher-developed testing procedures.</i></p>			

1. Includes the location of each charter school facility which the petitioner proposes to operate.	X		
2. Describes each charter school facility which the petitioner proposes to operate in terms of safety and educational suitability.	X		
3. Describes the current and projected availability of each charter school site.		X	
<b>Comments:</b>			
<i>As a conversion Charter, Piru Charter School proposes to use Piru Elementary School as its facility. Though assumed in the nature of the Conversion Charter Petition, the availability of the site is unclear at present.</i>			
1. Describes what role parents have in the governance and operation of the school	X		
2. Describes key features of governing structure (usually a board of directors) such as:			X
a. Compliance with Brown Act, Public Records Act and Conflict of Interest Policy		X	
b. Size/composition of board, board committees and/or advisory councils	X		
c. Board's scope of authority/responsibility along with role of school administration	X		
d. Method for selecting initial board members along with Board election/appointment and replacement procedure		X	
e. Describes how Board will be developed in terms of supplementing necessary skills and providing training in effective board practices		X	
3. Includes proposed bylaws, basic policies for Board functions, as well as those necessary for opening and operating a school and/or similar documents		X	
4. Initial governing board members identified by name or the process to be used to select them		X	
5. Clear description of the legal organization of the charter school including evidence of non profit public benefit status, if applicable	X		
6. Outlines other important legal or operational relationships between school and the VCOE in accordance with the general contents of an MOU or Operating Agreement			X
7. Describes structure for providing business/administrative services including personnel, accounting, payroll, etc.		X	
<b>Comments:</b>			
<i>The Charter Petition makes no reference to its intent to adopt and operate under a Conflict of Interest Policy. VCBE Board Policy 0420.4 mandates that Charter Schools operating under VCBE authority “shall operate under the provisions of their charters, specific state and/or federal laws, Title 5, California Code of Regulations adopted by the State Board of Education...” The Charter Petition would appear to be non-compliant</i>			

*with VCBE Policy 0420.4 and Government Code 1090 which outlines Conflict of Interest provisions for public officers and employees. Under the Charter, it would be allowable for up to 49% of its Board to be “interested persons.” Specifically, teachers (employees) of the school, would also serve on the Board of Directors and the PCS Council, and as interested persons, would have a conflict of interest when deciding on matters such as salary, benefits and working conditions.*

*The composition of, and the procedures used to select Board of Directors is somewhat unclear in the petition due to the following:*

- The petition makes reference to a “Founding Board of Directors” as well as a “Permanent Board” without clearly defining these terms.*
- In the opening paragraph of the Composition of the Board, the petition indicates that “the Board will be drawn from” five discreet stakeholder(s) yet shortly thereafter, details a different list of stakeholders from which petitioners will appoint a Founding Board of Directors. It is unclear how these two relate to each other.*
- The petition indicates that each Board Member will serve a two year term that is renewable for a maximum of three consecutive years. It is unclear how such renewals will be enacted.*
- The petition indicates that the “Permanent Board” shall have parent and employee representatives elected amongst the “parent body” and “all employees.” It is unclear how these elections would be conducted and whether this process applies to initial board members only and/or replacement Board Members. It is also unclear whether such elected Board Members are subject to the “renewal” provision, or if they are subject to an election process at the expiration of their respective terms.*
- The initial Board of Directors are not individually named and other than being “appointed,” the method used to “appoint” or select the initial Board is unclear.*

*The petition is unclear on how the Charter School would provide business and administrative services. The petition notes that the Charter school is considering either (a) doing its own work in this area, (b) hiring “an appropriately qualified third-party contractor” or, (c) possibly entering into an MOU with VCOE.*

1. Describes qualifications to be met by those to be employed by school, including standards to be used in hiring teachers, administrators and other school staff	<b>X</b>		
2. Includes general qualifications for various categories of employees and desired professional backgrounds, depth of experience and other qualities to be sought in their selection	<b>X</b>		
3. Specifies key positions in each category, along with additional qualifications expected of individuals to be selected for these positions	<b>X</b>		
4. Defines core academic teachers & affirms they will hold appropriate Commission on Teacher Credentialing certificate, permit or other equivalent document; provides specific credentials to be required along with discussion of how this will satisfy requirements for “highly qualified teachers” under the No Child Left Behind Act		<b>X</b>	

5. Identifies teaching positions which are not considered core academic, along with required qualifications		<b>X</b>	
<p><b>Comments:</b></p> <p><i>The document describes many qualifications to be met by those to be employed by the charter school, including standards to be used in hiring teachers, administrators and other school staff.</i></p> <p><i>The charter petition affirms, “Academic core classes will be taught by highly qualified teachers who are certified or are in training for certification to teach English Language Learners – CLAD and/or BCLAD, SDAIE, etc.*” Requiring that teachers be “in training” is a lower standard than “they will hold appropriate Commission on Teacher Credentialing certificate, permit or other equivalent document.”</i></p> <p><i>The charter petition states, “[Teacher credentials] shall be subject to periodic inspection by the chartering authority.” As a school currently monitored under AB 3001 (2004), Piru is audited annually to ensure full compliance vis-à-vis credential authorizations, including Authorizations to teach English Language Learners.</i></p> <p><i>The application states, “Additionally, core-teachers, as defined by the No Child Left Behind Act (NCLB), meet the applicable definitions of the highly qualified requirements. Non-core teachers shall have flexibility regarding credentialing as allowed by State and Federal law. Non-core teaching positions include, but are not limited to, Physical Education, Art, Drama, etc.” Although the document identifies three academic areas, which, for the purposes of state licensure, are not considered core (Physical Education, Art, Drama), it fails to specify other areas which may or may not be considered core. Moreover, it fails to assert that the charter school will satisfy the federal requirements for “highly qualified teachers” in the areas of Art, Music, Drama, Dance, and Foreign Language, each of which is included as core under the No Child Left Behind Act.</i></p> <p><i>The application states, “A health clerk will be employed to handle medical considerations.” (page 47) There is no discussion of the qualifications to be met for employment in this position.</i></p> <p><i>*CLAD = Cross cultural Language and Academic Development  BCLAD = Bilingual Cross Cultural Language and Academic Development  SDAIE – Specially Designed Academic Instruction in English</i></p>			
1. Affirms that each employee will furnish the school with a criminal record summary, as well as proof of freedom from tuberculosis	<b>X</b>		
2. Outlines specific health and safety practices addressing such key areas as:			<b>X</b>
a. Seismic safety (structural integrity and earthquake preparedness)	<b>X</b>		
b. Natural disasters and emergencies	<b>X</b>		
c. Immunizations, health screenings, administration of medications	<b>X</b>		
d. Zero tolerance for use of drugs and tobacco	<b>X</b>		
e. Staff training on emergency and first aid response	<b>X</b>		

3. References accompanied by a detailed set of health and safety related policies/procedures or the date by which they will be adopted and submitted to the VCOE		<b>X</b>	
<b>Comments:</b>			
<i>The charter petition states, "The Charter School will comply with the provisions of Education Code Section 44237 and 45125.1." However, there is no discussion of how the process will be implemented (p 47). The petition specifies that the Charter School will develop a comprehensive plan to address sexual harassment; SB 1825 Compliance is not referenced . The document neither references date by which health and safety policies procedures will be adopted and submitted to the VCOE.</i>			
1. Lists specific practices/policies designed to attract a diverse applicant pool/enrollment:		<b>X</b>	
2. Practices and policies appear likely to achieve targeted racial and ethnic balance		<b>X (Partial)</b>	
<b>Comments:</b>			
<i>The Charter Petition's description of its efforts to achieve racial and ethnic balance is limited to generic efforts regarding its recruitment and outreach and data reporting efforts. Specific policies and practices that might serve to facilitate in this area have yet to be developed.</i>			
2. Admission preferences which are required for conversion charter schools, if applicable		<b>X</b>	
3. Clearly describes admissions requirements, including any admission preferences		<b>X</b>	
4. Proposed admissions and enrollment process and timeline, as well as procedures for public random drawings, if necessary		<b>X</b>	
<b>Comments:</b>			
<i>The Charter Petition appears to meet all criteria in this area of review.</i>			
1. Describes manner in which annual, independent financial audit will be completed by December 15 <sup>th</sup> following the close of each fiscal year.		<b>X</b>	
2. Describes who will be responsible for contracting and overseeing the independent audit		<b>X</b>	
3. Specifies that the auditor will have experience in education finance		<b>X</b>	
4. Provides scope and timing of audit, as well as required distribution of completed audit to the Ventura County Office of Education, State Controller's Office and California Department of Education		<b>X</b>	



5. Process and timeline for resolving audit exceptions and deficiencies to the satisfaction of the Ventura County Office of Education	X		
<b>Comments:</b>			
<i>The Charter Petition appears to meet all criteria in this area of review.</i>			
<hr/>			
1. Detailed, step-by-step process by which students may be suspended or expelled	X		
2. Reference to a comprehensive set of student disciplinary policies	X		
3. Outlines or describes strong understanding of relevant laws protecting constitutional rights of students, generally, and of disabled and other protected classes of students, in particular.	X		
4. Policies balance students' rights to due process with responsibility to maintain a safe learning environment		X	
5. Explains how policies and procedures regarding suspension and expulsion will be periodically reviewed and modified		X	
6. Explains how VCOE may be involved in disciplinary matters		X	
<b>Comments:</b>			
<i>The petition provides ample detail in the reasons for student suspension and for the process used to undertake such student discipline. However, the petition indicates that there is no right to an appeal and lacks an explanation as to how the process will be periodically reviewed.</i>			
<hr/>			
1. Describes manner by which staff members will be covered by STRS, PERS and/or federal social security; or how the charter school will create a system to address employees' retirement funding		X	
2. Specifies specific positions to be covered by each system and staff designated to ensure that arrangements for coverage are made		X	

<b>Comments:</b>			
<i>The document states, "Employees at PCS shall participate in STRS*, PERS**, and the federal social security system as applicable to the position." While it is clear that the charter school intends that eligible certificated and classified employees will be covered STRS and PERS, PCS did not identify specific positions to be covered by the two retirement systems and other positions to be covered only by social security.</i>			
<b>*STRS = State Teachers' Retirement System</b>			
<b>** = Public Employees' Retirement System</b>			
The public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools	X		
<b>Comments:</b>			
<i>The Charter Petition appears to meet all criteria in this area of review.</i>			
1. States whether charter or VCOE will be employer for EERA purposes	X		
2. Description of the rights of any employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.	X		
<b>Comments:</b>			
<i>The application states, "The employer voluntarily recognizes the Fillmore Unified Teachers Association (FUTA) as the exclusive representative of the Piru Charter School employees." The applicant has no authority to recognize any specific exclusive representative for its potential employees.</i>			
3. The petitioner identifies procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter	X		
<b>Comments:</b>			
<i>The Charter Petition appears to meet all criteria in this area of review.</i>			

Petition has a declaration whether or not the charter school shall be deemed the exclusive public school employer of the employees of the charter school for the purposes of the Educational Employment Relations Act.	X		
<b>Comments:</b>  <i>The Charter Petition appears to meet all criteria in this area of review.</i>			
1. Outlines a detailed description of the process to be used if the charter school closes	X		
2. Process includes a final audit of the charter school, specific plans for disposition of all net assets and liabilities, as well as for the maintenance and transfer of pupil records	X		
<b>Comments:</b>  <i>While the Charter Petition incorporates the necessary elements in this area, if approved the feasibility of a ten day notice to VCOE prior to closing the charter school needs review and possible revision.</i>			
1. Charter School will meet all statewide standards and conduct the pupil assessments required pursuant to Sections 60605 and 60851 and any other statewide authorized in statute or pupil assessments applicable to pupils in non-charter schools	X		
2. Charter schools shall, on a regular basis, consult with their parents, guardians, and teachers regarding the school's educational programs	X		
<b>Comments:</b>  <i>The Charter Petition appears to meet all criteria in this area of review</i>			
1. The Petition includes a thorough description of the education, work experience, credentials, degrees and certifications of the individuals comprising, or proposed to comprise, the directors, administrators and managers of the proposed charter school	X		
2. The Petition includes a list of consultants whom the charter school has engaged, or proposes to engage, for the purpose of developing, operating and evaluating the charter school, together with a thorough description of the qualifications of such consultants.	X		

3. Does the information provided in the proposal confirm that the school will have the services of individuals who have the necessary background in curriculum, instruction, assessment, finance, facilities, business management, organization, governance and administration?		<b>X</b>	
<b>Comments:</b>  <i>In recognition of uncertainties with the budget as presented, it is unclear whether the Charter School will have the resources to secure the necessary level of staffing to support the key areas of operations listed in item 3 above.</i>			
Does the Petition demonstrate that the charter school will commence operation by September 30 of its first year of operation?	<b>X</b>		
<b>Comments:</b>  <i>The Charter Petition appears to meet all criteria in this area of review.</i>			
1. A detailed review of the annual budget development, implementation and review process including the process by which the charter school leadership and governance team will monitor and report regarding the continuing financial solvency of the school.	<b>X</b>		
2. Detailed description of the manner, format and content by which the charter school will regularly report its current and projected financial viability	<b>X (Partial)</b>		
3. Detailed description of the organization, scope and preparation of the following financial documents and reports:			<b>X</b>
a. A preliminary budget on or before July 1 each year.	<b>X</b>		
b. An interim financial report, reflecting changes through October 31, on or before December 15 each year.	<b>X</b>		
c. A second interim financial report, reflecting changes through January 31, on or before March 15 each year.	<b>X</b>		
d. A final unaudited, financial report for the full prior year on or before September 15 each year.	<b>X</b>		
4. Description of the process by which the school will comply with all reports required for charter schools by law; includes sending a copy of each required report to VCOE	<b>X</b>		
<b>Comments:</b>  <i>While general statements about budget process have been supplied, the petition lacks a detailed budget process including fiscal solvency</i>			

*monitoring. Also, current financial reporting meets standards, the petition lacks a detailed plan for projecting financial viability.*

*Page 92, the Articles of Incorporation show that the Piru Charter School is a California Nonprofit Public Benefit Corporation, operating as a 501(c)(3) of the Internal Revenue Code. Under this code, Nonprofit Public Benefit Corporations use the accrual method of accounting and not the modified-accrual method as stated under the heading of “Financial Reporting” on page 77 of in this petition. As an additional reference, please see the California School Accounting Manual Procedure 810-1. (See Attachment #1).*

a. Start-up costs		X	
b. Cash flow for first three years		X	
c. Financial projections for first three years		X	
<b>Comments:</b>  Detailed comments for each area are outlined in section 3 below for item a, in section 5 below for item b, and in section 4 for item c.			X
a. Number/types of students  <b>Comments:</b> <i>While enrollment information by grade level was provided, an analysis of the prior ten years of actual CBEDS enrollment figures at Piru Elementary School shows an enrollment decrease from 386 in 1999-2000 downwards to 295 in 2008-2009. See Ed-Data Enrollment Trends (Attachment #2). The proposed charter projects its first year (2010-11) enrollment at 386 and to steadily increase to 480 over the next five years (Piru Charter Appeal page 18). Even with the addition of one grade level (grade 6), these enrollment projection increases seem overly optimistic when page 17 of the Piru Charter Appeal recognizes the “...extreme rural isolation” of the school and goes on to say that “Piru is an isolated rural community and is located more than six miles away from the closest city of Fillmore” and that “No new industry is projected in the near future.”</i>		X	
b. Number of staff <b>Comments:</b>  <i>The petition does not include a bus driver in the staffing of the school</i>	X		

c. Facilities needs	X		
d. Costs of all major items are identified and within reasonable market ranges	X		
e. Revenue assumptions in line with state and federal funding guidelines <b>Comments:</b>  <i>This conversion charter petition uses the incorrect charter school general purpose block grant model. According to SB319 (Chapter 355, Statues of 2005) and Education Code Sections 47660 and 47632, commencing with the 2005-06 fiscal year, if a unified school district is the sponsoring LEA, <u>the conversion charter school's general purpose entitlement is based upon the uniquely calculated rate for that specific school site, not the charter school general purpose block grant rates.</u> The general purpose entitlement is determined by the prior year's actual unrestricted expenditure per ADA for Piru Elementary School, adjusted for equalization, deficit reduction, and other state general-purpose increases (if any) provided for the unified school district in the year of conversion to, and operation as a charter school. In order to calculate the estimated general purpose entitlement for the charter petition, we asked district staff to provide this prior year data. The district is stating that Fillmore Unified spent \$4,196.05 per ADA of unrestricted funds at Piru School in 2008/09. This amount would then be reduced by about -7.64% to reflect the 'net' revenue limit change for 2009/10.</i>		X	
f. Revenue from "soft" sources less than 10% of ongoing operational costs	X		
g. Timeline allows window for referenced grant applications to be submitted and funded			X
a. Clearly identifies all major start-up costs			
Staffing <b>Comments:</b>  <i>The petition does not include a detailed budget for staffing the school.</i>		X	
Facilities	X		
Equipment and Supplies	X		

<p>Professional Services</p> <p><b>Comments:</b></p> <p><i>The petition does not appear to have a comprehensive approach to required services and estimates in this area are limited to Travel &amp; Conference and consultant costs.</i></p>	<p><b>X</b></p>		
<p>b. Assumptions in line with overall school design plan</p>		<p><b>X</b></p>	
<p>c. Identifies potential funding source</p>	<p><b>X</b></p>		
<p>d. Timeline allows for grant and fundraising money to become available</p>			<p><b>X</b></p>
<p>a. Annual revenues and expenditures clearly identified by source</p> <p><b>Comments:</b></p> <p><i>The petition does not address the categorical flexibility and revenue reporting changes created with the Feb 20, 2009 Budget Act as follows:</i></p> <p><i>1. Under the heading of “Other State Revenue” and in accordance to SBX3_4, for fiscal years 2008-09 through 2012-13:</i></p> <p><i>a) Charter School Categorical Block Grants are a Tier III categorical and are no longer reported under Object 8480, but are instead reported under Object 8590 using unrestricted Resource 0000.</i></p> <p><i>b) Charter School In-lieu EIA funds are a Tier III categorical and are no longer reported under Object 8480, but are instead reported under Object 8590 using unrestricted Resource 0000.</i></p> <p><i>c) Supplemental Hours funds are a Tier III categorical and are no longer reported under Object 8011, but are instead reported under Object 8590 using unrestricted Resource 0000.</i></p> <p><i>d)</i></p>	<p><b>X</b></p>		
<p>b. Revenue assumptions closely related to applicable state and federal funding formulas</p> <p><b>Comments:</b></p> <p><i>Comments in Section 2e above are also applicable here.</i></p> <p><i>In-lieu of EIA revenue could be overstated by about \$112k in 2010-11. It is very unlikely that the charter would receive this funding in its first year of operation and there is no “catch up” provision.</i></p>		<p><b>X</b></p>	

<p>c. Expenditure assumptions reflect school design plan</p> <p><b>Comments:</b></p> <p><i>The charter petition budgets \$54K for transportation stating that “over 50% of the students take the bus” (Piru Charter Appeal page 17) and “a bus will pick students up in the city of Fillmore...” (Piru Charter Appeal page 18). The petition implies that the district will give the charter school a bus, however the district states it will not. The petition projects 386 enrolled students in its first year and if 50% need transportation, that’s 193 students riding the bus to/from school daily. The district’s 2008/09 annual transportation cost per student was \$1,312.58 (Attachment #3). Using this cost basis as an estimate, the transportation cost for these students to/from school equates to \$253K annually (193 students X \$1,312.58), an expenditure increase of almost \$200K more than the petitioner’s budgeted amount of \$54K.</i></p>		<p><b>X</b></p>	
<p>d. Expenditure assumptions reflect market costs</p> <p><b>Comments:</b></p> <p><i>On May 13, 2009, the CalPERS Board adopted their Schools’ Employer Contribution Rate at 9.709%, not the 9.31% stated on the Business Plan (Piru Charter Appeal page 96). Also, Health &amp; Welfare costs appear to be understated by \$30K for certificated employees. According to Fillmore Unified’s 2009-2010 adopted budget, the annual cost per employee is \$11,167, which is \$1,667 more than the \$9,500 stated in the petition.</i></p>		<p><b>X</b></p>	
<p>e. “Soft” revenues not critical to solvency</p>	<p><b>X</b></p>		
<p>f. Strong reserve or projected ending balance (the larger of 3% of expenditures or \$25,000)</p> <p><b>Comments:</b></p> <p><i>As noted in Section 2e above, the ADA projections seem overly optimistic, the petition uses the incorrect charter school funding model, and based upon our understanding of law, conversion charter schools do not qualify for a \$350,000 revolving loan. Because of these issues, fund balance reserves are uncertain.</i></p>		<p><b>X</b></p>	
<p>g. If first year is not in balance, identifies solvency in future years and sources of capital sufficient to cover deficits until the school year when the budget is projected to balance</p>		<p><b>X</b></p>	



<p>h. Expenditure for general liability, workers compensation &amp; other types of insurance with evidence that petitioners have researched cost and availability: policies to name the VCOE as also insured and provide hold harmless agreement</p> <p><b>Comment:</b></p> <p><i>Comparably sized charters in the county have paid about \$10k more per year than estimated in this budget. It does not appear that the petitioners have researched the issue with the Ventura County Schools Self Funding Authority or other entity capable of providing this coverage.</i></p>		<p><b>X</b></p>	
<p>i. Expenditure sufficient for reasonably expected legal services \$12k-yrs 1-3, \$6.5k-yr. 4, \$6.7k-yr 5</p>	<p><b>X</b></p>		
<p>j. Expenditure for Special Education excess costs consistent with current experience in the school district/county</p> <p><b>Comments:</b></p> <p><i>This budget assumes that the charter will pay a portion of Fillmore Unified’s Special Ed encroachment. If the charter is sponsored by the VCBE, it would absorb the cost of serving its own Special Ed population or pay the VCOE (at approximately \$20K per ADA) to serve them.</i></p>		<p><b>X</b></p>	
<p>a. Monthly projection of revenue receipts in line with local/state/federal funding disbursements</p> <p><b>Comments:</b></p> <p><i>While the charter petition includes the necessary information required in this section, On page 99, the cash flow for 2010-11 shows a \$350,000 Loan under the heading of “Other Local Revenue, 8979 Other Financing Sources (Cash Flow Loan).” While charter schools may be eligible to receive up to \$250,000 in the charter school revolving loan fund program, <u>a conversion charter of an existing public school is not eligible to apply for these funds.</u> See CDE letter dated July 15, 2009 (Attachment #4).</i></p>		<p><b>X</b></p>	
<p>b. Expenditures projected by month and correspond with typical/reasonable schedules</p>	<p><b>X</b></p>		

<p>c. Show positive fund balance each month and/or identify sources of working capital</p> <p><b>Comments:</b>  <i>Upon removing the July 2010 revolving fund loan amount of \$350,000, the charter school cash flow would reflect a negative cash balance for 11 out of 12 months in the 2010-11 fiscal year and would end the year with a negative cash balance. Negative monthly cash balances would continue for all but two months during the 2011-12 fiscal year, and for all but three months during the 2012-13 fiscal year.</i></p> <p><i>In grappling with the state's cash flow issues, lawmakers have deferred cash payments on principal apportionments and numerous categorical programs. Some of these cash deferrals are permanent and some are intended to be one time. Some of these cash deferrals are within the same fiscal year, some cross fiscal years. A conversion charter school's ability to maintain a positive cash flow is greatly hampered by the state's deferral of education apportionments and their ineligibility for charter school revolving loan funds.</i></p>		<p><b>X</b></p>	
<p>a. Projects revenues and expenditures for at least two additional years</p> <p><b>Comments:</b>  <i>While the petition provides the information required in this section, the comments in Sections 2e. and 4b. are also applicable here as some revenue and expenditure assumptions are incorrect and/or uncertain.</i></p> <p><i>Special Education Revenue is omitted. The charter would not receive this revenue in year one but would receive approximately \$630 per K-12 ADA (Federal &amp; State) starting in year two. Typically though, if Special Education expenses don't meet or exceed the Special Ed revenues, the revenues must be returned to the SELPA and be redistributed.</i></p>	<p><b>X (Partial)</b></p>		
<p>b. Revenue assumptions based on reasonable potential growth in local, state and federal revenues</p>	<p><b>X</b></p>		
<p>c. Revenue assumptions based on reasonable student growth projections</p>		<p><b>X</b></p>	
<p>d. Reasonable cost-of-living and inflation assumptions</p>		<p><b>X</b></p>	

e. Annual fund balances are positive or sources of supplemental working capital are identified		X	
<b>Comments:</b>			
<p><i>While enrollment information by grade level was provided, an analysis of the prior ten years of actual CBEDS enrollment figures at Piru Elementary School shows an enrollment decrease from 386 in 1999-2000 downwards to 295 in 2008-2009. See Ed-Data Enrollment Trends (Attachment #2). The proposed charter projects its first year (2010-11) enrollment at 386 and to steadily increase to 480 over the next five years (Piru Charter Appeal page 18). Even with the addition of one grade level (grade 6), these enrollment projection increases seem overly optimistic when page 17 of the Piru Charter Appeal recognizes the "...extreme rural isolation" of the school and goes on to say that "Piru is an isolated rural community and is located more than six miles away from the closest city of Fillmore" and that "No new industry is projected in the near future."</i></p> <p><i>While the charter petition uses the latest School Services Dartboard (9/14/09), that reflect a +0.50% and a +2.30% COLA in the next two subsequent years, however more recent economic indicators may no longer support these assumptions. For example, the LAO's November report projects an 18-month state budget deficit of almost \$21 billion and a 2010-11 statutory COLA of &lt;0.35%&gt;.</i></p> <p><i>As noted in Section 2e above, the ADA projections seem overly optimistic, the petition uses the incorrect charter school funding model, and based upon our understanding of law, conversion charter schools do not qualify for a \$350,000 revolving loan. Because of these issues, fund balance reserves are uncertain.</i></p>			
1. Identifies whether the charter will be an independent LEA for special education purposes	X		
2. Has consulted with the Ventura County SELPA Director		X	
a. Discussed special education responsibilities of charter		X	
b. Discussed application of SELPA policies		X	
3. Describes how special education services will be provided consistent with Ventura SELPA Plan and/or policies and procedures	X		
a. Includes fiscal allocation plan	X		
a. Clarifies in charter or an MOU the responsibilities of each party for service delivery	X		
• Referral		X	
• Assessment		X	
• Instruction		X	
• Due Process		X	
• Agreements describing allocation of actual and excess costs		X	
• Charter fiscally responsible for fair share of any encroachment on general funds	X		

<b>5. If charter is LEA within SELPA</b>			
a. Notifies SELPA Director of intent prior to February 1 <sup>st</sup> of the preceding school year			X
b. Located within Ventura County SELPA geographical boundaries			X
c. Provides current operating budget in accordance with Ed Code 42130 and 42131			X
d. Provides assurances that all be instructed in safe environment			X
e. Provides copy of original charter petition and any amendments			X
f. Responsible for any legal fees relating to application and assurances process			X
g. Meets the terms of the “Agreement Regarding the Organization, Implementation, Administration and Operation of the Ventura SELPA”			X
h. Meets the terms of all Ventura SELPA policies and procedures			X
i. Charter fiscally responsible for fair share of any encroachment on general funds			X
a. The charter will comply with all provisions of IDEA	X		
b. No student will be denied admission based on disability or lack of available services	X		
c. Will implement a Student Study Team process	X		
d. Any student potentially in need of Section 504 services will be the responsibility of the charter school	X		
		X	
a. Charter School	X		
b. Ventura County Office of Education	X		
c. SELPA		X	

**9. Petition/MOU describes the transition to or from a district when a student with an IEP**

**Comments:**

*Charter has not consulted with the Ventura County SELPA Director. It has not discussed the special education responsibilities of the charter, nor has it discussed the application of SELPA policies.*

*Petition provides no detail as to how special education services will be provided consistent with Ventura County Plan and/or policies and procedures.*

*Charter provides limited detail on fiscal allocation plan related to special education students. Costs related to any special education teachers do not appear in the Multi Year Budget Projections (page 96), nor are any specialists (Speech, Occupational Therapy, School Psychologists, etc.) included in the projections. No provision has been made for special education transportation.*

*The Charter has indicated that it will not function as an independent LEA within the SELPA.*

*No specific details have been provided concerning the referral, assessment or instruction of special education students. Page 34 of the Charter Appeal indicates that special education instruction will be, "Provided by the VCOE either in-house or by contract with a qualified third-party. . ." However, no discussion has occurred to date between the Charter and the VCOE Superintendent or any representative of the Superintendent to determine if this would be a responsibility VCOE could or would be willing to assume or how such a relationship would function.*

*While the Charter Appeal references the Individual With Disabilities in Education Act (IDEA), its proposed policies for the expulsion of special education students are not consistent with that Act. Page 62 of the Appeal states that it would, "Grant the District approval rights prior to the expulsion of any such student. . ." There is no statement that for students with an IEP a determination would need to be made as to whether that student's disability contributed to the incident (s) that resulted in the recommendation of expulsion. This IEP would need to occur following an assessment. Additionally, the Appeal (page 69) indicates that, "Pupils who are expelled shall be responsible for seeking alternative education programs including, but not limited to, programs within the County or their district of residence." However, for students enrolled in the Charter, the Charter is the "district of residence."*

*The Charter Appeal (page 35) indicates that it will pay its proportionate share of District-wide encroachment.*

*The Petition does not provide a description for the process of notifying the district of residence when a special education student enrolls, or when their status changes.*



## **Response to Piru Charter School Budget Review from VCOE Staff & Board Members**

Ventura County Board of Education Members:

The following response addresses all of the comments from the VCOE Staff review, as well as other comments that arose during the Board of Education hearing on 1/12/10.

### **2. Planning Assumptions.**

- a. Piru Charter School projects 386 students for its first year of operations (10-11). PCS currently has approximately 350 students enrolled and has already received interest in enrollment from over 40 families whose children currently do not attend Piru, and even more factoring in the interest from parents of students at the Little Red School House seeking a sixth grade option for their children besides Fillmore Middle School. In addition, it has been confirmed at the Piru Neighborhood Council that the Cabrillo Economic Development Corporation, which built and operates our Rancho Sespe community, is building 60 additional farm worker family housing units right in the town of Piru, (there is already a waiting list for these units which exceeds capacity) and plans to open them this Fall. Therefore it is likely that our enrollment projections are more likely to be too low, rather than too high.

If for some reason enrollment is lower than projected, PCS will need to make cuts to its budget. With fewer students, the school can cut teachers and other staff, books, materials, equipment, and other expenses associated with additional students. Charter and traditional public schools often face lower enrollment and make such cuts as needed. Lower enrollment does not necessitate the failure of the school.

- b. The budget for pupil transportation (line item 5710) includes the cost of a bus driver, along with bus rental.
- e. The statement from VCOE that SB 319 applies to Piru Charter School's funding as a conversion school is inaccurate. SB319 no longer applies for charter approved after January 1, 2010 because of Ed Code 47660 (c)(1). It was created from Senate Bill 191 that states:  
*Provides that for schools converted on or after January 1, 2010, a school that is converted to charter status in a unified district shall be entitled to receive general purpose funding per pupil based on statewide averages of school district revenue limit funding per pupil, as is currently the case for other charter schools.*

### **3. Start-Up Costs.**

- a. The VCOE review states, “the petition does not include a detailed budget for staffing at the school”. As this appears under the start-up costs section, VCOE is correct that there is no budget for staffing in this section since staff will be employed by the District until June 30, 2010, and beginning July 1, 2010 will be employed and paid by PCS. Therefore there is no need to pay staff additional start-up salaries.

During the VCOE hearing, Dr. Rice raised a concern regarding the marginal increases in salaries in spite of adding a teacher each year, though this was not identified in the matrix review. The rationale for the small increase is that when a school converts to charter, some more highly paid staff leave the school within the first few years. As staff is replaced by new lower-paid teachers, this results in only a small overall increase in the salary and associated benefits costs. For example, Birmingham Charter High experienced a 5% overall drop in teacher salaries (new teachers, on average, were 25% cheaper than the original staff’s average) despite step-in-column increases and pay raises. This occurred because a lot of teachers chose not to stay with the charter.

#### 4. Annual Operating Budget.

- a. The County is correct that The Categorical Block Grant, In-Lieu EIA, and Supplemental Hours funds should be reported under 8590. This is a minor technical issue and does not impact the budget.
- b. All charter schools including new start-ups and conversions receive In-Lieu of EIA revenue in their first year of operations. There is no basis for stating that Piru Charter School would not receive this funding if its students qualify. The County can easily confirm this with the CDE.
- c. The statistic of '50%' for busing is an error by the petitioners. The figure is actually closer to 30%. Piru Elementary School does not provide busing daily for 193 students, nor will it in the near future. PCS does not include in the budget a bus from the District, or any reference to a bus from the District. Piru Elementary School currently has one bus to serve the needs of 30% of students to be bused to school, by using two stops so that more students can be served. PCS will continue this service and has budgeted for one bus in line item 5710 at a cost of approximately \$54,000 by renting a bus from a bus company.
- d. The County is correct that the 09-10 Schools’ Employer Contribution Rate is 9.709% versus 9.31% as reported in the budget. This was the petitioners’ error. It has an impact of approximately \$1,300 in additional expenses in the first year of operations.
- f. The issues of concern regarding the ending balance are addressed throughout this response.

- h. Piru Charter School plans to purchase an insurance policy from the CCSA JPA which is a large and secure pool and provides insurance for hundreds of charter schools in California. The rates in the budget are based on the average per student rates provided to other schools by this policy.
- j. An arrangement regarding special education has not yet been reached between Piru Charter School and its authorizer. Therefore, the school budgeted based upon information from other charter schools in Ventura County. These schools are part of the Ventura County SELPA and give the SELPA (via their sponsoring district) all of their special education revenue, and on top of this pay an encroachment fee per ADA to the SELPA. In exchange, the SELPA provides all special education services to the school. Therefore, the PCS budget reflects no special education revenue, and an estimated encroachment fee, based on the District's current encroachment, to cover its services. PCS looks forward to developing a mutually agreeable arrangement with its authorizer. As an alternative, PCS can join other SELPA's open to charter schools through which the school will receive a portion of its special education revenue and be responsible for special education services at the school.

#### 5. Cash Flow Analysis.

- a. The \$350,000 loan projected in the budget is not the CDE revolving loan, nor does it state that anywhere in the budget or petition. Piru Charter School knows that it will not qualify for the up to \$250,000 loan from the CDE because it will be a conversion charter. Instead, the school will secure a loan from a local bank such as City National Bank or Pacific Western Bank, which have historically provided (or plan to provide) unsecured loans to start-up and conversion charter schools. PCS is currently working with Pacific Western Bank to secure an Expression of Interest in the loan from the bank. The letter could not be secured by this date, but the bank has expressed its interest verbally and needs time to complete its review and due diligence. In addition, ExED has been able to use its connections to get a \$2MM line of credit for another conversion school.

#### 6. Long-term Plan

- a. Special Education revenue is omitted because the school expects to be part of the Ventura County SELPA. As such, the SELPA would keep all special education revenue intended for the school.
- c. The issue of student enrollment and growth projections is addressed in the response to 2.a. above.
- d. The budget used the best available information at the time for COLA's based on the School Services Dartboard. Given the recent Governor's budget, projected



revenue rates are slightly lower (e.g. \$9/ADA for General Purpose) than budgeted, so the school will need to make the necessary adjustments in its budget.

Piru Charter School  
 Response to County Findings for Denial

Educational Program:

- 1. The petition does not provide clearly measurable outcomes and contains insufficient information on how the school specifically intends to address state content and performance standards in core academics.**

On page 38 the Piru Charter School petition, PCS provides a reasonably comprehensive description of measurable outcomes, and the charter contains sufficient information on how PCS intends to address state content and performance standards in core academics. At Piru Charter School, classroom instruction will cover California Content and Performance Standards (K-6) and each student will be expected to master the required grade level standards. PCS listed outcomes and methods of measurement in the charter as follows:

<b>OUTCOME</b>	<b>METHODS OF MEASUREMENT</b>
State Content Standards	STAR, Internal and External Assessments, Teacher Records, Work Samples.
Standardized Testing Growth	STAR, CELDT
Attendance	Attendance Records
Academic Performance Index Growth Target (API)	API Score, State Ranking, Similar School Ranking
Adequate Yearly Progress	As measured by state in accordance with NCLB

At the end of last school year, the Piru Elementary School staff, excited after a day of Mike Mattos Training, began working, independently of FUSD, with Porterville School District, to identify key trimester Essential Standards and trimester Benchmarks with which to measure the Essential Standards. The student-friendly, core Essential Standards that PCS will use can be sent for review if requested.

Once Piru Charter School purchases Saxon Math, it will use the Saxon Program Benchmarks to ensure the Essential Standards for each trimester are measured clearly.

The PCS staff also plans to use West Ed's The Map of Standards for English Learners in identifying Essential ELD Trimester Standards at the various performance levels. PCS will work with nearby Cal Lutheran University which offers Systematic ELD staff training at a very reasonable cost.

The PCS staff is committed to using clearly identified trimester standards, appropriate benchmarks, and data driven instruction and intervention. The Charter School is also in the process of developing a Standards Based Report Card and Progress Report for each trimester reflecting standards mastery.

In the area of Project Based Learning, the charter petition specifically states how projects will be assessed. All projects will culminate in a tangible product, and, when appropriate, a public exhibition of the students' work. The expectation of having students' present their project to community members, parents, and teachers deepens student involvement and learning and is based on research by Dr. Richard Stiggins, *Student-Involved Classroom Assessment*. The PCS petition includes assessment strategies for content standards in core academics such as performance evaluations, teacher observations, personal communications, standardized testing, and student and teacher developed rubrics, and self-assessment. These assessment strategies are well differentiated for students' learning styles.

To conclude, the charter petition meets the legal standard of providing a reasonably comprehensive description of measurable pupil outcomes by articulating objective and frequent measurement of the success of the educational program proposed in the charter which provides a clear description of how learning best occurs; a framework for instructional design aligned with the needs of PCS's target population based upon successful practice and research; and a description of instructional approaches and strategies including curriculum, teaching methods, materials, and technology. The charter petition includes a description of how chosen instructional approaches will enable students to achieve objectives specified in the charter and to master academic content standards in core curriculum areas. The Charter School's academic program is strongly aligned to its mission. Furthermore, PCS clearly describes how the Charter School will identify and respond to the needs of students not achieving at expected performance levels and how it will identify and respond to the needs of students who are academically high achieving.

- 2. The petition includes performance levels for ELD, English/Language Arts, and mathematics for grades one through three only, and not for kindergarten or grades four through six. Performance levels for history/social science are also not included for grades kindergarten through six.**

The performance levels chart the County refers to in this finding is Appendix F, which was attached to the charter as a sample of the PCS Monitoring Form. A complete Monitoring Form, showing all grade levels to be served, is available upon request but is not necessary for a reasonably comprehensive description of this Element. Each line in the Form represents one student. The Form is updated each trimester. Core subject progress is included: Language Arts, ELD, and Mathematics. Other measurements such as Social Science, Science, Arts and Physical Education are detailed on report cards. This data-constructed tool will allow the Charter School to track the progress of every PCS student and help it make many important instructional decisions.

It is the Petitioners' understanding that Data Director will be available to new charter schools next year on a trial basis. The PCS team is excited about the benefits of using this program.

- 3. The petition does not include allot [sic] discreet time in the instructional schedule for school-day intervention programs, and does not include a school-wide approach to discreet intervention time.**

The County's finding here strains the boundaries of the legally required reasonably comprehensive description of the educational program the Charter School intends to offer by expecting a specific level of detail not explicitly required to be contained in a charter petition. The State Board of Education Model Application, and the Regulations which form the criteria for the review and approval of charter school petitions by the State Board of Education, include a section to describe how the proposed charter school plans to identify and meet the needs of low-achieving and high-achieving students. However, these sources are merely persuasive – not binding – authority for charter petitions submitted to school districts, and there is not a legal requirement contained in statute that mandates a school-wide approach to discreet intervention time. Charter petitions are not required to include a description of a school-wide approach to discreet intervention time, and the County does not offer a pedagogical reason why the PCS charter is not reasonably comprehensive without such a description.

Nevertheless, the Piru Charter School petition includes discreet time in the daily instructional program for intervention programs (Appendix D). The classroom schedule includes daily school-day intervention opportunities for all grade levels (K-6). Furthermore, PCS plans to use a school-wide approach to intervention based on the Ventura County RTI Model Pyramid of Interventions as described in Appendix E. The PCS performance chart, as described in Appendix F, includes an area where student interventions are documented. PCS plans to use both Glad Strategies and Systematic ELD Instruction. The Charter School is also planning to use Title I funds to pay for small group after-school intervention sessions of approximately six weeks in length. Each small group of students will be taught by regular classroom instructors in the areas of Language Arts, ELD, and Mathematics.

**4. The petition does not describe how the PCS “beliefs” regarding migrant education will be addressed or implemented in the instructional program.**

The PCS petition on pages 25-26 states that the Charter School will set high standards for migrant children and it will ensure they have equal access to a rigorous standards-based curriculum. The instructional program for migrant children will be designed to help them overcome educational disruption, cultural and language barriers, social isolation and health-related problems which are common among this group of students.

Piru Charter School has already been in contact with both County and State Migrant Educational professionals and will apply for migrant funds according to appropriate guidelines. PCS plans to have a migrant coordinator on site and will expand the current program at Piru Elementary School as PCS reaches out to offer more support than is currently offered by the District to migrant students and families. Two of the charter petitioners and one of the parent signers are former migrant students and are excited about the new opportunities that Piru Charter School will offer including: increased support in the areas of home technology, faculty mentorships, evening parent support sessions, and offsite study experiences to develop language and educational background information.

The County's findings here do not provide a factual basis for one or more of the reasons for denial pursuant to Education Code Section 47605(b). The migrant education program is just one of the components of the educational program of the PCS charter, and, together with the other

components, provides a reasonably comprehensive description of the educational program offered by the Charter School.

Governance:

**1. The petition does not indicate PCS' intent to adopt and operate under an appropriate conflict of interest policy.**

On page 40 of the charter appeal petition submitted to the County, PCS states that its Board will adopt a policy on self-dealing and conflict of interest. While the County may disagree with the type of conflict of interest policy that PCS will operate under, it is simply untrue that the petition does not indicate PCS's intent to adopt and operate under an appropriate conflict of interest policy. PCS will adopt and maintain a conflicts code in accordance with the Political Reform Act.

**2. The petition is non-compliant with Ventura CBE Board Policy 0430.4 and GC Section 1090 because the charter would permit up to 49 percent of its governing board to be "interested persons" (teachers).**

The County appears to be asserting that PCS must comply with the County's own Board policy on the composition of the Charter School's Board, without demonstrating how or why the County's policy even applies to PCS. Charter schools, by law and by design, operate *independently* from their authorizers and thus do not have to follow all policies which the authorizer set up for its own operation.

Furthermore, it is the opinion of PCS legal counsel that Government Code Section 1090 does not apply to charter schools. PCS legal counsel believes the County has reached this conclusion based upon an erroneous interpretation of the relevant law.

Pursuant to Education Code Section 47610, charter schools are exempt from "the laws governing school districts," with only a few minor exceptions, not applicable here. This Section is known as the "mega-waiver." School districts themselves are not directly governed by Government Code Section 1090. Absent Education Code Section 35233, which directs school district governing boards to comply with Government Code Section 1090, the provisions of Section 1090 would not apply to school districts.

As it is only through Education Code Section 35233 that Government Code Section 1090 applies to school districts, charter schools are necessarily exempt from Section 1090 by virtue of the "mega-waiver" described above. Since Education Code Section 35233, by its terms, does not apply to charter schools, and no other California statute states that Section 1090 applies to charter schools, there is no statute that applies Government Code Section 1090 to charter schools. The Legislature is presumed to have been aware of Education Code Section 35233 when it enacted the Charter Schools Act. It made no exception in the "mega-waiver" for Section 1090 when it adopted Education Code Section 47610, although it expressly made a number of other exceptions. Thus, Section 1090 is not applicable to charter schools.

The Ventura County Board of Education members are under the impression that Piru Charter School will be made up largely of teachers. However, there is nothing in the PCS petition that states or even implies this. The founding PCS Board Members have not been appointed yet and are not identified in the petition. The petition, on page 39, explicitly states:

“The Board of Directors, consisting of at least five members, will be drawn from the following sources and at all times will include representatives from these constituencies:

- ◆ At least one parent or legal guardian of students at PCS.
- ◆ At least two community members (appointed by the Board).
- ◆ At least one teacher.
- ◆ At least one classified staff member.
- ◆ The PCS principal will serve as a non-voting, ‘member by position’.”

Based on these rules, if there are five voting board members, only one will be teaching staff, and only one will be classified staff. Thus, two members total (or 40%) will be employees of the Charter School.

As we have stated, Government Code Section 1090 does not apply to charter schools. According to the Corporations Code, which does govern the operation of non-profit boards of directors, PCS is permitted to have up to 49% interested persons, which includes employees, on its board.

County Board members seemed concerned that while their own board is made up of a diverse group, the Piru Charter Board would not be. However, as indicated above, there will clearly be a mix of board members with various key constituencies represented. The petition also states: “The School shall seek community members with expertise in areas critical to school success including but not limited to education, school finances, fundraising, facilities, government, business, legal, and public relations,” clearly identifying the Charter School’s awareness of its need for various members of the community with different areas of expertise.

The County also expressed concern that PCS Board members would not be elected, like county and district board members. Again, charter school boards are different entities and as such are subject to different rules and regulations. Charter schools are operated as or by non-profit organizations and create their own process for selecting board members. Furthermore, the PCS petition states that some members will in fact be elected to serve. The petition explicitly states on page 40:

“The Permanent Board shall have parent representatives elected amongst the parent body (one vote per family); employee representatives will be elected amongst all employees; community members will be appointed by the Board at the time of the vacancy. The Board may choose to select a current PCS parent to serve in the Community Member capacity in the event that the Board cannot find a suitable non-parent community member.”

- 3. The petition does not clearly define the terms used regarding its governing board; the length of the term that board members will serve is unclear; and the petition does not contain a reasonably comprehensive description of the process for selection**

**and replacement of board members, conflicts of interest, and a conflict of interest policy.**

On page 40 of the charter appeal petition submitted to the County, PCS states: “Each member of the Board will serve a two-year term that is renewable for a maximum of three consecutive years.” The word “years” at the end of the sentence is a typo and should read “terms.”

While the charter petition does not discuss the selection and replacement of PCS Board members, this process will be discussed in the Charter School Board’s bylaws, to be formally adopted once the charter is approved and the Board is in place.

The concern regarding conflict of interest was addressed in item #2 above.

Dispute Resolution:

**1. The petition violates *EC 47607(d)* by imposing a “cure” period on any discussion of revocation.**

The PCS charter petition does not violate Education Code Section 47607. Instead, it adds an additional layer of process in the event of actions which could lead to revocation.

While Education Code Section 47605(b)(5)(N) requires a charter school to provide a reasonably comprehensive description of the dispute resolution process that would govern disputes between it and its authorizer relating to the provisions of its charter, the County must realize that the Charter School cannot unilaterally bind the County to a specific dispute resolution process. Consequently, it is very common for an authorizer to work with a charter school during the review process to craft the charter language, or a separate memorandum of understanding, which is amenable to both parties. Here, the County made no effort to work with the petitioners to make satisfactory changes to the petition, or to develop an MOU. PCS is amenable to working with its authorizer to develop a mutually agreeable dispute resolution process.

Additionally, it is unclear to PCS how the County’s preference regarding the language of the dispute resolution element is a factually specific finding to support one or more of the legal bases for denial under Education Code Section 47605(b).

**2. The petition creates an unenforceable arbitration provision by obligating arbitration only if it was negotiated into a contract.**

The County’s finding here is factually incorrect. The PCS charter requires nonbinding arbitration in the event that informal mediation fails to resolve a dispute between the County and the Charter School over an alleged violation, misinterpretation, or misapplication of the charter, or of any subsequent agreement between the parties that explicitly incorporates the dispute resolution process.

As above, the dispute resolution process offered in the PCS charter is entirely negotiable, and the Charter School would have been glad to negotiate with the County to achieve agreeable language.