

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

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# California State Board of EducationMarch 2019 AgendaItem #18

## Subject

Renewal Petition for the Establishment of a Charter School Under the Oversight of the State Board of Education: Consideration of Magnolia Science Academy-Santa Ana, which was denied by the Santa Ana Unified School District.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue(s)

The Magnolia Science Academy-Santa Ana (MSA-SA) is currently a State Board of Education (SBE)-authorized charter school, with a charter term that expires June 30, 2019.

Pursuant to California *Education Code* (*EC*) Section 47605(k)(3), which requires an SBE-authorized charter school to submit a renewal petition to the authority that originally denied the charter, MSA-SA submitted a renewal petition to the Santa Ana Unified School District (SAUSD) on August 2, 2018. On October 9, 2018, the SAUSD denied the renewal petition by a vote of four to one.

If a governing board of a school district denies a renewal petition for an SBE-authorized charter school*, EC* Section 47605(k)(3) permits the charter school to submit the renewal petition directly to the SBE.

The MSA-SA petitioner submitted a petition on appeal to the SBE on November 19, 2018.

## Recommendation

The California Department of Education (CDE) recommends that the SBE hold a public hearing to approve the request to renew MSA-SA, a transitional kindergarten (TK) through grade twelve charter school, under the oversight of the SBE, based on the CDE’s findings pursuant to *EC* sections47605(b), and *California Code of Regulations*, Title 5 (5 *CCR*) Section 11967.5.1.

The CDE finds that the MSA-SA petition is consistent with sound educational practice and does perform, overall, at least equal to its comparable district schools where the majority of MSA-SA pupils would otherwise attend.

Additionally, the CDE finds that the MSA-SA is demonstrably likely to implement the program set forth in the petition, is fiscally viable, and does provide reasonably comprehensive descriptions of the required 15 elements.

## Advisory Commission on Charter Schools Recommendation

The Advisory Commission on Charter Schools (ACCS) considered the MSA-SA petition for renewal at its February 5, 2019, meeting. The ACCS moved CDE staff recommendation to approve the MSA-SA petition. The motion passed unanimously.

The meeting notice for the February 5, 2019, ACCS meeting is located on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice020519.asp>.

## Brief History of Magnolia Public Schools and MSA-SA

MSA-SA is operated by Magnolia Public Schools (MPS), a California non-profit public benefit corporation, pursuant to California law. MPS has served pupils for over twenty years and currently operates 10 schools, including MSA-SA, with almost 4,000 pupils in grades TK through twelve.

* Magnolia Science Academy, Reseda, CA
* Magnolia Science Academy 2, Van Nuys, CA
* Magnolia Science Academy 3, Carson, CA
* Magnolia Science Academy 4, Los Angeles, CA
* Magnolia Science Academy 5, Reseda, CA
* Magnolia Science Academy 6, Los Angeles, CA
* Magnolia Science Academy 7, Northridge, CA
* Magnolia Science Academy Bell, Bell, CA
* Magnolia Science Academy San Diego, San Diego, CA
* Magnolia Science Academy Santa Ana, Santa Ana, CA

The mission and vision of MPS is to provide a college preparatory educational program emphasizing science, technology, engineering, art, and math (STEAM) in a safe environment that cultivates respect for self and others by offering a comprehensive learning experience through site-based instruction, hands-on learning, and foundation skills that are relevant and inspiring (Attachment 3, p. 11).

The MSA-SA petition states that MPS has successfully provided science, technology, engineering, and math (STEM) programs in the Los Angeles area since August 1997 and went on to successfully replicate the educational program and philosophy at 10 charter schools in California. MPS strives to graduate pupils who come from historically underserved neighborhoods as scientific thinkers that contribute to the global community as socially responsible and educated members of society (Attachment 3,
p. 11).

Upon SBE approval in 2014, MSA-SA operated in a temporary facility serving 170 pupils in grade six through grade twelve. In 2016–17 MSA-SA built a private facility within the SAUSD to serve 1,100 pupils in TK through grade twelve. This action resulted in tripling the enrollment of MSA-SA within one year.

MSA-SA’s TK through grade twelve program is currently located within SAUSD on a private facility located at 2840 West 1st St., Santa Ana (Attachment 3, p. 10).

### Educational Program

MSA-SA currently serves 670 pupils in TK through grade twelve. The petition describes an instructional design that is based on three pillars: Academic Excellence, Innovation, and Connection (Attachment 3, pp. 57–94). MSA-SA will work with pupils continuously from TK through grade twelve serving pupils in a classroom-based school setting. The MSA-SA petition states that all curricula is based on the California state standards, including the Common Core State Standards (CCSS), and the Next Generation Science Standards. Teachers use the state-published Frameworks for Instructional Design in developing curriculum pacing and lesson plans (Attachment 3, p. 64).

### Renewal Criteria

*EC* Section 47607 sets forth grounds for denying a renewal petition.

1. The authority that granted the charter shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor determining whether to grant a charter renewal.
2. The entity that granted the charter determines that the academic performance of the charter school is at least equal to the academic performance of the public schools that the charter school pupils would otherwise have been required to attend, as well as the academic performance of the schools in the school district in which the charter school is located, taking into account the composition of the pupil population that is served at the charter school.

MSA-SA does perform, overall, at least equal to its comparable district schools where the majority of MSA-SA pupils would otherwise attend.

#### CDE’s Review of Renewal Criteria Under *EC* Section 47607

The CDE has determined that the California Assessment of Student Performance and Progress (CAASPP) data demonstrates that MSA-SA does perform at least equal to the schools where the pupils would otherwise be required to attend for all pupils schoolwide and among significant subgroups pursuant to *EC* Section 47607.

The following table reflects the CAASPP data from 2015–16, 2016–17, and 2017–18 in English language arts (ELA) and mathematics for MSA-SA. Although the results decreased from 2015–16 to 2016–17 due to the school adding grades TK–5, MSA-SA results increased in comparison to the surrounding schools where the pupils would otherwise attend. MSA-SA scores remain comparable to the surrounding schools.

**CAASPP Results for CDE-chosen Comparable Schools (Percent Meets/Exceeds Standards)**

| School/District | 2015–16 ELA | 2015–16 Math | 2016–17 ELA | 2016–17 Math | 2017–18 ELA | 2017–18 Math |
| --- | --- | --- | --- | --- | --- | --- |
| **MSA-SA** | 73 | 46 | 47.14 | 32.5 | 41.78 | 26.4 |
| **Abraham Lincoln Elementary** | 19 | 22 | 16.41 | 22.17 | 22.35 | 21.66 |
| **El Sol Santa Ana Science and Arts Academy** | 52 | 44 | 56.03 | 48.4 | 55.5 | 48.29 |
| **Lorin Griset Academy** | 1 | 0 | 2.27 | 0 | 3.19 | .63 |
| **Nova Academy** | 78 | 30 | 73.42 | 21.52 | 70 | 28 |
| **Spurgeon Intermediate** | 17 | 9 | 14.52 | 5.83 | 14.61 | 7.52 |
| **SAUSD** | 28 | 23 | 27.8 | 22.41 | 29.84 | 23.97 |

#### MSA-SA’s Review of Renewal Criteria Under *EC* Section 47607

**2016–17 CAASPP Results for MSA-SA-chosen Comparable Schools (Percent Meets/Exceeds Standards)**

MSA-SA has determined that in ELA, 39 percent of elementary pupils Met/Exceeded standards and MSA-SA outperformed 18 out of 20 comparison schools. MSA-SA also determined that in math, 29 percent of elementary pupils Met/Exceeded standards and MSA-SA outperformed 16 out of 20 comparison schools.

| Elementary School | 2016–17 ELA | 2016–17 Math |
| --- | --- | --- |
| MSA-SA - Elementary | 39 | 29 |
| Abraham Lincoln Elementary | 16 | 22 |
| Andrew Jackson Elementary | 24 | 24 |
| Carl Harvey Elementary | 24 | 26 |
| Diamond Elementary | 29 | 28 |
| Edward Russell Elementary | 21 | 15 |
| Fremont Elementary | 14 | 14 |
| Greenville Fundamental Elementary | 45 | 44 |
| Heroes Elementary | 22 | 15 |
| Jefferson Elementary | 29 | 33 |
| Jim Thorpe Fundamental | 62 | 53 |
| Jose Sepulveda Elementary | 21 | 16 |
| Lowell Elementary | 20 | 19 |
| Manuel Esqueda Elementary - Elementary | 18 | 24 |
| Martin Luther King Jr. Elementary | 18 | 18 |
| Martin R. Heninger Elementary - Elementary | 24 | 25 |
| Monte Vista Elementary | 15 | 11 |
| Pico Pico Elementary | 29 | 29 |
| Santiago Elementary - Elementary | 35 | 28 |
| Wallace R. Davis Elementary | 17 | 19 |
| Wilson Elementary | 24 | 25 |

MSA-SA has determined that at the middle grade levels, MSA-SA pupil performance is even higher, with 57 percent of MSA-SA’s grade 6–8 pupils who Met/Exceeded standards in ELA and 37 percent in math; these rates are both higher than eight out of nine comparison schools.

| Middle School | 2016–17 ELA | 2016–17 Math |
| --- | --- | --- |
| MSA-SA - Middle | 57 | 37 |
| Manuel Esqueda Elementary - Middle | 21 | 12 |
| Martin R. Heninger Elementary - Middle | 24 | 21 |
| Orange County School of the Arts - Middle | 91 | 84 |
| Santa Ana High School | 29 | 9 |
| Santiago Elementary - Middle | 40 | 24 |
| Spurgeon Intermediate | 15 | 6 |
| Theodore Roosevelt Elementary - Middle | 13 | 17 |
| Vista Heritage Charter Middle | 20 | 11 |
| Willard Intermediate | 18 | 7 |

MSA-SA has determined that in math, 45 percent of MSA-SA grade eleven pupils Met/Exceeded standards, above all the comparison schools, except two with academically selective admissions.

The CDE notes that the 2016–17 MSA-SA grade eleven data for ELA was not published due to only 10 students having complete test results.

| High School | 2016–17 Math |
| --- | --- |
| MSA-SA - High | 45 |
| Cesar E. Chavez High | 1 |
| Hector G. Godinez | 38 |
| Lorin Griset Academy | 1 |
| Middle College High School | 54 |
| Orange County School of the Arts - High | 67 |
| Santa Ana High School - High | 9 |
| Segerstrom High | 29 |
| Valley High | 11 |

#### SAUSD’s Review of Renewal Criteria and Analysis

SAUSD cited examples of disparities in MSA-SA’s state achievement data for elementary and middle school pupils and English Learners (ELs) in ELA and mathematics; however, the SAUSD staff report did not include comparable school data for the last four years that MSA-SA has been in operation. The SAUSD staff report concluded that the MSA-SA petition presents an unsound educational program pursuant to *EC* section 47605(b)(1). The CDE has determined that SAUSD did not consider whether the overall academic performance of the MSA-SA pupils in grades three through grade eight and grade eleven is at least equal to the academic performance of the public schools that pupils would have otherwise been required to attend and SAUSD comparable schools as required under *EC* section 47607.

SAUSD’s review and analysis noted that the MSA-SA petition is not consistent with sound educational practice based on the following findings: unsound educational program, demonstrably unlikely to successfully implement the program, and the petition does not contain reasonably comprehensive descriptions of all of the required elements, which outweigh any increases in pupil academic achievement for all groups of pupils served by MSA-SA, even considering such increases as the most important factor (Attachment 6, p. 3).

After reviewing the information presented by SAUSD, the CDE has determined that SAUSD’s review and analysis of the pupil achievement data pursuant to *EC* sections 47607(b) and 52052(f) was not comprehensive, and that SAUSD did not consider increases in pupil academic achievement for all groups of pupils served by MSA-SA as the most important factor in determining whether to grant MSA-SA’s renewal request.

#### CDE’s Review of Renewal Criteria Under *EC* Section 52052– Alternative Measures

The CDE also considered *EC* Section 52052 in its review of MSA-SA’s petition. The Academic Performance Index has not been calculated as of the 2013–14 school year. In such a case, *EC* Section 52052(f), provides for the following in determining whether a charter is meeting legislative and/or programmatic requirements:

* Alternative measures that show increases in pupil academic achievement for all groups of pupils schoolwide and among numerically significant pupil subgroups shall be used.

Because MSA-SA met the renewal criteria pursuant to *EC* Section 47607, an analysis of alternative measures pursuant to *EC* Section 52052 is unnecessary. Nevertheless, the CDE reviewed the alternative measures information provided by MSA-SA. The alternative measures proposed by MSA-SA (EL Reclassification Rates, Graduation Rates, A-G Completion rates, Advanced Placement Exam Scores, Average Daily Attendance Percentages, Suspension and Expulsion Rates, and the California Charter School Association Accountability Framework) reflect increases in pupil academic achievement for all groups of pupils schoolwide and among significant subgroups pursuant to *EC* Section 52052(f). However, the data presented by MSA-SA relies on assessments for which the CDE lacks independent confirmation of their reliability, validity, fairness, and alignment.

## Charter Elements

The CDE finds that the MSA-SA petition does provide a reasonably comprehensive description of the 15 required charter elements (Attachment 3, pp. 10–215).

## Ability to Successfully Implement the Intended Program

The CDE finds that the MSA-SA 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 MSA-SA multi-year projected budget includes the following projected pupil enrollment (Attachment 4):

* 796 TK through grade twelve in 2019–2020
* 837 TK through grade twelve in 2020–21
* 877 TK through grade twelve in 2021–22
* 895 TK through grade twelve in 2022–23
* 895 TK through grade twelve in 2023–24

MSA-SA has maintained a good financial standing under SBE authorization throughout its four years. The MSA-SA fiscal year (FY) 2018–19 first interim report indicates that MSA-SA is projecting a positive ending fund balance of $7,504,794 and reserves of 85.21 percent, which is above the recommended 5 percent in reserves outlined in the Memorandum of Understanding (MOU) between MSA-SA and the SBE.

The CDE reviewed audited financial data from the 2017–18 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.

The CDE concluded that the MSA-SA projected budget is viable due to the positive ending fund balances of $7,649,683; $7,653,640; and $7,784,456, with reserves of 76.5, 71.2, and 67.6 percent for FYs 2019–2020 through 2021–22, respectively.

## Past History Under SBE Authorization

MSA-SA has a record of educational, financial, and governance success over its five years in operation. The CDE finds that MSA-SA implements the program as described in the current charter petition and the school leadership provides regular updates to CDE staff, both formally and informally. MSA-SA is in compliance with the MSA-SA petition and the MOU between the charter and the SBE. MSA-SA has appropriately responded to all letters of concern from the CDE and corrected any needed actions as recommended. The CDE has determined that the MSA-SA responses to concerns were sufficient.

## CDE Staff Review

* In considering the MSA-SA petition, CDE staff reviewed the following:
* MSA-SA Petition (Attachment 3 of Agenda Item 05 on the February 5, 2019, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-feb19item05a3.pdf>).
* Educational and demographic data of schools where pupils would otherwise be required to attend (Attachment 2 of Agenda Item 05 on the February 5, 2019, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-feb19item05a2.xlsx>).
* MSA-SA Budget and Financial Projections (Attachment 4 of Agenda Item 05 on the February 5, 2019, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-feb19item05a4.pdf>).
* Letter Dated November 19, 2018, Description of Changes to the MSA-SA Charter Petition Necessary to Reflect the SBE as the Authorizing Entity (Attachment 5 of Agenda Item 05 on the February 5, 2019, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-feb19item05a5.pdf>).
* SAUSD Board of Education October 9, 2018, Resolution Denying the Renewal, and Petitioner’s Response (Attachment 6 of Agenda Item 05 on the February 5, 2019, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-feb19item05a6.pdf>).
* MSA-SA Articles of Incorporation and Bylaws (Attachment 7 of Agenda Item 05 on the February 5, 2019, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-feb19item05a7.pdf>).
* MSA-SA Appendices and Attachments (Attachment 8 of Agenda Item 05 on the February 5, 2019, Meeting Notice on the SBE ACCS web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-feb19item05a8.pdf>).

## SAUSD Findings

On October 9, 2018, SAUSD denied the MSA-SA petition based on the following findings (Attachment 6, pp. 3–10):

* The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.
* The petitioner is demonstrably unlikely to successfully implement the program presented in the petition.
* The petition does not contain reasonably comprehensive descriptions of all of the required elements.

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

Currently, 42 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
* 34 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: Magnolia Science Academy-Santa Ana (43 Pages)
* **Attachment 2:** Magnolia Science Academy-Santa Ana Data Tables (7 Pages)
* **Attachment 3:** California State Board of Education Standard Conditions on Opening and Operation (4 Pages)