

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

ssb-csd-jul18item10

# California State Board of EducationJuly 2018 AgendaItem #22

## Subject

Petition for the Establishment of a Charter School Under the Oversight of the State Board of Education: Consideration of Latitude 37.8 High School, which was denied by the Oakland Unified School District and the Alameda County Board of Education.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue(s)

On August 23, 2017, the petitioners submitted the Latitude 37.8 High School (LAT 37.8) petition to the Oakland Unified School District (OUSD). On November 8, 2017, the OUSD voted to deny the petition of LAT 37.8 by a vote of six to one.

On November 20, 2017, the petitioners submitted the LAT 37.8 petition appeal to the Alameda County Office of Education (ACOE). On February 13, 2018, the Alameda County Board of Education (ACBOE) voted to deny the petition of LAT 37.8 by a vote of seven to zero.

The LAT 37.8 petitioners submitted a petition on appeal to the State Board of Education (SBE) on March 29, 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 request to establish LAT 37.8, a grade nine through grade twelve charter school, under the oversight of the SBE, based on the CDE’s findings pursuant to *EC* sections47605(b)(2), and 47605(b)(5), and *California Code of Regulations*, Title 5 (5 *CCR*) Section 11967.5.1.

The CDE finds that the LAT 37.8 petitioners have a sound educational program and the petitioners are demonstrably likely to implement the program set forth in the petition, provided they secure funding as stated in the petition.

The CDE recommends the following conditions to be met as outlined and prior to Latitude opening for operation in 2018–19:

* The Latitude Board will provide the CDE with verifiable and substantive evidence that Latitude has received the funding anticipated from each of the commitment letters identified in the petition and updated financial projections and;
* The Latitude Board will provide the CDE with a revised 2018–19 budget, with complete narrative and assumptions.

The CDE finds that the LAT 37.8 petition does provide a reasonably comprehensive description of most of the required elements. If approved by the SBE, updates would be needed to clarify governance structure and to reflect new laws in admissions and expulsion and suspension procedures.

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 LAT 37.8 petition for establishment at its June 12, 2018 meeting. The ACCS moved CDE staff recommendation to approve the LAT 37.8 petition. The motion passed by six votes with one abstention.

## Brief History of Key Issues

The LAT 37.8 petition was denied by OUSD on November 8, 2017 and by ACBOE on February 13, 2018.

## CDE Staff Review

In considering the LAT 37.8 petition, CDE staff reviewed the following:

* LAT 37.8 Petition (Attachment 3 of Agenda Item 10 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-jun18item10a3.pdf>).
* Educational and demographic data of schools where pupils would otherwise be required to attend (Attachment 2 of Agenda Item 10 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-jun18item10a2.docx>).
* LAT 37.8 Budget, Financial Projections, and Narrative (Attachment 4 of Agenda Item 10 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-jun18item10a4.pdf>).
* Letter Dated March 27, 2018, Charter Renewal Petition Appeal to SBE for LAT 37.8 Cover Letter (Attachment 5 of the Agenda Item 10 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-jun18item10a5.pdf>).
* Letter Describing Changes to the LAT 37.8 Petition Necessary for Appeal to State Board of Education (Attachment 6 of the Agenda Item 10 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-jun18item10a6.pdf>).
* OUSD Findings of Fact and Petitioner’s Response (Attachment 7 of Agenda Item 10 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-jun18item10a7.pdf>).
* ACOE Findings of Fact and Petitioner’s Response (Attachment 8 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a8.pdf>).
* Education for Change (EFC) Articles of Incorporation, Bylaws, and Conflict of Interest Code (Attachment 9 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a9.pdf>).
* Biographies of EFC Board Directors (Attachment 10 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a10.pdf>).
* Job Descriptions (Attachment 11 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a11.pdf>).
* EFC Employee Handbook (Attachment 12 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a12.pdf>)
* Sample EFC Safety Plan (Attachment 13 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a13.pdf>).
* LAT 37.8 Community Engagement and Recruitment Plan (Attachment 14 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a14.pdf>).
* EFC Organization Charts (Attachment 15 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a15.pdf>).
* EFC Independent Auditor’s Report and Financial Statements 2014, 2015, and 2016 (Attachment 16 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a16.pdf>).
* Proposed LAT 37.8 Calendar 2018–19 (Attachment 17 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a17.pdf>).
* Student Schedule Examples (Attachment 18 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a18.pdf>).
* EFC Student Support Services Staffing Diagram (Attachment 19 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a19.pdf>).
* Sample EFC Interventions Plan (Attachment 20 of Agenda Item 10 on the June 12, 2018, Meeting Notice on the SBE ACCS web page <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun18item10a20.pdf>).

## Educational Program

LAT 37.8, an EFC school, proposes to enroll 50 pupils in grade nine in year one, 2018–19, and grow to serve 320 pupils in grade nine through grade twelve in year five, 2022–23. The petition states that LAT 37.8 graduates will have the personal agency, essential competencies, and integrated identity necessary to be prepared for a meaningful and productive life. LAT 37.8’s mission is to facilitate self-directed, passion-driven learning that leverages the assets and resources of the city to provide pupils with a personalized and authentic learning experience. The petition states that LAT 37.8’s planned approaches to school mission and culture, teaching and learning, pupil agency and engagement, and to networks and partnerships, is a single integrated approach that is driven by the design principles of personalization, relevance, integration, and creativity, which become the four pillars of the LAT 37.8 pupil learning experience (Attachment 3, pp. 23–103).

## Ability to Implement the Program

### Fiscal Analysis

The LAT 37.8 multi-year projected budget includes the following projected pupil enrollment (Attachment 4):

* 50 grade nine in 2018–19
* 100 grade nine through grade ten in 2019–20
* 190 grade nine through grade eleven in 2020–21
* 280 grade nine through grade twelve in 2021–22
* 320 grade nine through grade twelve in 2022–23

The CDE finds the petitioners are demonstrably likely to implement the program set forth in the petition, provided they secure funding described below.

The CDE’s initial review concluded that the multi-year financial plan is not fiscally viable due to the negative ending fund balances of $809,098; $1,025,576; and $1,029,949 with no reserve for fiscal year (FY) 2018–19 to 2020–21, respectively.

The review excluded the following revenue:

* Measure N and Measure G1 funding is only available to district approved charter schools in Oakland. Therefore, this funding is not available to LAT 37.8 and the CDE excludes $51,062; $241,000; and $305,035 from the budget analysis.
* Public Charter Schools Grant Program (PCSGP) funding of $575,000. The PCSGP grant is not a guaranteed source of funding; therefore, the CDE excludes it from the budget analysis.
* The LAT 37.8 multi-year projected budget includes the philanthropic revenue of $200,000 from the Walton Foundation in the planning year, FY 2017–18. The philanthropic revenue is soft funding and LAT 37.8 did not provide supporting documentation; therefore, the CDE excludes the funding from the budget analysis.

However, upon submitting the appeal to the SBE, the petitioner updated their financial projection eliminating Measure N and Measure G1, the two local funding sources available to district-approved charter schools in Oakland. The petitioner also has secured a commitment from the EFC Home Office totaling $290,000 to compensate for the potential loss of the PCSGP revenue and submitted letters of commitment totaling over $1 million.

The petitioner will be using space at the current EFC facility, Epic Middle School, to house the 50 students in the program for the first year, 2018–2019.

## District and County Office of Education Findings

### November 8, 2017, OUSD Findings

On November 8, 2017, the OUSD denied the LAT 37.8 petition based on the following written findings (Attachment 7):

* The petition does not contain reasonably comprehensive descriptions of all of the charter elements set forth in the petition.

### February 13, 2018, ACOE Findings

On February 13, 2018, the ACBOE denied the LAT 37.8 petition on appeal without written factual findings setting forth specific facts to support a denial as required by *EC* Section 47605(b). The ACOE’s review team’s analysis of the LAT 37.8 petition found that the petition contained the appropriate signatures, adequate required assurances, and reasonably comprehensive descriptions of most of the 15 elements and supplemental areas (Attachment 8, p. 2).

## 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)