

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

ssb-csd-jul18item06

# California State Board of EducationJuly 2018 AgendaItem #16

## Subject

Petition for Establishment of a Charter School Under the Oversight of the State Board of Education: Consideration of the Olive Grove Charter School: Orcutt/Santa Maria, which was denied by the Santa Maria Joint Union High School District and the Santa Barbara County Office of Education.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue(s)

On December 12, 2017, the Santa Maria Joint Union High School District (SMJUHSD) denied the Olive Grove Charter School: Orcutt/Santa Maria (OGCSOSM) petition to establish by a vote of five to zero.

On March 1, 2018, the Santa Barbara County Board of Education (SBCBOE) denied the appeal of OGCSOSM by a vote of five to zero.

The OGCSOSM petitioners submitted a petition on appeal to the State Board of Education (SBE) on March 15, 2018.

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

## Recommendation

The California Department of Education (CDE) recommends that the SBE hold a public hearing to approve the establishment of OGCSOSM to serve transitional kindergarten (TK) through grade twelve for a five-year term of July 1, 2018, through June 30, 2023, under the oversight of the SBE, based on the CDE’s findings pursuant to *EC* sections47605(b)(1), 47605(b)(2), 47605(b)(3), 47605(b)(4), 47605(b)(6), and *California Code of Regulations*, Title 5 (5 *CCR*) Section 11967.5.

The CDE finds that the OGCSOSM petition presents a sound educational program and is demonstrably likely to implement the intended program. The OGCSOSM petition presents a reasonably comprehensive description of most of the required elements but if approved by the SBE, OGCSOSM will need to address English learner (EL) reclassification criteria, measurable pupil outcomes, employee qualifications, suspension and expulsion procedures, and dispute resolution procedures by revisions to the petition submitted to the CDE on or before **July 31, 2018.**

The meeting notice for the June 12, 2018 Advisory Commission on Charter Schools (ACCS) meeting is located on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice061218.asp>.

## Advisory Commission on Charter Schools Recommendation

The ACCS considered the OGCSOSM petition for establishment at its June 12, 2018 meeting. The ACCS moved CDE staff recommendation to approve the OGCSOSM petition. The motion passed by a vote of seven to one, moving the CDE staff recommendation forward.

## Brief History of Key Issues

Olive Grove Charter (OGC) is an SBE-authorized charter school currently operating multiple resource centers located in Buellton, Lompoc, Orcutt, San Luis Obispo, and Santa Barbara. Four of these resource centers are located in Santa Barbara County. OGC is seeking to restructure each resource center to have its own petition and therefore be its own charter school to come into compliance with *EC* 47605(a)(1) and the *Anderson Union High School District v. Shasta Secondary Home School* (2016) 4 Cal. 262 court decision further described below.

OGCSOSM is currently operating as a resource center of OGC, which is located in the Cuyama Joint Unified School District (CJUSD) in Santa Barbara County, California. OGCSOSM is one of four petitions to establish a new charter school to come into compliance with *EC* 47605(a)(1).

The OGC-Orcutt/Santa Maria resource center is located at 5075 Bradley Road, Suite 234, Orcutt, CA 93455 within the boundaries of SMJUHSD in Santa Barbara County, but authorized by the CJUSD.

OGC petitioned the SMJUHSD, the school district where the resource center is physically located, and subsequently the SBCBOE, to be compliant with *EC* 47605(a)(1) and the *Anderson Union High School District v. Shasta Secondary Home School* (2016) 4 Cal. 262 court decision regarding the location of resource centers for independent study programs.

The OGCSOSM petition proposes to establish a TK through grade twelve independent/home study (IS) school under the governance of Olive Grove Charter School, Inc. (OGCS, Inc.), a California nonprofit 503(c)(3) public benefit corporation.

## CDE Staff Review

OGCSOSM submitted a petition on appeal to the CDE on March 15, 2018. In considering the OGCSOSM petition, CDE staff reviewed the following:

* OGCSOSM petition (Attachment 3 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a3.pdf>).
* Educational and demographic data of schools where pupils would otherwise be required to attend (Attachment 2 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a2.docx>).
* OGCSOSM budget and financial projections and budget narrative (Attachments 4, 5 and 15 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a4.pdf>, <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a5.pdf>, and <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a15.pdf>).
* Board agendas and resolution from the SMJUHSD regarding the denial of the OGCSOSM petition (Attachments 6 and 7 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a6.pdf> and <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a7.pdf>).
* Findings from the SBCBOE (Attachment 8 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a8.pdf>).
* OGCS, Incorporated Articles of Incorporation (Attachment 10 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a10.pdf>).
* OGCS, Incorporated Board Policies (Attachment 11 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a11.pdf>).
* OGCS 2017–18 English Learner Master Plan (Attachment 12 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a12.pdf>).
* OGCS 2017–18 Employee Handbook (Attachment 13 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a13.pdf>).
* OGCS 2017–18 Bylaws (Attachment 14 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a14.pdf>).
* OGCSOSM Updated Budget Narrative (Attachment 15 of Agenda Item 06 on the June 12, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item06a15.pdf>).

## History as an SBE-Authorized Charter School

### Fiscal History

OGC has a good financial record under SBE authorization. OGC’s Fiscal Year (FY) 2017–18 first interim report indicates that OGC is projecting a fund balance of $609,213 and reserves of 10.07 percent, which is above the recommended 5 percent in reserves outlined in the Memorandum of Understanding (MOU) between OGC and the SBE.

The CDE reviewed audited financial data from the 2016–17 audit report that reflected an unqualified status and unqualified audit opinion with no significant audit findings noted. An unqualified opinion means that the auditor has opined that the charter school’s financial statements are fairly presented, are free of material misstatements, and have been prepared in accordance with generally accepted accounting principles. In addition, OGC has a current enrollment of 710 pupils, which is approximately two times the stated enrollment in the petition.

### Academic History

OGC was approved for Dashboard Alternative School Status (DASS) in the fall of 2017. The CDE contacted the Executive Director of OGC on February 15, 2018, informing OGC that the schoolwide percent of pupils not meeting state standards in mathematics exceeded the statewide average by greater than 15 percent. The Executive Director stated that their nonclassroom-based model allowed individual intervention, and that OGC was committed to raising the achievement of the low-performing pupils by adjusting instruction to target academic deficits.

The CDE conducted a site visit in May 2018 and found that the charter school is in compliance with the MOU and the OGC petition.

## Sound Educational Program

The OGCSOSM petition proposes to establish a TK through grade twelve IS school under the governance of OGCS, Inc., for parents and pupils seeking an alternative educational option. The OGCSOSM petition explains that pupils attending OGCSOSM will participate in an IS, blended learning environment with the parent as the primary deliverer of the educational program with OGCSOSM providing guidance, support, assistance, and resource materials to enable parents to meet the individual academic needs of their pupil. OGCSOSM is proposing to preserve the current educational program delivered at the OGC-Orcutt/Santa Maria resource center.

Additionally, OGCSOSM intends to update the program’s use of technology, provide additional support, and increase enrichment activities to enhance the current educational offerings. Pupils and their parents in grades TK through grade eight will meet on a weekly basis with an IS teacher. Pupils and their parents in grades nine through twelve will meet once a month with their IS teacher and the pupil will meet individually with his/her teacher on a weekly basis. Parents will be responsible to monitor daily learning and will certify the monitoring by signing a weekly affidavit. In addition, parents will sign personalized learning plans to record pupil progress.

Each pupil’s educational program is individualized depending upon interests and ability levels to ensure the optimal rate and level of learning. Pupils can utilize textbooks, computerized learning courses, supplementary materials, small group support classes, large group programs, and audio and visual technology to facilitate learning.

## Ability to Successfully Implement the Intended Program

### Fiscal Analysis

The CDE concluded that the OGCSOSM projected budget is marginally viable due to ending fund balances of $22,152; $45,930; and $68,740 with minimal reserves of 1.1, 1.9, and 2.6 percent for FY 2018–19 to 2020–21, respectively. The CDE notes that if OGCSOSM is approved by the SBE, the OGCSOSM Board will need to submit a balanced budget with five percent reserve to the CDE on or before **June 30, 2018.**

### Budget

The OGCSOSM multi-year projected budget includes the following projected pupil enrollment (Attachment 4):

* 200 kindergarten through grade twelve in 2018–19
* 220 kindergarten through grade twelve in 2019–20
* 242 kindergarten through grade twelve in 2020–21
* 267 kindergarten through grade twelve in 2021–22
* 294 kindergarten through grade twelve in 2022–23

## District and County Office of Education Findings

### December 12, 2017, SMJUHSD Findings

On December 12, 2017, the SMJUHSD denied the OGCSOSM petition based on the following findings (Attachment 7):

* The petitioners are demonstrably unlikely to successfully implement the intended program (47605[b][2])
	+ The petitioners have presented an unrealistic financial and operational plan
* The petition does not provide a reasonably comprehensive description of the educational program and governance (47605[b][5][A])

### March 1, 2018, Santa Barbara County Office of Education Findings

On March 1, 2018, the SBCBOE denied the OGCSB petition on appeal based on the following findings (Attachment 8):

* The petitioners are demonstrably unlikely to successfully implement the intended program (47605[b][2])
* The petition does not provide a reasonably comprehensive description of the educational program, measurable student outcomes, governance, employee qualifications, and suspension and expulsion procedures (47605[b][5][A])

## Summary of Previous State Board of Education Discussion and Action

Currently, 35 charter schools operate under SBE authorization as follows:

* One statewide benefit charter, operating a total of six sites
* Seven districtwide charters, operating a total of 18 sites
* 27 charter schools, authorized on appeal after local or county denial

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

## Fiscal Analysis (as appropriate)

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

## Attachment(s)

* **Attachment 1:** California State Board of Education Standard Conditions on Opening and Operation (4 Pages)