

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

ssb-csd-sep18item04

# California State Board of EducationSeptember 2018 AgendaItem #15

## Subject

Perseverance Preparatory School: Consider a Material Revision of the Charter to Change from Opening 2018–19 to 2019–20.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue(s)

Perseverance Preparatory School (PPS), a State Board of Education (SBE)-authorized charter school, is seeking a material revision of its charter to postpone opening until 2019–2020 because it was unable to secure a facility to open as originally proposed for the 2018–19 school year.

PPS was approved by the SBE on January 19, 2018, as a grade five through grade eight school for a five-year term effective July 1, 2018, through June 30, 2023, with the following conditions:

* By January 30, 2018, provide evidence that the PPS Board has accepted the SBE conditions of authorization. The California Department of Education (CDE) notes that PPS provided this documentation on January 30, 2018. The CDE notes that this condition has been met.
* By February 15, 2018, the PPS Board will provide the CDE with a revised charter petition containing the necessary changes needed to reflect the SBE as the authorizing entity. The CDE notes that this condition has been met.
* By May 15, 2018, the PPS Board will provide the CDE with verifiable and substantive evidence that PPS has received the funding anticipated from Silicon Schools Fund. The CDE notes that this condition has been met.
* By May 15, 2018, the PPS Board will provide the CDE with a fully executed facility lease agreement. The CDE notes that this condition has not been met.
* By June 15, 2018, the PPS Board will provide the CDE with a revised 2018–19 budget, with complete narrative and assumptions. The CDE notes that this condition has been met.

On May 29, 2018, the CDE received a submission for a material revision to delay the opening of PPS by one year due to PPS’s inability to secure facilities by the CDE deadline.

The meeting notice for the August 14, 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/accsnotice081218.asp>.

## Recommendation

The CDE proposes to recommend that the SBE hold a public hearing to approve the request for the material revision of the PPS petition to change from opening 2018–19 to 2019–2020, 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 *Education Code* (*EC*) sections 47605(b)(1), 47605(b)(2), 47605(b)(3), 47605(b)(4) 47605(b)(5), 47605(b)(6) and *California Code of Regulations*, Title 5, Section 11967.5.1.

The CDE finds that the PPS petition is consistent with sound educational practice and the petitioners are demonstrably likely to successfully implement the intended program.

The CDE finds that that the PPS petition does provide a reasonably comprehensive description of most of the required elements. If approved by the SBE, as a condition for approval, the PPS petitioner will be required to revise the petition and include the necessary language for the following required charter elements: measurable pupil outcomes (MPOs) and suspension and expulsion procedures.

## Educational Program

The PPS revised petition states that PPS will use a slow-growth model to fulfill the pupil enrollment over a span of three years, beginning with 128 pupils in grade five in the first year of operation in 2019−2020 and completing articulation of 512 pupils through grade eight in 2022−23. PPS will not serve pupils during the 2018–19 school year and will use this as a planning year (Attachment 3, p. 22). The PPS petition ensures that its graduates will be equipped with twenty-firstcentury skills and knowledge for a life of scholarly success and ethical leadership (Attachment 3, p. 32). The PPS petition includes a sample of the daily pupil class schedule, including time specifically focused on the four core curriculum areas adopted by the SBE, pursuant to *EC* Section 60605 (Attachment 3, pp. 30−31).

## Advisory Commission on Charter Schools Recommendation

The ACCS considered the request for a material revision of the PPS charter petition at its August 14, 2018, meeting. The ACCS moved CDE staff recommendation to approve the request for a material revision of the PPS charter petition. The motion passed unanimously.

## Ability to Successfully Implement the Intended Program

The CDE finds that the PPS petitioner is demonstrably likely to implement the intended program as the petitioner has presented a realistic financial and operational plan for the proposed charter school.

### Fiscal Analysis

The CDE concludes that the PPS multi-year financial plan is fiscally viable due to the positive ending fund balances of $137,220; $297,769; and $926,717 with reserves of 10.2, 11.3, and 24.7 percent for fiscal years (FYs) 2019–2020 through 2021–22, respectively.

### Budget

The PPS multi-year projected budget includes the following:

* A planning year in 2018–19
* 128 grade five pupils in 2019–2020
* 256 grade five to six pupils in 2020–21
* 384 grade five to seven pupils in 2021–22
* 512 grade five to eight pupils in 2021–22 and 2022–23

In addition, the PPS includes fundraising of $230,000 at the startup year in 2018–19, and $30,000 for each FY 2019–2020 through 2021–22. The fundraising is a soft funding; therefore, the CDE excluded it from the budget. However, PPS is fiscally viable without this revenue.

### Facility

The PPS petition states that PPS intends to locate within either the 95112 or 95126 zip code in the San Jose Unified School District (SJUSD), and that PPS may seek the support of SJUSD in securing a district-owned facility through the annual presentation of a Proposition 39 (Prop 39) request and/or under a separately negotiated long-term lease arrangement. The PPS petition states that if PPS is not able to acquire a suitable facility through Prop 39, PPS may seek to rent or purchase a facility. During the
2018–19 planning year, the PPS Board of Directors will select a Facilities Search Team to evaluate options. Additionally, the PPS petition states that PPS may apply for facilities financing assistance, such as the Charter School Facilities Grant Program and/or the state-administered Charter School Facilities Incentive Grants such as Senate Bill 740, dependent upon eligibility determined by the PPS percentage of socio-economically disadvantaged pupils (Attachment 3, p. 29 and pp. 151–152).

The petition states that in PPS’s opening year, PPS’s facilities requirements include, but are not limited to, the following (Attachment 3, pp. 151−153):

* 15,030 square feet of classroom and indoor space for a minimum of the following:
	+ Four classrooms (10,880 square feet)
	+ Three offices (300 square feet)
	+ Bathrooms for boys, girls, and staff (600 square feet)
	+ Multi-purpose room (2,500 square feet)
	+ Staff room (750 square feet)
	+ One acre of outdoor space

## Brief History of Key Issues

PPS was approved by the SBE on January 19, 2018, as a grade five through grade eight school for a five-year term effective July 1, 2018, through June 30, 2023.

On May 29, 2018, the CDE received a submission for a material revision to delay the opening of PPS by one year due to PPS’s inability to secure facilities.

## CDE Staff Review

In considering the PPS petition, CDE staff reviewed the following:

* PPS Petition (Attachment 3 of Agenda Item 03 on the August 14, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug18item04a3.pdf>).
* Educational and demographic data of schools where pupils would otherwise be required to attend (Attachment 2 of Agenda Item 03 on the August 14, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug18item04a2.xlsx>).
* PPS Budget, Financial Projections, and Narrative (Attachment 4 of Agenda Item 03 on the August 14, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug18item04a4.pdf>).
* Letter Dated June 4, 2018, Regarding Perseverance Preparatory School Material Revision (Attachment 5 of Agenda Item 03 on the August 14, 2018, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug18item04a5.pdf>).

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

Currently, 40 charter schools operate under SBE authorization as follows:

* One statewide benefit charter, operating a total of seven sites
* Seven districtwide charters, operating a total of 18 sites
* 32 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.

## Attachments

* **Attachment 1:** California Department of Education Charter School Petition Review Form: Perseverance Preparatory School (41 Pages)
* **Attachment 2:** California State Board of Education Standard Conditions on Opening and Operation (4 Pages)