

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

oab-csd-jul20item05

# California State Board of Education July 2020 Agenda Item #17

## Subject

Petition for the Establishment of a Charter School Under the Oversight of the State Board of Education: Consideration of Eagle Collegiate Academy, which was denied by the Acton-Agua Dulce Unified School District and Los Angeles County Board of Education.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue

Eagle Collegiate Academy (ECA) is seeking authorization from the State Board of Education (SBE) to establish a new school serving 168 pupils in transitional kindergarten (TK)/kindergarten (K) through grade three in 2020–21 and grow to serve 438 pupils in TK/K through grade eight in 2024–25. The California Department of Education (CDE) notes that the petitioner makes references to a K through grade twelve program; however, the ECA petition describes a K through grade eight educational program.

On September 26, 2019, the petitioners submitted the ECA petition to Acton-Agua Dulce Unified School District (AADUSD). On November 14, 2019, AADUSD voted to deny the ECA petition by a vote of five to zero. On November 25, 2019, the petitioner submitted the ECA petition to the Los Angeles County Office of Education. On January 21, 2020, the Los Angeles County Board of Education (LACBOE) voted to deny the ECA petition by a vote of six to zero.

The petitioner submitted the ECA petition to the SBE on January 27, 2020.

## California Department of Education Recommendation

The CDE recommends that the SBE hold a public hearing to deny the request to establish ECA, a TK/K through grade three charter school, based on the CDE’s findings pursuant to *Education Code* (*EC*) Section 47605 and *California Code of Regulations*, Title 5 Section 11967.5.

The CDE finds that the ECA petition is not consistent with sound educational practice, and that the petitioner is demonstrably unlikely to implement the program set forth in the ECA petition due to an unrealistic financial and operational plan including aggressive enrollment assumptions and a budget plan that is reliant on meeting the aggressive enrollment projections.

Additionally, the CDE finds that the ECA petition does not contain a reasonably comprehensive description of all the required elements including Element 1–Description of Educational Program, Element 2–Measuring Pupil Outcomes, Element 4–Governance Structure, and Element 5–Employee Qualifications. Additionally, the ECA petition does not address the requirements under Goals to Address the Eight State Priorities.

## Advisory Commission on Charter Schools Recommendation

The Advisory Commission on Charter Schools (ACCS) considered the ECA petition at its June 9, 2020, meeting. The ACCS moved CDE staff recommendation to deny the ECA petition by a vote of seven to one with one abstention.

The notice for the June 9, 2020, ACCS meeting is located on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>.

## Brief History of Key Issues

ECA intends to open in the 2020–21 school year with 168 pupils in K through grade three; add grade four and grade five in the second year of operation; and add grade six through grade eight, one grade per year, to serve 438 pupils in TK/K through grade eight in 2024–25. The CDE notes that the projected enrollment included in the ECA petition proposes to serve 15 pupils in a pre-K program for three-year-olds and four-year-olds (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>). ECA intends to locate within the boundaries of AADUSD.

The mission of ECA is to empower pupils to become self-confident, egalitarian, and authentic global citizens prepared for twenty-first-century careers and responsibilities. The ECA petition states that it will accomplish its mission through the following best practices (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>):

* Rigorous college preparatory emphasis
* International Baccalaureate (IB) programs
* Literacy competence develops life-long learners
* Teacher common planning time and teaming
* Diverse enrichment courses and activities for the whole child
* Parent and community partnerships

ECA will implement the following unifying core values that are embedded into the fabric of the instructional program (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>):

* Scholarship
* Community
* Equity and access
* Integrity

ECA plans to become an IB school. The ECA petition outlines its IB continuum implementation timeline, Primary Years Program (PYP) for K through grade five, Middle Years Program (MYP) for grade six through grade ten, and Diploma Program (DP) for grade eleven through grade twelve, which is aligned with the Common Core State Standards. The goal of the IB program is to develop pupils according to the IB learner profile. IB learners are inquirers, knowledgeable, thinkers, communicators, principled, open-minded, caring, risk-takers, balanced, and reflective. The ECA petition contains a visual representation of the IB continuum implementation depicting how ECA will be an IB candidate school by the school’s opening in August 2020. The ECA petition states the following about each level of the IB continuum (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>):

* PYP–The program aims to create a transdisciplinary curriculum that is engaging, relevant, challenging, and significant for learners.
* MYP–The program is rigorous and encourages pupils to make practical connections between their lessons and the real world.
* DP–The program will benefit pupils with the breadth and depth of knowledge who demonstrate high physical, intellectual, emotional, and ethical standards.

**Professional Development**

The ECA petition describes three categories of professional development pertaining to IB training as follows (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>):

* Category One: Training ensures teachers and leaders understand the nature of the IB program and the approaches for teaching and learning.
* Category Two: Training is designed to advance implementation for those who have been implementing IB programs for enough time that they have started to make their own informed decision about their practice.
* Category Three: Training focuses on specific components of an IB education so that schools advance in specialized and unique areas.

The ECA petition states that while IB does not require teachers to be trained before the opening of school, ECA plans to train teachers before the opening in an IB in-school workshop during ECA Summer Institute (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>.

The CDE is concerned with the sufficiency of teacher training to implement the IB program described in the ECA petition. For such a rigorous program, ECA is providing only a couple of days of training for new teachers.

## Inability to Successfully Implement the Intended Program

**California State Budget Impact**

The COVID-19 pandemic has had a tremendous impact on the state budget and the funding that will be provided to local educational agencies (LEAs) in the 2020–21 school year and future school years. The pandemic has led to a large variation between the Governor’s proposed January budget and the proposed May revision, which was discussed at the ACCS meeting on June 9, 2020. On June 23, the Governor; Senate President pro tempore, Toni Atkins; and Speaker of the Assembly, Anthony Rendon announced an agreement on the budget. This agreement has not yet been finalized at the time of the posting of the July SBE meeting agenda, but it is anticipated it will be finalized by the July SBE meeting.

The proposed agreement includes $11 billion of Local Control Funding Formula (LCFF) apportionment deferrals in 2020–21, which will allow LCFF to remain at the 2019–20 level and does not include the 10 percent cut to LCFF proposed at May revision. With deferrals, charter schools and other LEAs will have the burden of fronting cash, maintaining cash flow in the months where monthly apportionments will be deferred, and potential borrowing costs. Deferrals could be especially problematic for new charter schools or existing charter schools that do not have the ability to draw down reserves to access cash.

**Fiscal Analysis**

The ECA multi-year projected budget includes the following projected pupil enrollment (Attachment 4 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>):

* 168 TK through grade three in 2020–21
* 240 TK through grade five in 2021–22
* 313 TK through grade six in 2022–23

To be fiscally solvent, the budget plan requires ECA to meet its enrollment and average daily attendance projections each year.

The CDE reviewed ECA’s budget and multi-year fiscal plan and determined that the projected budget is not viable in its first year of operation but is viable in the second and third years of operation as follows:

* Fiscal year (FY) 2020–21: Negative ending fund balance of $64,815 with no reserve
* FY 2021–22: Positive ending fund balance of $181,361 with reserves of 7.9 percent
* FY 2022–23: Positive ending fund balance of $555,334 with reserves of 18.6 percent

**Aggressive Enrollment/Program Implications**

The petitioner does not present a sound plan for its projected enrollment layout. The plan relies on aggressive enrollment and growth to cover expenditures.

The petitioner proposes to open with 168 pupils in K through grade three in the first year of operation; add grade four and grade five in the second year of operation; and add grade six through grade eight, one grade per year, over the subsequent three years of the charter term. ECA proposes to grow from serving 168 to 438 pupils, which is an increase of 38 percent over five years, while also implementing an IB continuum. While the petitioner states they have received 400 meaningful intent to enroll forms from parents, the concerns regarding aggressive enrollment are compounded by the size of the school district in which the petitioner is proposing to locate. The petitioner is looking to lease a facility within the boundaries of AADUSD. AADUSD is small, serving approximately 1,085 pupils, and is comprised of one elementary school, one junior high school, and one high school. The average enrollment by grade level of each of these schools ranges from 50 to 100 pupils. The majority of AADUSD’s enrollment is from nonclassroom-based charter schools.

According to the ECA petition, the school will be an IB candidate by the school’s opening in August 2020. Because of the complexities of implementing an IB program for K through grade three in the first year, the CDE is concerned about the ability of the petitioner to recruit staff, create a high-quality instructional program, initiate the administrative processes and facilities needed for all grade levels, and meet the requirements for the IB program. The level of professional development for IB teachers is extensive. Professional development for IB teachers must be structured in order for the school to remain consistent with the IB education model across all grade levels (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>). The CDE notes that if teachers teach only one discipline, ECA would possibly need 32 single subject credentialed teachers given the IB program described in the ECA petition.

**Facilities**

The ECA petition states that it plans to lease a facility within the geographic boundaries of AADUSD and has enlisted a local commercial real estate broker to help identify potential private real estate options. ECA is negotiating to lease a property on 13136 Sierra Highway, Agua Dulce, California, and has submitted a lease agreement proposal and received a confirmation email acknowledging receipt from the owner of the property (Attachment 10 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>). The CDE notes that the lease agreement is not signed and states the lease is $8,000 per month for a term that begins on July 1, 2020. The lease agreement does not list when the term ends.

The ECA petition states that the property was recently used as a church with functional utilities and amenities. ECA will work in conjunction with the owner to ensure that the Certificate of Occupancy is issued prior to the school opening. ECA is budgeting $96,000 in rent and $150,000 for tenant improvements for the first year of operation (Attachment 4 and Attachment 10 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>).

The ECA petition states that the property will serve the following uses:

* Twenty classrooms
* Offices and reception area
* Specialty rooms
* Outdoor area
* Technology infrastructure

During a February 18, 2020, phone call with the petitioner, the CDE confirmed that the petitioner plans to add modular buildings on the proposed leased property on Sierra Highway in order to accommodate the projected enrollment outlined in the ECA petition, as follows:

* 2020–21: 8 classrooms–no modular buildings will need to be added in ECA’s first year of operation
* 2021–22: 10 classrooms–ECA will add one double modular building
* 2022–23: 14 classrooms–ECA will add two double modular buildings
* 2023–24: 18 classrooms–ECA will add two double modular buildings
* 2024–25: 22 classrooms–ECA will add two double modular buildings

Additionally, the Eagle Collegiate Academy Foundation has notified the owners of the following properties of their intention to negotiate the sale of the respective lots as alternative sites for the school:

* 15 Vac/Vic Deerglen Lane, Agua Dulce, California
* 0 Alpine Street, Agua Dulce, California
* 9807 Sierra Highway, Agua Dulce, California

The CDE notes that the AADUSD findings show that the petitioners underestimate facility costs. The petitioner budgets $2,500 to $2,800 annually for building repairs and maintenance, and $10,000 to $29,466 annually for housekeeping services, thus underestimating the likely expenses for maintaining an active, working campus. The AADUSD findings also state that the estimated $100,000-worth of improvements required to be made in order to have the building ready within three months is a low estimate given the staff’s experience with school construction projects. Additionally, regardless of the number of portables added, the AADUSD findings state that the site appears incapable of housing 500 pupils, which is what ECA projects to enroll in 2024–25. AADUSD determined that the proposed site was not feasible and is unsafe for pupils, and that the proposed budget insufficiently covers the cost of making the site safe and suitable for pupils (Attachment 6 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>).

The CDE also notes that the leasing costs for the proposed double modular buildings are incorporated into the budget that was submitted and are as follows: FY 2021–22: $25,200; FY 2022–23: $75,600; FY 2023–24: $100,800; and FY 2024–25: $126,000. The CDE is unclear on the actual size and cost of the double modular buildings.

The CDE concludes that the ECA projected budget is not viable with the projected enrollment of 168, 240, and 313 and negative ending fund balances of $217,239; $195,478; and $106,815 with no reserves for FY 2020–21 through 2022–23, respectively.

**Charter Elements**

The CDE finds that the ECA petition does not provide a reasonably comprehensive description of the following required charter elements (Attachment 1 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>):

**Element 1–Description of Educational Program**

The ECA petition does not, overall, present a reasonably comprehensive description of the educational program. The ECA petition does not include a reasonably descriptive plan for the implementation of the IB PYP, MYP, and DP at ECA nor does it include a reasonably comprehensive description of the professional development plan for IB teacher training. Additionally, the ECA petition does not sufficiently describe how English learners will receive targeted English language development instruction.

**Element 2–Measuring Pupil Outcomes**

The ECA petition does not present a reasonably comprehensive description of measurable pupil outcomes. The ECA petition includes a table that outlines the actions, measurable outcomes, method of measurement, and person(s) responsible aligned to each of the eight state priorities (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>); however, the ECA petition does not outline measurable pupil outcomes that address increases in pupil academic achievement both schoolwide and for all groups of pupils served over the five-year term of authorization.

**Element 4–Governance Structure**

The ECA petition does not present a reasonably comprehensive description of the governance structure. The ECA petition states that the ECA Board will have four positions—president, vice president, secretary, and treasurer—that appear to be filled by Board members, and that the compensation committee will be responsible for reviewing and recommending compensation of officers to the Board (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>). Thus, it appears the officers who are Board members will be compensated for their service. This conflicts with Section 5.4 of ECA’s bylaws, which state that Board members and directors are not compensated (Attachment 8 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>). If the office is chosen from ECA’s Board, this may conflict with ECA’s bylaws that no directors serving at any time may be a current employee of the corporation (Attachment 8 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>).

The ECA petition states that the school site council will be comprised as follows: 40 percent teachers, 10 percent classified staff, 10 percent Chief Executive Officer, 20 percent pupils, and 20 percent parents. This violates *EC* sections 65000(c)(1)(B) and 65000(c)(2)(B), which require that the number of parents, pupils, and community members selected equal the number of school members selected.

Additionally, the ECA petition does not show nor state that it will comply with the requirements of California *Government Code* Section 1090 as required by *EC* Section 47604.1(b)(3).

**Element 5–Employee Qualifications**

The ECA petition does not present a reasonably comprehensive description of employee qualifications. The ECA petition states that key positions and expected qualifications of the employees in the respective key positions have been described in each category; however, the ECA petition does not identify those positions nor does it specify the additional qualifications expected of individuals assigned to those positions (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>). The CDE notes that if teachers teach only one discipline, ECA would possibly need 32 single subject credentialed teachers given the IB program described in the ECA petition.

**Documents Reviewed by the California Department of Education**

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

* ECA petition (Attachment 3 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)
* Educational and demographic data of schools where pupils would otherwise be required to attend (Attachment 2 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)
* ECA budget and financial projections (Attachment 4 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)
* Letter dated January 27, 2020, description of changes to the ECA renewal petition necessary to reflect the SBE as the chartering entity (Attachment 5 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)
* AADUSD Board resolution, staff report, and petitioner’s response (Attachment 6 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)
* LACBOE action, staff findings, and petitioner’s response (Attachment 7 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)
* ECA articles of incorporation, bylaws, and conflict of interest code (Attachment 8 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)
* ECA appendices and attachments (Attachment 9 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)
* ECA facility lease agreement (Attachment 10 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>)

**Acton-Agua Dulce Unified School District Board Findings**

On November 14, 2019, AADUSD took action and denied the ECA petition based on the following findings (Attachment 6 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>):

* The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
* The petition does not contain the number of signatures required by *EC* Section 47605(a).
* The petition does not contain reasonably comprehensive descriptions of all of the 15 elements identified in *EC* Section 47605(b)(5).

**Los Angeles County Board of Education Findings**

On January 21, 2020, LACBOE took action and denied the ECA petition based on the following findings (Attachment 7 of Agenda Item 05 on the ACCS June 9, 2020, Meeting Notice on the SBE ACCS web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060920.asp>):

* The petitioner is demonstrably unlikely to successfully implement the program set forth in the renewal petition.
* The petition does not contain the required number of signatures.
* The petition does not contain reasonably comprehensive descriptions of the 15 required elements of a charter.

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

Currently, 33 charter schools operate under the SBE’s authorization as follows:

* One statewide benefit charter, operating a total of six sites
* Seven districtwide charters, operating a total of 18 sites
* 25 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 1 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: Eagle Collegiate Academy (43 Pages)
* **Attachment 2:** California State Board of Education Standard Conditions on Opening and Operation (4 Pages)