

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

ssb-csd-may18item03

# California State Board of Education May 2018 Agenda Item #11

## Subject

Petition for the Establishment of a Charter School Under the Oversight of the State Board of Education: Consideration of International Studies Language Academy, which was denied by the Los Angeles Unified School District and the Los Angeles County Board of Education.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue(s)

On November 7, 2017, the Los Angeles Unified School District (LAUSD) voted to deny the petition of International Studies Language Academy (ISLA) by a consent vote.

On January 16, 2018, the Los Angeles County Board of Education (LACBOE) voted to deny the petition of ISLA by a vote of four to one.

The ISLA petitioners submitted a petition on appeal to the State Board of Education (SBE) on January 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 consider the CDE’s recommendation to deny the request to establish ISLA, a transitional kindergarten (TK)/kindergarten (K) through grade eight charter school, under the oversight of the SBE, based on the CDE’s findings pursuant to *EC* sections47605(b)(2), 47605(b)(4), and 47605(b)(5), and *California Code of Regulations*, Title 5 (5 *CCR*) Section 11967.5.1.

The CDE finds that the ISLA petitioner presents an unsound educational program and is demonstrably unlikely to implement the program set forth in the petition due to an unrealistic financial and operational plan including aggressive enrollment assumptions, ability to recruit qualified teachers for the two-way dual immersion program in four different languages, and the ability to secure a facility.

Additionally, the CDE finds that the ISLA petition does not contain a reasonably comprehensive description of all required elements including: a signed affirmation document, employee qualifications, admission requirements, suspension and expulsion procedures, and dispute resolution procedures.

The meeting notice for the April 10, 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/accsnotice041018.asp>.

## Advisory Commission on Charter Schools Recommendation

The ACCS considered the ISLA petition for establishment at its April 10, 2018, meeting. The ACCS moved to recommend approval of the ISLA petition on appeal. The motion did not pass by a vote of four to three. Five votes are required to move an ACCS recommendation forward to the SBE; therefore, no recommendation moved.

## Brief History of Key Issues

ISLA intends to serve pupils in TK/K through grade eight in the greater Glassell Park community within northeast Los Angeles. The petitioner proposes to locate on a site near 2727 Crestmoore Place, Los Angeles, CA 90065, in Board District 5 and Local District Central. The petitioner plans to open a two-way dual immersion program offering literacy and academic content to pupils in English and French, German, Italian, or Spanish.

In two-way dual language immersion programs, the target language is spoken and pupils are instructed in the target language for a specific percentage of the pupil’s instructional day. In the 90/10 model, pupils in TK/K and grade one spend 90 percent of their day learning in the target language, learning content (i.e. math and social studies) and literacy in that language, and 10 percent of their day learning in English, developing oral academic language. In each grade thereafter, more English is added until the pupils spend half of their day in English and the other half in the target language by about grade five (Attachment 3, pp. 40–41 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a3.pdf>).

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

* ISLA Petition (Attachment 3 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a3.pdf>).
* Educational and demographic data of schools where pupils would otherwise be required to attend (Attachment 2 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a2.docx>).
* ISLA Budget, Financial Projections, and Narrative (Attachment 4 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a4.pdf>).
* Description of changes to the petition necessary to reflect the SBE as the authorizing entity (Attachment 5 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a5.pdf>).
* LAUSD Findings for Denial and Petitioner’s Response (Attachment 6 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a6.pdf>).
* LACBOE Findings for Denial (Attachment 7 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a7.pdf>).
* ISLA Bylaws (Attachment 8 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a8.pdf>).
* ISLA Conflict of Interest Code and Conflict of Interest Policy (Attachment 9 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a9.pdf>).
* ISLA Articles of Incorporation (Attachment 10 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a10.pdf>).)
* ISLA English Learner Master Plan (Attachment 11 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a11.pdf>).)
* ISLA Enrollment Packet (Attachment 12 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a12.pdf>).)
* ISLA Lottery Form (Attachment 13 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a13.pdf>).)
* ISLA Lottery Procedures (Attachment 14 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a14.pdf>).
* ISLA and Academica California, LLC Services and Support Agreement (Attachment 15 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a15.pdf>).
* ISLA Fiscal Policies and Procedures Handbook (Attachment 16 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a16.pdf>).

### History – Previous SBE Approval

The petitioners first submitted a petition on appeal for establishment to the CDE on February 19, 2016, after being denied by the Glendale Unified School District (GUSD) and LACBOE. On May 12, 2016, the SBE voted to approve the ISLA petition with four conditions and eight technical amendments for a five-year term effective July 1, 2016 through June 30, 2021. On June 15, 2016, ISLA submitted a request for a material revision to its charter requesting to delay opening due to the inability to secure a facility by September 30, 2016, which was a condition of SBE approval. On September 9, 2016, the SBE voted to approve ISLA’s material revision of the charter to change from opening in 2016–17 to 2017–18. Ultimately, ISLA could not secure the proper facility and meet the conditions set forth by the SBE. ISLA voluntarily closed on March 13, 2017.

### Unsound Educational Program

The petitioner does not present a sound plan for its projected enrollment layout. ISLA projected starting enrollment is 438 in Fiscal Year (FY) 2018–19 to 796 by FY 2020–21, for an increase of over 80 percent over two years (Attachment 4). The described program poses challenges that would be best met through gradual implementation as was seen at Franklin Elementary in GUSD which added one language at a time beginning with Spanish in 2003, German in 2008, Italian in 2009, and French in 2012.

The petition states that the TK/K through grade seven elementary program at ISLA intends to follow the 90/10 two-way dual language immersion model in four languages: English and French, German, Italian, or Spanish. ISLA also proposes to offer a language acquisition program in some grades, which will prepare pupils to enter high school bilingual and biliterate in their respective program language, even if they have not participated in a dual immersion program in elementary school.

The CDE finds that ISLA will offer the following programs in year one:

* Dual immersion will be offered in four target languages in TK/K, grade one, and grade seven.
* Dual immersion will be offered in two languages in grade two through grade five.
* Acquisition will be offered in four target languages in grade six; however, dual immersion will not be offered

The CDE finds that ISLA will offer the following programs in year two:

* Dual immersion will be offered in four target languages in TK/K through grade two.
* Dual immersion will be offered in in two target languages in grade through grade six.
* Acquisition will be offered in four target languages in grade six.
* Dual immersion and acquisition will be offered in four target languages in grade seven.
* Dual immersion in four target languages in grade eight; however acquisition will not be offered.

The CDE estimates that to operate the year one program ISLA will need 24 teachers. However, the petition states that in 2018–19, it will need 20 teachers and the projected budget includes only 20 teachers (Attachment 3, p. 46 and Attachment 4, p. 9). Therefore, in year one ISLA understates certificated staffing by four.

In year two, 2019–20 ISLA will need an additional eight teachers, for a total of 36. However, the projected budget only includes 35 teachers (Attachment 4, p. 11). Therefore, in year two ISLA understates certificated staffing by one.

The petitioner’s ability to recruit and hire qualified teachers in four languages prior to the start of the 2017–18 school year is problematic and compromises the educational program. The petitioner states they will explore alternative teacher credentialing such as exchange and sojourn credentials. The complexities of the educational program, beginning with four different languages, makes this educational program highly unlikely to be implemented in a manner which will benefit students.

### Inability to Successfully Implement the Intended Program

#### Fiscal Analysis

The CDE reviewed the ISLA projected budget and multi-year financial plan and concludes that the multi-year financial plan is not fiscally viable due to negative ending fund balances of $589,769; $1,035,813; and $1,539,012 with no reserve for FY 2018–19 to 2020–21, respectively, due to the number of teachers needed to implement the educational program.

ISLA projected the rental expenditure to be 18 percent of state revenue. The rental expenditure appears to be understated by $64,750 in FY 2018–19, however, ISLA does not include the feasibility of the lease expenditures.

Additionally, the ISLA petitioner does not describe the type of facility needed to operate the size and scope of projected enrollment and the education program proposed in the charter, and does not currently have an intent to lease or a lease agreement for a facility. ISLA did not apply for Proposition 39 facilities.

The ISLA multi-year projected budget includes the following projected pupil enrollment ((Attachment 4 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a4.pdf>):

* 438 TK/K through grade seven in 2018–19
* 678 TK/K through grade eight in 2019–2020
* 796 TK/K through grade eight in 2020–21
* 950 TK/K through grade eight in 2021–22
* 1,056 TK/K through grade eight in 2022–23

However, using comparable enrollment data of surrounding LAUSD schools (Attachment 2, p. 1 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a2.docx>), all of which have been in operation for a minimum of eight years, the CDE finds that ISLA’s enrollment projections are aggressive in comparison to the schools where pupils would otherwise be required to attend. The CDE finds that ISLA’s aggressive enrollment assumptions, if not met each year, could threaten the fiscal viability of the charter.

##### Revenue

The ISLA multi-year projected budget includes start-up loans totaling $525,000 and a Public Charter Schools Grant Program (PCSGP) funding of $375,000. As neither are guaranteed funding, the CDE excludes them from the budget analysis.

#### Charter Elements

##### Employee Qualifications

The petition lacks a reasonably comprehensive description of employee qualifications, particularly for non-credentialed individuals from internship programs overseas. The petition does not clearly outline a plan nor timeline for non-credentialed individuals from internship programs overseas to obtain the necessary credentials.

The petition also lacks a staffing and recruitment plan to ensure teachers obtain the qualifications and credentials necessary to carry out the educational program.

The ISLA petition states that since enrollment may be imbalanced in different grades, multiage grouping, such as a grade four and grade five combination class, may occur to enable ISLA to adequately staff while still operating within the budget (Attachment 3, p. 167 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a3.pdf>). However, the petition does not adequately describe how modifications will be made to the language instruction percentages within each grade level in a combination class where pupils in grade four should receive 60 percent of the instruction in the target language and pupils in grade five 50 percent, respectively.

##### Admissions Requirements

The process for lottery and admission includes practices that the CDE finds impermissible and contrary to the Charter Schools Act which requires ISLA to admit all pupils who wish to apply. The admissions requirements call for two lottery pools, each comprised of 50 percent of available spaces per grade, which will be created for each of the four target languages: French, German, Italian, and Spanish. One pool will be for pupils seeking admission through target language dominance and the other pool will be for pupils who are not target language dominant (Attachment 3, p. 209 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a3.pdf>).

The petition does not clearly define the admission preferences provided to ISLA’s founders. The petition states that the admissions preferences for ISLA founders shall include its founding parents, guardians, caregivers, teachers, and staff. The petition states that for purposes of this admission preference, parents, guardians, caregivers, initial board members, teachers, and staff shall be designated, pursuant to a process prescribed by Governing Board policy, as founders of ISLA if they contributed substantial personal time, effort and resources, prior to or during the first year of operation, to develop the ISLA petition, establish the ISLA facility, recruit pupils, and/or develop or implement the ISLA education program or operations (Attachment 3, p. 210 of Agenda Item 03 on the April 10, 2018, Meeting Notice on the SBE ACCS Web page located at <https://www.cde.ca.gov/be/cc/cs/documents/accs-apr18item03a3.pdf>). The petition presents unclear language with respect to founders who have contributed substantial personal time, effort, and resources and could be in violation of *EC* Section 47605(d)(2)(B)(iv), which prohibits preference based on volunteer hours.

## District and County Office of Education Findings

### November 7, 2017, LAUSD Findings

On November 7, 2017, the LAUSD denied the ISLA petition based on the following findings (Attachment 6):

* ISLA has presented an unsound educational program for the pupils to be enrolled in the charter school.
* Petitioners are demonstrably unlikely to successfully implement the program set forth in the ISLA petition.
* The petition does not contain reasonably comprehensive descriptions of all required elements.

### January 16, 2018, LACBOE Findings

On January 16, 2018, the LACBOE denied the ISLA petition on appeal based on the following findings (Attachment 7):

* The petition provides an unsound educational program for pupils to be enrolled in the school.
* The petitioners are demonstrably unlikely to successfully implement the proposed educational program, including past history that is considered unsuccessful.
* The petition does not contain a reasonably comprehensive description of all required elements.
* The petition does not satisfy all of the required assurances.

## 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
* Twenty-seven 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

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 Operating (4 Pages)