



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.2

Meeting Date: April 12, 2012

Subject: Public Hearing and Action on Charter School Renewal Petition –
Sacramento Charter High School

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Accountability Office

Recommendation: To conduct public hearing to consider the level of support for the renewal petition of the Sacramento Charter High School, and to conference and take action to approve the renewal petition.

Background/Rationale: The Governing Board will hold a public hearing in accordance with Education Code section 47607 (b) to consider the level of support for the renewal of the Sacramento Charter High School Petition (Charter renewal date: July 1, 2013). Sacramento Charter High School submitted their petition for renewal one year earlier than required to coincide with the renewal of PS7. The district received the Sacramento Charter High School renewal petition on February 16, 2012. The school waived the 30 days public hearing in favor of a joint public hearing and board action timeline at this April 12, 2012 board meeting. As such, District staff has conducted an extensive review of the petition. The staff report and recommendation are being presented for Board Action on April 12, 2012.

Financial Considerations: The financial considerations are outlined within the executive summary document.

Documents Attached:

1. Charter Petition is located on the District web-site: www.scusd.edu
(under Board of Ed./Board Meetings, April 12th – agenda item)
2. Executive Summary

Estimated Time of Presentation: 15 minutes

Submitted by: Chiem-Seng Yaangh, Ph.D., Coordinator

Approved by: Mary C. Shelton, Chief Accountability Officer

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Public Hearing and Action on Charter School Renewal Petition – Sacramento Charter High School

I. Overview of Charter School Renewal Petition:

Sacramento City Unified School District authorized the 18th charter school in California, Bowling Green Elementary in 1993. Since that time SCUSD has approved six “dependent” charter schools and nine “independent” charter schools.

On February 16, 2012 SCUSD, received an independent charter renewal petition from the Sacramento Charter High School (“SCHS or Sac Charter”). The District first granted the charter in July 2003. This charter petition is seeking a five-year renewal term for their 9-12th grade program. The purpose of the Public Hearing is to consider the level of support for the Sacramento Charter High School.

After reviewing the renewal petition, the District provided Sac Charter with a list of four (4) elements that were identified as needing modification prior to staff recommendation for approval of the renewal petition. In response, Sacramento Charter High School provided the District with an updated renewal petition (“Revised Petition”).

The District first granted Sacramento Charter High School in July 2003 and granted the first renewal on December 20, 2007. The charter expires on June 30, 2013. However, Sac Charter is requesting renewal one year earlier so that future renewals for St. Hope Public Schools charter schools occur in the same year. Sac Charter has identified a core set of school design elements which serve as the foundation for the Charter School model:

1. Personalization;
2. College-Going Culture;
3. Structured, Orderly Learning Environment;
4. Rigorous, Standards-Based Curriculum and Instruction;
5. Data Driven Instruction and System of Accountability;
6. Extended Time for Learning;
7. Structured Interventions and Support;
8. Leadership Development and Community Service;
9. High Quality Professional Development; and
10. Parent and Community Involvement.

II. Driving Governance:

The Charter Schools Act of 1992 (“Act”) governs the creation of charter schools in the State of California. The Act includes Education Code section 47605(b) which provides the standards and criteria for petition review, and provides that a school district governing board considering

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whether to grant a charter petition “shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged.” (Ed. Code, §47605(b).) In addition, the Act provides that renewals and material revisions of charters are governed by the standards and criteria set forth in Education Code §47605. Specifically, the governing board may not deny a petition unless it makes written factual findings setting forth for specific facts to support one, or more of five findings:

- 1) The charter school presents an unsound educational program for the pupils to be enrolled in the charter school,
- 2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition,
- 3) The petition does not contain the number of signatures prescribed by code,
- 4) The petition does not contain an affirmation of each of the conditions prescribed by code and
- 5) The petition does not contain reasonably comprehensive descriptions of sixteen certain elements in its program and operations.

Newly-adopted State regulations require for the automatic renewal of a charter school petition, if a school district fails to adopt written factual findings to support a denial within 60 days of the district’s receipt of a petition. (Cal. Code Regs., tit. 5, §11966.4(c).)

In addition, a charter school seeking renewal must also meet at least one of the following criteria as set forth in Education Code §47607:

- 1) Attained its Academic Performance Index (API) growth target in the prior year or in two of the last three years, or in the aggregate for the prior three years.
- 2) Ranked in deciles 4 to 10, inclusive, on the API in the prior year or in two of the last three years.
- 3) Ranked in deciles 4 to 10, inclusive, on the API for a demographically comparable school in the prior year or in two of the last three years.
- 4) 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.

If one of the above standards is met, the governing board may grant the renewal assuming that the renewal petition also complies with the standards and criteria of Education Code §47605 as discussed above.

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Sac Charter achieved its academic performance index (API) growth target during the prior year (2010-2011). During that year SCHS's API growth target was five (5) and its actual growth was eight (8). Sac Charter's API score for 2011 is 786.

As indicated above, another academic standard for a charter to obtain renewal is if it ranked in deciles 4 to 10, inclusive, on the API in the prior year or in two of the last three years. (Education Code section 47607, subd. (b)(2).) Sac Charter has met this standard. Its statewide API rank in 2009 and 2010 is as follows:

2009 - 6

2010 - 7

Sac Charter has met the academic achievement standards of Education code section 47607 and has complied with the standards and criteria of Education Code section 47605. We recommend that the governing board grant SCHS's renewal petition.

III. Results of Petition Review:

The Petition provided the information required by the Charter Schools Act of 1992 (Education Code §47605); however, District Staff recommended some revisions to improve the petition in three areas: 1) Element J, Pupil Suspension and Expulsion; 2) Element L, Attendance Alternatives; 3) Element M, Description of Employee Rights; and 4) Financial Plan as it relates to budget expenditure and economic reserve. Sac Charter responded to staff concerns by submitting to the District the Revised Petition. Staff are satisfied with the revisions. Some concerns remain regarding enrollment projection.

1. *Element J, Pupil Suspension and Expulsion*

Staff Recommendation: The overall descriptions of pupil suspension and expulsion element are acceptable; however, Staff requested the element to include language indicating that all expulsion documents will be forwarded to the District's Student Hearing and Placement Department.

Sac Charter's Response: The revised petition added language to element J, which makes the petition now reasonably comprehensive in its descriptions. Sac Charter elaborated element J and included the following:

Following the approval of an expulsion recommendation by the SHPS Board of Directors for an in-district student, all expulsion documents for the student, along with the student's cumulative file, will be forwarded to the District Director of Student Hearing and Placement. (Revised Petition, page 56)

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2. Element L, Attendance Alternatives

Staff Recommendation: Similarly, the overall attendance alternatives description is satisfactory but lacks information on what the charter needs to provide each student for transferring to District schools.

Sac Charter's Response: In the revised petition, Sac Charter added language to clarify what information is to be provided for each student transferring out of the charter school, "if a student decides to transfer from Sac Charter, the Charter School will provide that student with a copy of their most recent report card and current grades at the time of disenrollment." (Revised petition, page 70)

3. Element M, Description of Employee Rights

Staff Recommendation: This element of the charter renewal petition did not fully describe the charter school's employee rights. The following are the areas the revision would need to address:

- Acknowledgment that the collective bargaining contract in the sponsoring district will be controlling;
- Sick/vacation leave (ability to carry it over to and from charter school);
- How employees will be paid (e.g. salaried, hourly, etc.);
- Description of employee benefits;
- Identify whether charter school employees will be "at will" or if they will gain permanency;
- Identify whether the charter school will be responsible for the payment of social security and applicable taxes for charter school employees.

Sac Charter's Response: The revised petition further addressed employee rights and this element is now reasonably comprehensive. As an independent charter school, all employees of the Charter School are employees St. Hope Public Schools. All of the specifics of concern above are fully addressed in the revision:

All employees of the Charter School will be considered the exclusive employees of the Charter School and not of the District, unless otherwise mutually agreed in writing. SCHS is an independent charter school and as such employees are not under district collective bargaining contract and sick or vacation leave or years of service credit at the District or any other school district will not be transferred to the Charter School. SHPS has its own sick and vacation policy for employees which can be found in the SHPS Employee Handbook located in Appendix E. Employees of SHPS are considered "at will" employees. Exempt employees are paid a salary and non-exempt employees are paid on an hourly basis. SHPS offers employees a complete and comprehensive benefit

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package which includes medical, dental, vision, and retirement benefits. Furthermore, SHPS is responsible for the payment of social security and other applicable taxes for SCHS employees. (Revised Petition, page 71)

4. Financial Plan as it Relates to Budget Expenditure and Economic Reserve

Staff Recommendation: District Staff's reviewed of Sac Charter's financial plan shows that the revenue projections appear to be reasonable; however, Staff had concerns about enrollment projection, expenditure and economic reserve. The budget expenditure in salaries and benefits appears low and economic reserve of three (3) percent minimum was not included in the projection.

Sac Charter's Response: Sac Charter provided detailed explanation for the lower salaries and benefits and economic reserve budget as provided in the revised petition. District Staff are satisfied with the revision and this element is now reasonably comprehensive. However, District Staff disagrees with Sac Charter's enrollment projection based on previous years declining enrollment. Sac Charter maintains that they are optimistic that they will increase their enrollment by 10.24 percent (or 915 students) in the 2012-2013 school year. The current year enrollment is 830. Staff will continue to monitor the projected enrollment for fiscal impacts on the school. If fiscal concerns appear, the District would address them as the chartering authority.

IV. Budget Implications

Even though a negative financial impact to the District cannot be used as criteria to deny a charter school petition, the potential loss of district students does reduce available revenue in General Fund.

The following are estimates based upon known information:

To estimate the Loss of Revenue Limit and Lottery Funds for 842 ADA for 2012-2013 school year, offset by a reduction in expenses for teachers and supplies, the potential reduction of funds to the district is approximately \$1,500,000.

These losses would be offset by any fees paid to the district, including (but not limited to) fees for use of facility. Also, one percent of the Charter School's state revenues would be paid to the district for oversight.

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V. Conclusion:

The revisions made to the Petition by Sac Charter meet the requirements and recommendations of the District. Staff recommends that the Petition be approved with the expectation that the operational and special education memoranda of understandings be negotiated within sixty (60) days of renewal.

VI. Next Steps:

- Upon board approval, District Staff will continue to monitor the development and implementation of Sac Charter's goals and objectives set-forth in the petition.
- Meet with charter petitioners to negotiate an acceptable Operating MOU and an acceptable Special Education MOU.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 2697

**RESOLUTION TO APPROVE THE PETITION TO RENEW THE CHARTER OF
Sacramento Charter High School (SCHS)**

WHEREAS, petitioners for St. Hope Public Schools (“Petitioners”) submitted to Sacramento City Unified School District (“District”) a charter renewal petition (“Petition”), dated February 16, 2012, for the Sacramento Charter High School (“SCHS”); and

WHEREAS, following feedback from District staff, the Petition was revised and submitted (“Revised Petition”);

WHEREAS, the District’s Governing Board held a public hearing and took board action on April 12, 2012; and

WHEREAS, the Governing Board has considered the level of public support for SCHS and has reviewed the Revised Petition and all information received with respect to the Revised Petition, including all supporting documentation; and

WHEREAS, in reviewing the Revised Petition, the Governing Board has been guided by the intent of the California Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged; and

WHEREAS, after analysis of the Revised Petition and the related supplemental materials, the Superintendent and District staff have recommended approval of the Revised Petition.

NOW, THEREFORE, BE IT RESOLVED that the Sacramento City Unified School District Board of Education hereby approves the Revised Petition to renew the Charter of Sacramento Charter High School for another term.

BE IT FURTHER RESOLVED the term of the charter shall be for five (5) years, beginning on July 1, 2012 and expiring June 30, 2017.

PASSED AND ADOPTED by the Sacramento City Unified School District Board of Education on this 12th day of April, 2012, by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

Diana Rodriguez
President of the Board of Education

ATTESTED TO:

Jonathan Raymond
Secretary of the Board of Education