California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

lacb-csd-sep24item04

# California State Board of Education September 2024 Agenda Item #18

## Subject

Watsonville Prep: Consider a Request for Material Revision to a Charter to Add a Site.

## Type of Action

Action, Information, Public Hearing

## Summary of the Issue

On January 9, 2019, the California State Board of Education (SBE) granted the charter petition Watsonville Prep for a five-year term beginning July 1, 2019, and ending   
June 30, 2024. As the entity granting the charter, the SBE authorized Watsonville Prep (“Charter School”) to serve kindergarten (K) to eighth grade beginning with K to second grade in the 2019–20 school year. Subsequently, pursuant to California *Education Code* (*EC*) Section 47607.4, the Charter School’s term ending date was extended to June 30, 2027.

On or about May 28, 2024, Watsonville Prep submitted a request for a material revision of its charter to expand operations to an additional site pursuant to *EC* Section 47605(a)(4).

Watsonville Prep lies within the boundaries of the Pajaro Valley Unified School District in Santa Cruz County. Watsonville Prep currently operates at 407 Main Street, Watsonville. Watsonville Prep seeks to add an additional site located at 18 West Beach Street, Watsonville, which is adjacent to its current site.

## Recommendation

The California Department of Education (CDE) recommends that the SBE approve the material revision to the Watsonville Prep charter to add an additional site located at 18 West Beach Street, Watsonville, to its current site (Attachment 1, p. 4).

Inherent to this recommendation, the CDE proposes the following condition: Watsonville Prep must update the revised charter to reflect the SBE as the chartering authority.

The CDE will conduct a pre-opening site visit prior to instruction at the 18 West Beach Street site.

**Advisory Commission on Charter Schools Recommendation**

At its August 6, 2024, meeting, the Advisory Commission on Charter Schools (ACCS) accepted the CDE’s recommendation and moved to recommend that the SBE approve the material revision to the Watsonville Prep charter to add an additional site. The motion passed unanimously.

The notice for the August 6, 2024, ACCS meeting is located on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice080624.asp>.

## Standard of Review

*EC* Section 47605(a)(4) provides the following:

After receiving approval of its petition, a charter school that proposes to expand operations to one or more additional sites or grade levels shall request a material revision to its charter and shall notify the chartering authority of those additional locations or grade levels. The chartering authority shall consider whether to approve those additional locations or grade levels at an open, public meeting. If the additional locations or grade levels are approved pursuant to the standards and criteria described in subdivision (c), they shall be a material revision to the charter school's charter.

The SBE will review Watsonville Prep’s request for a material revision of its charter to expand operations to an additional site in accordance with *EC* Section 47605(a)(4), which is a de novo review in accordance with *EC* Section 47605(c).

*EC* Section 47605(c) provides that the chartering authority determine if the charter school’s material revision request “is consistent with sound educational practice and with the interests of the community in which the school is proposing to locate,” which includes review by the CDE of the 15 required elements specified under *EC* Section 47605(c)(5)(A)–(O) and as summarized in Attachment 1 on page 4.

## Material Revision of Facilities Addendum

Watsonville Prep is operated by the nonprofit public benefit corporation Navigator Schools. Caprice Young, Chief Executive Officer and Superintendent of Navigator Schools, submitted the materialrevision request to the CDE on or about May 28, 2024.

Watsonville Prep currently operates at 407 Main Street, Watsonville, and seeks to expand operations by adding a second site located at 18 West Beach Street, Watsonville (pp. 7 and 131 of Attachment 4 of Agenda Item 04 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice080624.asp>).

As a part of its material revision, Watsonville Prep submitted the following:

* Watsonville Prep proposed revised charter
* Watsonville Prep current 2019 petition
* Appendices and supporting documents, including draft lease for the facility
* Watsonville Prep budget and financial information
* Certification of complete charter submission

## Fiscal Analysis

The Watsonville Prep multi-year projected budget includes the following projected pupil enrollment of (pp. 13–14 of Attachment 4 of Agenda Item 04 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice080624.asp>):

* 528 Transitional Kindergarten (TK) through seventh grade in 2024–25
* 600 TK through eighth grade in 2025–26
* 600 TK through eighth grade in 2026–27

Watsonville Prep’s fiscal year 2024–25 second interim report indicates that the Charter School is projecting a positive ending fund balance of $2,040,107 and reserves of 18.87 percent, which is above the recommended 5 percent in reserves outlined in the Memorandum of Understanding between the Charter School and the SBE.

Watsonville Prep’s fiscal year 2022–23 audit report reflected an unqualified status with an ending fund balance of $1,194,682 and a reserve designated for economic uncertainty of 18.38 percent.

The projected financial plan for Watsonville Prep is fiscally sustainable. The CDE concludes that Watsonville Prep’s multi-year financial plan provides for projected operating surpluses, increasing positive fund balances, and adequate reserves.

## Background

### Educational Program

Watsonville Prep opened in the 2019–20 school year serving 168 pupils in K through second grade and grew a grade level per year to serve 461 pupils in K through sixth grade in 2023–24. Watsonville Prep is operated by Navigator Schools. The organization states that it is “dedicated to inspiring and educating all students to take advantage of every opportunity a high-quality education can offer them” (p. 13 of Attachment 4 of Agenda Item 04 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice080624.asp>).

### California Department of Education Review

The proposed revised charter adequately addresses how Watsonville Prep will serve low-achieving pupils, high-achieving pupils, English learners, and pupils with disabilities.

## Updated Legal Requirements

Watsonville Prep submitted its material revision request as required by *EC* Section 47605(a)(4).

A reasonably comprehensive description of any new requirements of law since the charter was approved is included within the revised charter itself, which is provided as Attachment 4.

While, overall, the Watsonville Prep’s proposed revised charter meets the required charter elements pursuant to *EC* Section 47605, the CDE notes the following:

* **Element 14. Dispute Resolution Procedures:** The Watsonville Prep proposed revised charter identifies “the District” as the entity granting the charter (pp. 126–127 of Attachment 2 of Agenda Item 04 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice080624.asp>). References to “the District” will need to be corrected to “the SBE.”

A detailed analysis of the CDE’s review of the proposed revised charter is provided as Attachment 1.

If approved by the SBE, as a condition for approval, Watsonville Prep will be required to update the revised charter to include the necessary language for the item noted above.

## Conclusion

Pursuant to *EC* Section 47605(a)(4), a charter school that proposes to expand operations to an additional site shall request a material revision to its charter and shall notify the chartering authority of the additional location. The chartering authority shall consider whether to approve the additional location at an open, public meeting. If the additional location is approved, it shall be a material revision to the charter school’s charter.

The CDE recommends that the SBE approve the material revision request from Watsonville Prep, an SBE-authorized charter school, to add the location at 18 West Beach Street, Watsonville, as the petition meets the standards and criteria in *EC* Section 47605(c) with the required technical amendments.

## Material Revision Documents

The following documents were reviewed by CDE staff as a part of its analysis of Watsonville Prep’s material revision:

* Watsonville Prep Material Revision Charter (Redline), which is available as Item 04 Attachment 2 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug24item04a2.pdf>.
* Watsonville Prep Original California State Board of Education Approved 2019 Petition, which is available as Item 04 Attachment 3 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug24item04a3.pdf>.
* Watsonville Prep 2019–27 Revised Charter, which is available as Item 04 Attachment 4 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug24item04a4.pdf>.
* Watsonville Prep Multi-Year Projection, which is available as Item 04 Attachment 5 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug24item04a5.pdf>.
* Draft Master Lease Agreement, July 1, 2024, which is available as Item 04 Attachment 6 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug24item04a6.pdf>.
* Certification of Complete Charter Petition, which is available as Item 04 Attachment 7 on the August 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-aug24item04a7.pdf>.

## Attachment

* **Attachment 1:** California Department of Education Charter School Petition Review Form: Watsonville Prep (41 Pages)