

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

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# California State Board of Education July 2020 Agenda Item #21

## Subject

Petition for the Renewal of a Charter School Under the Oversight of the State Board of Education: Consideration of Today’s Fresh Start Charter School Inglewood, which was denied by the Inglewood Unified School District and Los Angeles County Board of Education.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue

Today’s Fresh Start Charter School Inglewood (TFSCSI) is seeking a renewal of its charter from the State Board of Education (SBE).

On September 11, 2019, the petitioner submitted the TFSCSI petition to the Inglewood Unified School District (IUSD) for renewal. On October 11, 2019, the TFSCSI petition was denied by the appointed County Administrator. On November 11, 2019, the petitioner submitted the TFSCSI petition on appeal to the Los Angeles County Office of Education (LACOE). On January 7, 2020, the Los Angeles County Board of Education (LACBOE) denied the TFSCSI petition by a vote of six to zero.

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

## California Department of Education Recommendation

The California Department of Education (CDE) recommends that the SBE hold a public hearing to deny the request to renew TFSCSI, a transitional kindergarten/kindergarten (TK/K) through grade eight charter school. While the CDE reviewed and considered the pupil academic achievement of TFSCSI as the most important factor in determining whether to recommend approval for renewal, this was not the only factor considered.

Based on the CDE’s findings pursuant to *Education Code* (*EC*)Section 47605 and *California Code of Regulations*, Title 5 (5 *CCR*) Section 11967.5.1(c), the petitioners are not likely to successfully implement the program set forth in the TFSCSI petition due to the petitioners’ history of fiscal mismanagement and governance concerns.

The TFSCSI operational plan cannot be deemed viable due to the following reasons:

* The 2007 Today’s Fresh Start Charter Countywide revocation by LACOE
* Conflicts of interest based on related party transactions[[1]](#footnote-1), which include transactions with Golden Day Schools, Inc. (GDSI), Los Angeles Schools Services, Inc., and Construction Management Services
* The operational history of the TFS organization, which exhibits ambiguity, self- dealings, and a lack of transparency

The CDE finds that the petitioner is demonstrably unlikely to implement the program set forth in the TFSCSI petition as the petitioner has a past history of involvement in charter schools that the SBE regards as unsuccessful. The CDE also finds that the TFSCSI petition does not contain a reasonably comprehensive description of the following required elements: Element 1–Description of Educational Program, Element 4–Governance Structure, Element 9–Annual Independent Financial Audits, and Element 10–Suspension and Expulsion Procedures.

## Advisory Commission on Charter Schools Recommendation

The Advisory Commission on Charter Schools (ACCS) considered the TFSCSI petition for renewal at its June 9, 2020, meeting. The ACCS moved CDE staff recommendation to deny the TFSCSI petition by a vote of six to three.

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>.

A detailed analysis of the CDE’s review of the entire TFSCSI petition is provided in Attachment 1. Additionally, for reference, the CDE has included an Attachment 3, which consists of publicly available documents to provide clarity on issues that seemed unclear at the June 9, 2020, ACCS meeting.

## Educational Program

TFSCSI intends to serve 527 pupils in K through grade six in 2020–21. The TFSCSI petition states that its mission is to educate each scholar individually and personally—academically, emotionally, and socially—to achieve their individual academic potential and personal best. The TFSCSI petition states that it is an independent, public, and site-based TK through grade eight charter school that offers a traditional school calendar, and addresses the unique educational needs of an increasingly at-risk school-aged population. The TFSCSI petition states that an educated person, to his/her fullest potential, will become a self-motivated, competent, and productive citizen in the global economy of the twenty-first century. The TFSCSI petition lists the integration of several elements for when and how learning best occurs (Attachment 3 of Agenda Item 08 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>).

## Relevant History of Other Today’s Fresh Start Charter Schools

Today's Fresh Start, Inc. (TFS, Inc.), a non-profit public benefit corporation, has been operating charter schools since 2003, and has had a long history of movement between authorizers, as well as negative outcomes in terms of non-renewals, a revocation, and litigation. Throughout the organization’s history, TFS, Inc. has maintained a single governance structure over TFS, Inc. schools. The CDE took this past history into consideration in reaching its recommendation as it has an impact on TFSCSI’s ability to serve its pupils.

### Today’s Fresh Start Charter School Inglewood

TFSCSI, charter number 1075, is currently authorized by IUSD and serves 430 TK/K through grade eight pupils on a facility located at 3504 West Imperial Highway in Inglewood, California, with a term that ends on June 30, 2020.

TFSCSI was authorized by IUSD on May 12, 2009, for a three-year term from 2009–12. In April 2013, IUSD renewed TFSCSI for a five-year term from 2012–17. On   
November 5, 2015, IUSD received the renewal petition for TFSCSI, which included a material revision to operate two additional sites. IUSD did not take any action or make any findings on the renewal petition by the statutory deadline of January 6, 2016; therefore, in the absence of any findings to deny the TFSCSI petition, it was deemed approved by operation of law (5 *CCR* Section 11966.4[e]). The material revision to include two additional sites was denied by IUSD.

TFSCSI filed a lawsuit against IUSD stating that the material revision should have been automatically approved by operation of law given that the renewal petition for TFSCSI was automatically approved. In 2016, the court ruled that material revisions are not subject to automatic approval by operation of law.

### Today’s Fresh Start Charter (Countywide Charter)

Today’s Fresh Start Charter Countywide, charter number 0597, was approved by LACOE as a countywide charter on September 10, 2003, and operated at the following sites:

* Adams, 2255 West Adams Boulevard
* Hyde Park, 6422 Crenshaw Boulevard
* Compton, 2301 East Rosecrans Avenue
* Vernon and Offices of TFS, Inc., 4466-4514 Crenshaw Boulevard

In 2004, two additional sites in Compton opened under the original 2003 LACOE countywide authorization at the following locations:

* 4513 Compton Boulevard
* 4476 Crenshaw Boulevard

In 2007, the Today’s Fresh Start Charter Countywide charter was revoked by LACOE. Today’s Fresh Start Charter Countywide filed a lawsuit. The case was not settled until 2015 when the revocation was upheld by the California Supreme Court, in a published decision, and remitted to the trial court. On August 25, 2010, while the 2007 litigation was pending, Today’s Fresh Start Charter Countywide was approved by the SBE on appeal from LACOE for renewal as a countywide benefit for a five-year term. In 2015, TFS, Inc. submitted a renewal petition for Today’s Fresh Start Charter Countywide to LACOE. LACBOE took no action on the Today’s Fresh Start Charter Countywide petition, at the request of the charter school and submitted the petition to the SBE.

*EC* Section 47605.6(k) prohibits a new countywide benefit charter school from appealing a denial to the SBE. Additionally, in 2011, the SBE adopted regulations prohibiting a countywide benefit charter from appealing the denial of a renewal to the SBE. Therefore, the SBE declined to hear the 2015 renewal and TFS sued the SBE. The trial court found that the Supreme Court decision upholding the revocation was in effect.

TFS, Inc. dissolved the countywide benefit charter effective June 30, 2015, and filed a petition for a single school with the Compton Unified School District (CUSD). CUSD approved the petition.

### Today’s Fresh Start-Compton

Today’s Fresh Start-Compton submitted a new charter petition to CUSD for the sites that opened in 2004 under the original 2003 LACOE countywide charter. Today’s Fresh Start-Compton, charter number 1772, was approved for a three-year term from 2015–18 by CUSD on September 8, 2015; was renewed for a five-year term from 2018–23; and is currently operating at the following sites:

* 4513 Compton Boulevard
* 4476 Crenshaw Boulevard

## Relevant History of Related-Party Golden Day Schools, Inc.

The CDE notes a fiscal concern involving a related entity GDSI. GDSI, run by the petitioner’s husband, Clark Parker, used to contract with the CDE for childcare services. However, two separate audits of GDSI revealed more than $20 million in disallowed costs. The audit findings, which have been upheld by the courts, included findings of various improper conflicts of interest based on related-party transactions with the petitioners and related entities, including TFS, Inc. The CDE is currently engaged in litigation against GDSI and Clark Parker to recover the disallowed costs. The CDE is noting the current claim against this related-party as it is reflective of past organizational practices and the long history of potential conflicts of interests and self-dealings of the operators of TFS, Inc.

## California Department of Education’s Proposed Recommendation for Denial

### Inability to Implement

#### 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 TFSCSI petition does not include the projected enrollment for TK through grade eight; however, the projected enrollment is included within the budget that was submitted to IUSD (Attachment 9 of Agenda Item 08 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>). Additionally, the CDE is unclear about the seemingly random increases in enrollment for K and grade one in 2023–24 and 2024–25, respectively.

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

* 527 K through grade eight in 2020–21
* 527 K through grade eight in 2021–22
* 527 K through grade eight in 2022–23

The CDE has reviewed the multi-year projected budget and narrative as submitted by TFSCSI.

The CDE concludes that the TFSCSI projected budget is viable with the projected enrollment of 527 each year and positive ending fund balances of $19,467,943; $19,893,645; and $19,911,726 with reserves of 300.4, 295.1, and 276.3 percent for fiscal year (FY) 2020–21 through 2022–23, respectively. Without the Charter School Facilities Grant of $11,549,771, the TFSCSI projected budget is still viable with positive ending fund balances of $7,918,172; $8,343,874; and $8,361,955 with reserves of 122.2, 123.8, and 116 percent for FY 2020–21 through 2022–23, respectively.

Although the TFSCSI budget reflects a positive reserve, the CDE is concerned that the high reserves are well above what is normally required by the SBE It appears that TFSCSI may not be spending funds on the pupils generating the funds and being served by the school. Significantly, while the TFSCSI California Assessment of Student Performance and Progress (CAASPP) data reflect results that are higher than its comparable schools, the results are only slightly higher. Given this, if TFSCSI were investing resources on pupils, TFSCSI would likely yield a more significant gain in academic achievement.

At the June 9, 2020, ACCS meeting, the petitioner stated TFSCSI’s reserves to be high because its reserves included the value of the TFSCSI building; however, the petitioner also represented that it does not own the building nor the land, and has continued to make this representation in communications leading up to the July SBE meeting.

#### Audit Reports

The CDE reviewed the audited financial data from the 2018–19 audit report. TFSCSI has net assets of $18,023,428 as of June 30, 2019. The net assets contain a fund from the Charter School Facilities Grant Program, a restricted fund, in the amount of $11,549,771. The audit report reflected an unqualified status. An unqualified opinion is an independent auditor’s judgement that a school’s financial statements are fairly and appropriately presented, without any identified exceptions, and in compliance with generally accepted accounting principles.

Additionally, the CDE reviewed the audited financial data from the following TFS, Inc. audit reports:

* 2015–16 audit report: The report reflected an unqualified status.
* 2016–17 audit report: The report reflected an unqualified status.
* 2017–18 audit report: The report reflected an unqualified status.

The CDE notes that the 2015–16, 2016–17, 2017–18, and 2018–19 audit reports reflect concerns regarding conflicts of interest based on related party transactions with respect to the lease of some of its facilities from Los Angeles Schools Services, Inc., which is owned by a related party of TFS, Inc. In addition, the 2015–16 and 2016–17 audit reports reflect concerns regarding conflicts of interest based on related party transactions with respect to a Construction Management Services Agreement with View Park Estate Development, Inc. (doing business as California Construction Management, Inc. [CCMI]), for the construction of its Inglewood Charter School building located at 3405 W Imperial Boulevard, Inglewood, California. Clark Parker is the President for CCMI and Jeanette Parker was an officer until April 2019. Also, during FY 2016–17, TFS, Inc. contracted with CCMI for the renovation and improvements of the classroom at its Vernon site.

### Increases in Academic Achievement are Outweighed by Other Concerns

#### Academic Criteria

*EC* Section 47607 requires the chartering authority to consider academic achievement as the most important factor in determining whether to grant a charter.

Additionally, *EC* Section 47605(b)(2) and 5 *CCR* Section 11967.5.1(c) allow for the SBE to consider the following factors in determining whether charter petitioners are demonstrably unlikely to successfully implement the program:

* If the petitioners have a past history of involvement in charter schools or other education agencies (public or private), the history is one that the SBE regards as unsuccessful, e.g., the petitioners have been associated with a charter school of which the charter has been revoked or a private school that has ceased operation for reasons within the petitioners’ control.

As stated above, *EC* Section 47607 requires the chartering authority to consider the following when reviewing a charter 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 in 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.

The CDE has determined that TFSCSI does perform, overall, at least equal to its comparable district schools where the majority of TFSCSI pupils would otherwise attend. However, despite TFSCSI being comparable to other schools in the surrounding area, TFSCSI is academically low-performing, as a whole. The CDE notes that while TFSCSI meets the academic threshold criteria, the increases in academic performance are outweighed by other concerns.

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

The CDE reviewed the information presented by IUSD and LACOE. The IUSD findings conclude that TFSCSI failed to demonstrate increases in academic performance as required for renewal (Attachment 6 of Agenda Item 08 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 LACOE findings conclude that TFSCSI has not met at least one of the minimum academic performance criteria pursuant to *EC* Section 47607(b) (Attachment 7 of Agenda Item 08 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 reviewed the materials and determined that TFSCSI has met the applicable academic criteria pursuant to *EC* Section 47607(b). The CDE selected five schools—three elementary schools, one middle school, and one school serving pupils in K through grade eight—where pupils would otherwise attend.

The following table shows the percentage of pupils that met/exceeded standards on the 2014–15, 2015–16, 2016–17, 2017–18, and 2018–19 CAASPP assessment for English language arts (ELA) and mathematics (math) for TFSCSI and the CDE-chosen comparable IUSD schools that pupils would otherwise attend. The 2014–15 through 2018–19 CAASPP data show that TFSCSI does perform, overall, at least equal to comparable IUSD schools.

**CAASPP Results for TFSCSI and CDE-Chosen IUSD Comparable Schools and IUSD (Percent Meets/Exceeds Standards)**

| School | 2014–15 ELA | 2014–15 Math | 2015–16 ELA | 2015–16 Math | 2016–17 ELA | 2016–17 Math | 2017–18 ELA | 2017–18 Math | 2018–19 ELA | 2018–19 Math |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| TFSCSI | 36 | 22 | 33 | 24 | 33 | 21 | 46 | 32 | 37 | 32 |
| Bennett/Kew Elementary | 22 | 21 | 28 | 24 | 28 | 27 | 36 | 35 | 43 | 36 |
| Worthington Elementary | 21 | 17 | 23 | 15 | 21 | 15 | 27 | 17 | 28 | 19 |
| Woodworth-Monroe K-8 Academy | 9 | 6 | 11 | 7 | 12 | 15 | 22 | 20 | 29 | 15 |
| Hudnall (Claude) Elementary | 30 | 17 | 32 | 18 | 41 | 28 | 35 | 28 | 36 | 23 |
| Crozier (George W.) Middle | 26 | 16 | 26 | 13 | 25 | 13 | 24 | 10 | 25 | 9 |
| IUSD | 26 | 14 | 29 | 16 | 30 | 19 | 30 | 19 | 30 | 19 |

CDE’s internal data, which is based on residential information reported in the California Longitudinal Pupil Achievement Data System, show that more than 50 percent of TFSCSI’s enrolled pupils live outside of IUSD and within the Los Angeles Unified School District (LAUSD) boundaries. The following table shows the percentage of pupils that met/exceeded standards on the 2014–15, 2015–16, 2016–17, 2017–18, and 2018–19 CAASPP assessment for ELA and math for TFSCSI and the CDE-chosen comparable LAUSD schools that pupils would otherwise attend. The 2014–15 through 2018–19 CAASPP data show that TFSCSI does perform, overall, at least equal to comparable LAUSD schools.

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

| School | 2014–15 ELA | 2014–15 Math | 2015–16 ELA | 2015–16 Math | 2016–17 ELA | 2016–17 Math | 2017–18 ELA | 2017–18 Math | 2018–19 ELA | 2018–19 Math |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| TFSCSI | 36 | 22 | 33 | 24 | 33 | 21 | 46 | 32 | 36 | 32 |
| Century Park | 8 | 7 | 11 | 15 | 15 | 19 | 22 | 16 | 13 | 12 |
| Manhattan Place Elementary | 12 | 15 | 23 | 18 | 26 | 24 | 18 | 14 | 12 | 6 |
| La Salle Avenue Elementary | 3 | 3 | 2 | 4 | 4 | 4 | 12 | 6 | 18 | 10 |
| Bret Harte Preparatory Middle | 12 | 8 | 6 | 5 | 6 | 2 | 7 | 4 | 14 | 5 |
| Samuel Gompers Middle | 10 | 9 | 12 | 6 | 20 | 4 | 21 | 7 | 25 | 6 |
| Glenn Hammond Curtiss Middle | 29 | 16 | 30 | 18 | 33 | 18 | 39 | 24 | 39 | 23 |

#### TFSCSI’s Review of Academic Criteria Under *EC* Section 47607

The petitioner did not use comparable school data and instead compared TFSCSI to IUSD. The petitioner completed CAASPP data comparison analyses of TFSCSI and IUSD for pupils schoolwide, for pupils in grade three through grade five, for pupils in grade six through grade eight, and by pupil subgroup.

The following tables show the percentage of pupils that met/exceeded standards on the 2017–18 CAASPP assessment for ELA and math for TFSCSI and IUSD (Attachment 3 of Agenda Item 08 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>).

**CAASPP Results by Subgroup for TFSCSI (Percent Meets/Exceeds Standards)**

SED: socioeconomically disadvantaged; EL: English learner; SPED: special education.

| 2017–18 | All | African-American | Hispanic/ Latino | SED | EL | SPED |
| --- | --- | --- | --- | --- | --- | --- |
| ELA | 45.86 | 37.41 | 53.43 | 45.55 | 35.21 | 14.29 |
| Math | 31.83 | 23.92 | 40.41 | 31.97 | 29.57 | 11.43 |

**CAASPP Results by Subgroup for IUSD (Percent Meets/Exceeds Standards)**

| 2017–18 | All | African-American | Hispanic/ Latino | SED | EL | SPED |
| --- | --- | --- | --- | --- | --- | --- |
| ELA | 30.01 | 28.55 | 30.60 | 29.41 | 14.84 | 7.83 |
| Math | 18.90 | 15.87 | 20.35 | 18.77 | 11.19 | 6.39 |

The CDE notes that 2018–19 CAASPP data were not available at the time the petitioner submitted the renewal petition for TFSCSI.

#### IUSD’s Review of Academic Criteria Under *EC* Section 47607

The IUSD findings state that increases in pupil academic achievement for all groups of pupils served by TFSCSI were considered as the most important factor and that based on the analysis, IUSD found that TFSCSI did not meet the statutory eligibility criteria to receive a charter renewal. The IUSD findings did not include an analysis of comparable schools; however, the findings state that IUSD made several attempts to obtain the 2018–19 academic performance data for TFSCSI through multiple requests for information. The IUSD findings conclude that TFSCSI failed to demonstrate increases in academic performance as required for renewal (Attachment 6 of Agenda Item 08 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>).

#### LACOE’s Review of Academic Criteria Under *EC* Section 47607

LACOE reviewed the 2014–15 through 2018–19 CAASPP data for TFSCSI and IUSD for pupils schoolwide, by pupil subgroups, by grade, and by cohort for grade three through grade five and grade six through grade eight. While LACOE stated that the data reflect that TFSCSI has demonstrated some schoolwide increases in pupil academic achievement for all pupils schoolwide and for some numerically significant pupil subgroups, LACOE also stated that the data demonstrate mixed results, as both ELA and math scores trended downward between 2015 and 2017, increased in 2018, and decreased in 2019. Additionally, subgroup data demonstrate mixed results with academic performance by some numerically significant pupil subgroups showing increases and other numerically significant pupil subgroups showing decreases. Decreases in ELA and math CAASPP scores are also shown from 2017–18 to 2018–19. Ultimately, LACOE concluded that TFSCSI has not met at least one of the minimum academic performance criteria pursuant to *EC* Section 47607(b) (Attachment 7 of Agenda Item 08 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 following table shows the percentage of all pupils schoolwide and by pupil subgroup that met/exceeded standards on the 2014–15 through 2018–19 CAASPP assessments for ELA and math for TFSCSI.

**CAASPP Results by Pupil Subgroups for TFSCSI (Percent Meets/Exceeds Standards)**

| Pupil Subgroup | 2014–15 ELA | 2014–15 Math | 2015–16 ELA | 2015–16 Math | 2016–17 ELA | 2016–17 Math | 2017–18 ELA | 2017–18 Math | 2018–19 ELA | 2018–19 Math |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| All Pupils | 36 | 22 | 33 | 24 | 33 | 21 | 46 | 32 | 37 | 32 |
| African-American | 33 | 16 | 30 | 14 | 28 | 21 | 37 | 24 | 34 | 25 |
| Hispanic/ Latino | 39 | 30 | 39 | 34 | 37 | 28 | 53 | 40 | 39 | 37 |
| SED | 34 | 22 | 34 | 23 | 33 | 21 | 46 | 32 | 38 | 33 |
| EL | 21 | 6 | 24 | 22 | 31 | 24 | 35 | 30 | 21 | 23 |
| SPED | 18 | 0 | 13 | 7 | 11 | 0 | 14 | 11 | 9 | 9 |

Additionally, LACOE completed a comparison of 2017–18 and 2018–19 CAASPP results for all pupils schoolwide, by grade level, and by cohort for grade three to grade five and grade six through grade eight. LACOE’s comparison reflects the following (Attachment 7 of Agenda Item 08 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>):

* Schoolwide
  + Results showed a decrease from 45.86 percent to 36.49 percent in ELA and a decrease from 31.83 percent to 31.58 percent in math in 2017–18 to 2018–19, respectively.
* ELA by Grade Level
  + Grade eight – Results showed a decrease of 22.42 percent
  + Grade seven – Results showed a decrease of 28.69 percent
  + Grade five – Results showed a decrease of 18.53 percent
  + Grade four – Results showed an increase of 8.07 percent
* Math by Grade Level
  + Grade eight – Results showed a decrease of 17.54 percent
  + Grade six – Results showed an increase of 15.95 percent
  + Grade five – Results showed a decrease of 21.58 percent
  + Grade four – Results showed an increase of 18.61 percent
  + Grade three – Results showed an increase of 16.41 percent
* Cohort Over a Three-Year Period from 2016–17 through 2018–19
  + Grade three through grade five cohort: Results showed a decrease of 5.93 percent in ELA and a decrease of 21.75 percent in math
  + Grade six through grade eight cohort: Results showed an increase of 4.83 percent in ELA and an increase of 1.9 percent in math

The following tables show a comparison of the percentage of pupils that met/exceeded standards on the 2017–18 and 2018–19 CAASPP assessments for ELA and math for TFSCSI and IUSD, which indicates that TFSCSI generally outperforms IUSD for pupils schoolwide and for pupil subgroups (Attachment 7 of Agenda Item 08 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>).

**CAASPP Results by Subgroup for TFSCSI (Percent Meets/Exceeds Standards)**

| TFSCSI | All | African-American | Hispanic/ Latino | SED | EL | SPED |
| --- | --- | --- | --- | --- | --- | --- |
| 2017–18 ELA | 45.86 | 37.41 | 53.43 | 45.55 | 35.21 | 14.29 |
| 2017–18 Math | 31.83 | 23.92 | 40.41 | 31.97 | 29.57 | 11.43 |
| 2018–19 ELA | 36.49 | 33.58 | 38.69 | 37.45 | 29.57 | 9.1 |
| 2018–19 Math | 31.58 | 24.63 | 37.23 | 33.33 | 20.51 | 9.1 |

**CAASPP Results by Subgroup for IUSD (Percent Meets/Exceeds Standards)**

| IUSD | All | African-American | Hispanic/ Latino | SED | EL | SPED |
| --- | --- | --- | --- | --- | --- | --- |
| 2017–18 ELA | 30.01 | 28.55 | 30.60 | 29.41 | 14.84 | 7.83 |
| 2017–18 Math | 18.90 | 15.87 | 20.35 | 18.77 | 11.19 | 6.39 |
| 2018–19 ELA | 30.01 | 27.68 | 30.96 | 29.59 | 5.03 | 9.35 |
| 2018–19 Math | 18.54 | 14.38 | 20.65 | 18.34 | 4.27 | 5.4 |

#### IUSD’s Review of Academic Criteria Under *EC* Section 52052–Alternative Measures

Academic Performance Index (API) has not been calculated as of the 2013–14 school year (SY). In such a case, *EC* Section 52052(f) provides for the following in determining whether a charter school has met the requirements for the renewal of its charter:

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

IUSD did not consider academic performance under *EC* Section 52052(f).

#### LACOE’s Review of Academic Criteria Under *EC* Section 52052–Alternative Measures

As referenced above, API has not been calculated as of the 2013–14 SY. In such a case, *EC* Section 52052(f) provides for the following in determining whether a charter school has met the requirements for the renewal of its charter:

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

LACOE reviewed the following as alternative measures under *EC* Section 52052(f) (Attachment 7 of Agenda Item 08 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>):

* CAASPP results from 2014–15 through 2018–19 for all pupils schoolwide and for pupil subgroups
* CAASPP results from 2014–15 through 2018–19 for pupil subgroups

The LACOE findings state that TFSCSI did not provide evidence of increases in pupil academic achievement for all groups of pupils schoolwide nor among significant pupil subgroups.

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

The CDE also considered *EC* Section 52052(f) in its review of the TFSCSI academic criteria. As referenced above, API has not been calculated as of the 2013–14 SY. In such a case, *EC* Section 52052(f) provides for the following in determining whether a charter school has met the requirements for the renewal of its charter:

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

The CDE reviewed the following alternative measures that the petitioner included as criteria for charter renewal (Attachment 3 of Agenda Item 08 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>):

* 2014–15 through 2017–18 CAASPP results for ELA and math by the following:
  + Grade levels
  + Pupil subgroup
* 2017–18 CAASPP results for ELA and math for all pupils schoolwide for TFSCSI and IUSD by the following:
  + District comparison
  + Grade three through grade five
  + Grade six through grade eight
* 2017–18 CAASPP results for ELA and math by pupil subgroups for TFSCSI and IUSD
* 2017–18 and 2018–19 English Language Proficiency Assessments for California (ELPAC) results
* 2014–15 through 2018–19 Reclassified Fluent English Proficient (RFEP) rates

The data from the TFSCSI alternative measures reflect some increases in CAASPP, ELPAC, and RFEP rates.

### California School Dashboard

The California School Dashboard measures performance for state indicators through a combination of current performance (Status) and improvement over time (Change), which both provide equal weight. A performance level (color) is assigned based on the Status and Change performance. Performance level (color) ranges from Red, Orange, Yellow, Green, and Blue, with Blue representing highest performance and Red representing lowest performance.

The 2019 California School Dashboard reflects TFSCSI’s performance under California’s Accountability System as follows: ELA (Orange); Math (Yellow); 15.8 percent chronic absenteeism (Orange); and 0 percent suspension rate (Blue).

The 2018 California School Dashboard reflects the following for TFSCSI: ELA (Yellow); Math (Yellow); 14.3 percent chronic absenteeism (Yellow); and 0 percent suspension rate (Blue).

The 2017 California School Dashboard reflects the following for TFSCSI: ELA (Orange); Math (Orange); and 0 percent suspension rate (Blue).

### District and County Findings

The district and county’s findings highlight concerns regarding the numerous TFSCSI conflicts of interest based on related-party transactions, governance issues, and possible violations of conflict of interest. Additionally, the petitioners have been associated with a charter school that has been revoked. This has also led to concerns that other businesses associated with or run by the lead petitioner, Jeanette Parker, are operating out of the building constructed with the grant money from the California School Finance Authority, as well as contracts with related entities for the construction of the aforementioned building through, at least, September 2018.

The points raised in the IUSD and LACOE findings show that the petitioner has a past history of involvement in charter schools that the SBE regards as unsuccessful. The findings of IUSD and LACOE further outline these matters.

#### Inglewood Unified School District Trustee Findings

On October 11, 2019, the IUSD Trustees took action and denied the TFSCSI petition based on the following findings (Attachment 6 of Agenda Item 08 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 charter school fails to meet the academic renewal eligibility criteria in *EC* Section 47607(b).
* The charter school is demonstrably unlikely to successfully implement the program presented in the petition.
  + Prior history and operations demonstrate unlikelihood of future success:
    - Today’s Fresh Start Charter Countywide revocation: In 2013, the California Supreme Court upheld LACOE’s 2007 revocation of Today’s Fresh Start Charter Countywide. In 2015, the Superior Court in Sacramento ruled that the petition submitted by TFS, Inc. to the SBE could not be considered a renewal but a new petition for authorization of a countywide charter school; therefore, TFS, Inc. was directed by the CDE to invoke closure procedures.
    - TFS, Inc. continued operations: TFS, Inc. submitted new charter school petitions to the local jurisdictions in which the sites of the TFS, Inc.-revoked charter schools were located. The petitions were denied by LAUSD but approved by CUSD.
    - Related party transaction: TFS, Inc. has a history of self-dealing and related-party transactions, which include transactions with GDSI; Pacific National University; Los Angeles Schools Services, Inc.; and Construction Management Services.
    - The Brown Act: TFS, Inc. has been in violation of the Brown Act.
    - Geographic limitations requirement: TFS, Inc. sought to open a site outside of the district’s boundaries, which is in violation of *EC* sections 47605 and 47605.1.
  + Governance structure: TFSCSI and TFS-C are operated by a single board, despite being authorized by different districts.
  + Special education program: TFSCSI’s limited special education program is in violation of special education laws.
  + Failure to comply with their obligation to inform the district when pupils leave.
  + Failure to comply with their authorizer’s request for information.
* The petition fails to provide a reasonably comprehensive description of all required elements of a charter petition.
  + Element A–Description of Educational Program: Plan for Special Education: TFSCSI does not provide the full continuum of program options.
  + Element D–Governance Structure
    - The petition does not identify nor provide any information regarding the members of the TFS, Inc. governing board or its composition.
    - The petition does not identify, describe, nor provide for a structure under which a single board operates two separate charter schools authorized by separate school districts.
    - The petition is silent on TFS, Inc.’s compliance with *Government Code* (*GC*) Section 1090.
  + Element F–Health and Safety Procedures: The petition does not include nor describe the requisite comprehensive school safety plan.
  + Element H–Admissions Requirements: The petition states an expectation to volunteer, which amounts to a parent participation requirement and which violates the law.
  + Element J–Suspension and Expulsion Procedures: The petition’s disciplinary policy is contrary to the state’s requirement that pupils not be recommended for or expelled based upon willful defiance.
  + Element N–Dispute Resolution Procedures: The petition requires the district to participate in the dispute resolution procedures, which is inconsistent with the law.
* The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.

#### Los Angeles County Board of Education Findings

On January 7, 2020, LACBOE took action and denied the TFSCSI petition based on the following findings (Attachment 7 of Agenda Item 08 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 renewal petition does not contain reasonably comprehensive descriptions of certain required elements set forth in *EC* Section 47605(b)(5)(A–O).
  + Element A–Description of Educational Program
    - Overview of instructional program: The petition offers few concrete details regarding the instructional setting and how instruction is delivered.
    - Teaching staff class size: The petition does not provide any information as to the number of credentialed teachers, paraprofessionals, nor instructional assistants currently employed by TFSCSI.
    - ELs: The petition does not identify a specific curriculum for ELs that address the need to support English language development (ELD).
    - Professional development: The petition does not include a professional development calendar that indicates specific trainings for the implementation of state and federal special education laws, Section 504, ELD, or instructional supports and strategies for pupils struggling academically.
    - Schoolwide intervention strategies: The petition does not describe the qualifications for staff teaching Saturday school nor summer enrichment; the reading consultants with which TFSCSI collaborates; the specifics around the tutoring that TFSCSI offers; and the identity of the intervention team members as well as their duties.
    - The petition does not include a comprehensive description of physical education, sports, nor the arts offered at TFSCSI.
    - The petition does not include a comprehensive description of the TK program at TFSCSI.
  + Element D–Governance Structure
    - The TFSCSI bylaws do not reference the Brown Act and do not comport with key Brown Act requirements.
    - The petition has not been updated to reflect the amended bylaws with respect to the number of Board of Directors (Board) members that TFS, Inc. shall have.
    - The petition does not include a roster nor information regarding the current composition of the TFS, Inc. Board nor state how long each director has continuously served on the Board.
    - The petition does not discuss how the TFS, Inc. Board is able to perform all of the duties and functions necessary in order to operate multiple charter schools when only two regular meetings of the TFS, Inc. Board are required each calendar year.
    - The petition does not state that TFS, Inc. will comply with *GC* Section 1090.
    - The petition does not include any information regarding committee composition, qualifications for membership, terms of office, meeting schedules, or specific responsibilities of those committees.
  + Element E–Employee Qualifications: The petition does not provide information regarding the number nor category of staff that are employed by TFSCSI.
  + Element F–Health and Safety Procedures: The petition does not contain health and safety policies and procedures.
  + Element G–Means to Achieve Racial and Ethnic Balance: The petition does not identify specific geographic areas to be targeted nor specific recruitment materials, outreach efforts, or languages to be used in TFSCSI’s recruiting materials.
  + Element J–Suspension and Expulsion Procedures: The petition lists willful defiance as grounds for suspension and expulsion of pupils, which is inconsistent with Senate Bill 419.
* The petitioner is demonstrably unlikely to successfully implement the program set forth in the renewal petition.
  + The renewal petition does not include an adequate financial plan for the operation of the charter school, including the following:
    - Financial statements: The budget projections submitted with the petition were not formatted correctly and cannot be analyzed.
    - Enrollment projections: The revenue appears to be materially misstated and the projected enrollment appears overstated.
    - Fiscal operations: The TFSCSI petition falls short of the standard for a realistic financial and operational plan with unsupported revenue, and understated expenses and assumptions.
  + The petitioners are not likely to successfully implement the program as described in the renewal petition because of ongoing business entanglements and concerns regarding self-dealing.
    - Contracts with Clark Parker’s construction management company: There is no evidence that shows that Jeanette Parker, the lead petitioner, did not participate in the consideration or negotiations, nor influence the decision of the contracts with Clark Parker’s construction management company.
    - Lease agreements for TFS-C: There are concerns on whether the Parkers disclose their interest and/or recuse themselves from participating in negotiations, formation, or action on the lease.
    - TFS, Inc. fails to inspire confidence regarding conflicts of interest and self-dealings moving forward.

### Charter Elements

The CDE finds that the TFSCSI petition does not provide a reasonably comprehensive description of the following required charter elements (Attachment 1 of Agenda Item 08 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 TFSCSI petition does not, overall, present a reasonably comprehensive description of the educational program.

The TFSCSI petition does not present a reasonably descriptive plan for ELs nor does it indicate how TFSCSI will meet the needs of ELs. The TFSCSI petition states that once pupils are reclassified as RFEP, their academic progress is monitored for a minimum of two years; however, it does not state that RFEP pupils will be monitored for four years after reclassification.

The TFSCSI petition does not include the projected enrollment for TK through grade eight; however, the projected enrollment is included within the budget that was submitted to IUSD (Attachment 9 of Agenda Item 08 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>). Additionally, the CDE is unclear about the seemingly random increases in enrollment for K and grade one in 2023–24 and 2024–25, respectively.

Throughout the petition, TFSCSI states that it serves pupils TK through grade eight; however, the projected enrollment plan does not include the number of pupils in TK that TFSCSI plans to enroll. The petition also does not include a reasonably comprehensive description of the TK program.

The TFSCSI petition does not present a reasonably descriptive plan for special education pupils. The petition does not include a statement confirming that parents can verbally request an evaluation of their pupil nor does it include a statement that TFSCSI has an obligation to work with the parents to turn that request into writing. Additionally, the petition does not include sufficient information to show that there is a continuum of services to pupils with an Individualized Education Program. The petition also contains inconsistent language regarding the programs and services provided by a Special Education Local Plan Area.

#### Element 4–Governance Structure

The TFSCSI petition does not present a reasonably comprehensive description of the school’s governance structure. The petition states that TFSCSI shall comply with the Brown Act, and any other requirements for the location of governing board meetings of TFSCSI, including *EC* Section 47604.1, as added by SB 126 (2019). The petition also states that TFSCSI shall comply with the Political Reform Act and Public Records Act. However, a review of the TFSCSI Bylaws reflect that they do not comply with the Brown Act requirement in several significant ways. This includes, but is not limited to, allowing regular meetings to be held without notice and having no requirement for public notice of special meetings, both of which are in violation of *GC* sections 54954(a) and 54956(c).

The CDE notes that the TFSCSI Conflict of Interest Policy was included in the petition appendices (Attachment 3 and Attachment 8 of Agenda Item 08 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>). This Conflict of Interest Policy is not in compliance with *GC* Section 1090 nor the Political Reform Act as required by *EC* Section 47604.1(b).

#### Element 9–Annual Independent Financial Audits

The TFSCSI petition does not present a reasonably comprehensive description of annual independent financial audits. The TFSCSI petition does not specify who is responsible for contracting and overseeing the independent audit.

#### Element 10–Suspension and Expulsion Procedures

The TFSCSI petition does not present a reasonably comprehensive description of suspension and expulsion procedures. Addressing evaluation criteria B, the petition lists discretionary and non-discretionary offenses and procedures for suspension and expulsion (Attachment 3 of Agenda Item 08 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 petition also lists willful defiance as a discretionary expellable offense which is no longer allowable under law (Attachment 3 of Agenda Item 08 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>).

## Documents Reviewed by the California Department of Education

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

* TFSCSI petition (Attachment 3 of Agenda Item 08 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 08 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>)
* TFSCSI budget and financial projections (Attachment 4 of Agenda Item 08 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 24, 2020, description of changes to the TFSCSI renewal petition necessary to reflect the SBE as the chartering entity (Attachment 5 of Agenda Item 08 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>)
* IUSD Board of Trustees’ findings evidencing denial of the TFSCSI renewal petition and petitioner’s response (Attachment 6 of Agenda Item 08 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’s findings evidencing denial of the TFSCSI renewal petition appeal and petitioner’s response (Attachment 7 of Agenda Item 08 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>)
* TFSCSI articles of incorporation, bylaws, and conflict of interest policy (Attachment 8 of Agenda Item 08 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>)
* TFSCSI’s appendices and supporting documents (Attachment 9 of Agenda Item 08 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>)
* GDSI’s February 2015 audit report (Attachment 10 of Agenda Item 08 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>)

## 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 nine sites
* Seven districtwide charters, operating a total of 18 sites
* Twenty-five 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: Today’s Fresh Start Charter School Inglewood (55 Pages)
* **Attachment 2:** California State Board of Education Standard Conditions on Opening and Operation (4 Pages)
* **Attachment 3:** Today’s Fresh Start Charter School Inglewood Supplemental Documents (274 Pages)

1. Related party transaction – an arrangement between two parties that have a preexisting business relationship. [↑](#footnote-ref-1)