# **Office of Innovative Schools**

Capitol Heights Academy's Material Revision, Addendum to Board of Education Executive Summary on Consider Resolution 3158: Material Revision for Aspire Capitol Heights Academy

October 15, 2020

# I. OVERVIEW / HISTORY

On February 18, 2020, the Sacramento City Unified School District ("District") received from Aspire Public Schools, a California nonprofit public benefit corporation ("Nonprofit"), a petition to make a Material Revision ("Material Revision") to the charter of Aspire Capitol Heights Academy ("CHA"), an independently operated public charter school. The Material Revision requests that the District's Board of Education authorize the following:

- 1. Relocate its current facility from 2520 33rd St, Sacramento, CA 95817 to 7300 Folsom Blvd, Sacramento, CA 95826;
- 2. Increase its grade levels from TK-5 to TK-8.
- 3. Increase its enrollment from its current operational enrollment, which is its maximum authorized enrollment, of 440 students to an operational enrollment of 600 students.

Staff presented its original Executive Summary to the Board for its meeting of July 16, 2020. In this Amended Board Executive Summary, staff presents additional information as requested by the Board. Staff provides information on CHA's:

- Yearly trend in enrollment,
- Academic performance of African American or Black and Hispanic or Latino students, and
- The Impact of Senate Bill 98

The material revision processing was stalled by complicating factors, such as another charter submitted a renewal petition that staff had to process before mandated deadlines, the pandemic, and the district budget priorities.

# II. DRIVING GOVERNANCE

This section will cover key charter governance considerations for a charter to make a material revision to its current approved charter.

# Material Revision

During the term of its charter, a charter school may determine that it is necessary or desirable to seek an amendment of its current approved charter. For a charter to make a material revision to its approved charter the District must approve any proposed change to the provisions of a charter before the change can be implemented. While some proposed changes





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to a charter may be deemed non-material and, therefore, can be handled administratively by the Office of Innovative Schools, any amendment that would constitute a "material revision" of the charter must be approved by the governing board of the charter school and the SCUSD Board of Education in accordance with California Education Code §47607(a)(1). Material revisions are governed by the same standards and criteria that apply to new petitions (Cal. Ed. Code §47607(a)(2)). 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." (Ed. Code, section 47605(a)(4), emphasis added).

The following are key factors in the review process of a petition to make a material revision to a charter petition:

- A request for material revision to add a site must be considered at an open, public meeting. (Ed. Code 47605(a)(4).)
- There is "no specific time frame . . ." for a decision on a material revision. (*Today's Fresh Start Charter School v. Inglewood Unified School Dist.* (2018) 20 Cal.App.5th 276.)
- Findings are not a requirement for denial
- It is not "deemed granted" if not denied within 60 days.

This petition to expand a charter school may be denied if the Board finds that this Material Revision:

- Presents an unsound educational program for the pupils to be enrolled in the charter school;
- The Petitioners are demonstrably unlikely to successfully implement the program set for in the Material Revision.
- Does not contain a reasonably comprehensive description of the essential elements of the Charter impacted by the Material Revision. In addition to the required elements, District staff reviews "any new requirement of charter schools enacted into law after the charter was originally granted or last renewed."
- The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate; or
- The District is not positioned to absorb the fiscal impact of the proposed charter school. (Ed. Code, § 47605 (c)(1)-(8).) (New criteria established July 1, 2020)

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For CHA's material revision, in addition to the traditional review process staff reviewed several aspects in the CHA material revision to ensure adherence to education code. The review of the Material Revision required staff to investigate the following:

- Can a charter impose enrollment limits? The nonprofit proposes that its material revision's fiscal impact on the district will be lessened because a limited number of students will come from the SCUSD attendance area.
- Feasibility of Ideas for Possible Offsets to Reduce Fiscal Impact of Material Revision The nonprofit proposed the two following ideas as strategies to reduce the fiscal impact to the district of its material revision.
  - Increase Percentage Paid for Oversight Fees
  - Purchase of District Services

# III. GOALS, OBJECTIVES, AND MEASURES

### Enrollment

The enrollment total listed in the following table is from the CDE's Dataquest website.

Academic Year	Total	Grade K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
2019-20	232	47	43	37	31	41	33
2018-19	234	45	35	40	47	34	33
2017-18	276	47	44	48	48	41	48
2016-17	292	48	47	45	48	48	56
2015-16	292	47	48	47	43	54	53
2014-15	301	45	47	48	48	55	58

#### Enrollment, 2014-15 to 2019-20



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This line graph from the Ed-Data website shows the annual decline in enrollment since the 2016-17 school year.

### **Student Performance**

To evaluate the charter school's student performance, staff looked at the schools' recent 2018-19 results on CAASPP tests in English language arts/literacy and mathematics. Specifically, staff compared the performance of the charter school's third, fourth, and fifth grade Black or African American and Hispanic or Latino students compared to similar students at Bret Hart Elementary, Father Keith B. Kenny, Oak Ridge Elementary, and Tahoe Elementary. To get a sense of the year-to-year trend of the schools' students, staff looked at the CAASPP results of the charter school's third graders from the year 2016-17, then the fourth graders from the following year, 2017-18, and finally the fifth-graders from 2018-19. Staff also looked at the CAASPP results, as reported on the California School Dashboard System. For the state assessment, the Dashboard measures, performance on two factors:

- Current year results, and
- Whether results improved from the prior year.

CDE guidelines on the Dashboard state that, "Performance on the **state measures** is based on data from both the current and prior years. Any LEA, school, or student group with at least 30

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students in both the current and prior year receives a **performance level** for each applicable state measure. There are **five** performance levels, and each is assigned a different color: Red is the lowest performance level, Orange is the second lowest, Yellow is the middle point, Green is the second highest, and Blue is the highest performance level.



A Dashboard performance level (color) was not calculated for the charter school's Hispanic or

Latino students, because the performance level is not included when fewer than 30 students are in any year. The charter had less than 30 Hispanic or Latino students who were assessed. According to the 2019-20 California Basic Educational Data System (**CBEDS**), 60.3 percent at the Charter School are Black or African American, and 23.3 percent students are Hispanic or Latino.

### **English Language Arts**

For 2019, the Charter School's Dashboard academic performance for English Language Arts for African American or Black students was assigned Orange, second lowest performance level. African American or Black students scored 52.3 points below standard.

Overall, for all grade levels, 22.5% of the Black or African American students met or exceeded the English language

arts/literacy standards. This was below Father Keith B. Kenny's 47.83%, but better than Bret Harte Elementary's 15%, Oak Ridge Elementary's 22.23%, and Tahoe Elementary's 14.28%.



African American



# **Black or African American**

Standard Exceeded:	8.75%	2.50%	10.87%	5.56%	5.71%	Standard Exceeded:	14.81%	1.45%	19.18%	2.70%	9.47%
Standard Met:	13.75%	12.50%	36.96%	16.67%	8.57%	Standard Met:	18.52%	10.14%	24.66%	13.51%	18.959
Standard Nearly Met:	30.00%	22.50%	23.91%	16.67%	25.71%	Standard Nearly Met:	22.22%	26.09%	24.66%	31.08%	18.95
Standard Not Met:	47.50%	62.50%	28.26%	61.11%	60.00%	Standard Not Met:	44.44%	62.32%	31.51%	52.70%	52.63

The next three tables are the charter's 2019 English Language Arts CAASPP results for African American or Black and Latino or Hispanic students by grade level in comparison to four SCUSD schools, Bret Harte Elementary, Father Keith B. Kenny, Oak Ridge Elementary, and Tahoe Elementary.

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For Hispanic or Latino students 33.33% met or exceeded the English language arts/literacy standards. This was below Father Keith B. Kenny's 43.84%, but better than Bret Harte Elementary's 11.59%, Oak Ridge Elementary's 16.21%, and Tahoe Elementary's 28.69%.

> English Language Arts/Literacy 2018-19 California Assessment of Student

> Performance & Progress (CAASPP) Results

Black or African American					Hispanic or Latino					
spire apitol eights cademy	Bret Harte Elementary	Father Keith B. Kenny	Oak Ridge Elementary	Tahoe / Elementary		Aspire Capitol Heights Academy			Oak Ridge Elementary	Tahoe Elementary
8.75%	2.50%	10.87%	5.56%	5.71%	Standard Exceeded:	14.81%	1.45%	19.18%	2.70%	9.47%
13.75%	12.50%	36.96%	16.67%	8.57%	Standard Met:	18.52%	10.1 <mark>4%</mark>	24.66%	13.51%	18.95%
30.00%	22.50%	23.91%	16.67%	25.71%	Standard Nearly Met:	22.22%	26.09%	24.66%	31.08%	18.95%
47.50%	62.50%	28.26%	61.11%	60.00%	Standard Not Met:	44.44%	62.32%	31.51%	52.70%	52.63%
	pitol ights ademy 8.75% 3.75% 30.00%	pitol ights Bret Harte Elementary   8.75% 2.50%   13.75% 12.50%   30.00% 22.50%	pitol ights addemy Father Keith B. Elementary Father Keith B.   8.75% 2.50% 10.87%   13.75% 12.50% 36.96%   30.00% 22.50% 23.91%	pitol lights ademuBret Harte FlementaryFather Keith B. Coak Ridge ElementaryOak Ridge Elementary8.75%2.50%10.87%5.56%13.75%12.50%36.96%16.67%30.00%22.50%23.91%16.67%	pitol lightsBret Hartte FementaryFather Keith B. Dak Ridge ElementaryDak Ridge ElementaryTahoe Elementary8.75%2.50%10.87%5.56%5.71%13.75%12.50%36.96%16.67%8.57%30.00%22.50%23.91%16.67%25.71%	pitol ightsBret Harte FlementaryFather KennyOak Ridge FlementaryTahoe FlementaryPather Flementary8.75%2.50%10.87%5.56%5.71%Standard Exceeded:3.75%12.50%36.96%16.67%8.57%Standard Met:30.00%22.50%23.91%16.67%25.71%Standard Mearly Met:7.50%62.50%28.26%61.11%60.00%Standard	pitol lights addemyBret Harte FlementaryFather Reith B.Oak Ridge FlementaryTahoe FlementaryCapitol Heights Academy8.75%2.50%10.87%5.56%5.71%Standard Exceeded:14.81%3.3.75%12.50%36.96%16.67%8.57%Standard Met:18.52%30.00%22.50%23.91%16.67%25.71%Standard Met:22.22%12.50%62.50%28.26%61.11%60.00%Standard Met:44.44%	pitol lightsBret Harte KennyFather KennyOak Ridge ElementaryTahoe Tahoe ElementaryCapitol HeightsBret Harte Bret Harte Elementary8.75%2.50%10.87%5.56%5.71%Standard Keney14.81%1.45%3.3.75%12.50%36.96%16.67%8.57%Standard Met:18.52%10.14%30.00%22.50%23.91%16.67%25.71%Standard Met:22.22%26.09%12.50%62.50%28.26%61.11%60.00%Standard Met:44.44%62.33%	pitol lightsBret Harte Feith B.Father Dak Ridge FlementaryDak Ridge FlementaryTaboe FlementaryCapitol HeightsBret Harte Bret Harte Kenny8.75%2.50%10.87%5.56%5.71%Standard Met:14.81%1.45%19.18%3.75%12.50%36.96%16.67%8.57%Standard Met:18.52%10.14%24.66%30.00%22.50%23.91%16.67%25.71%Standard Met:22.22%26.09%24.66%17.50%62.50%28.26%61.11%60.00%Standard Met:44.44%62.32%31.51%	pitol lights addemFather KennyOak Ridge FlementaryTahoe FlementaryCapitol Heights AcademFather Bret Harte KennyFather KennyOak Ridge Flementary8.75%2.50%10.87%5.56%5.71%Standard Kceeded:14.81%1.45%19.18%2.70%3.3.75%12.50%36.96%16.67%8.57%Standard Met:18.52%10.14%24.66%13.51%30.00%22.50%23.91%16.67%25.71%Standard Met:22.22%26.09%24.66%31.08%12.50%62.50%28.26%61.11%60.00%Standard Met:44.44%62.32%31.51%52.70%



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> Third Grade 2018-19 CAASPP Results English Language Arts / Literacy

В	lack o	or Afrie	can A	merica	an		His	spanic	or La	tino	
	Aspire Capitol Heights Academy	Bret Harte Elementary	Father Keith B. Kenny	Oak Ridge Elementary	Tahoe Elementary		Aspire Capitol Heights Academy	Bret Harte Elementary		Oak Ridge Elementary	Tahoe Elementary
Mean Scale Score:	2380.30	N/A	2401.80	N/A	N/A	Mean Scale Score:	N/A	2372.1	2408.7	2357.5	2365.3
Standard Exceeded:	3.03%	*	11.76%	•	*	Standard Exceeded:	•	5.88%	14.29%	4. <mark>76</mark> %	11.5 <mark>4</mark> %
Standard Met:	21.21%	*	23.53%	*		Standard Met:	*	11.76%	23.81%	9.52%	19.23%
Standard Nearly Met:	36.36%	*	35.29%	*	*	Standard Nearly Met:	•	41.18%	23.81%	38.10%	11.54%
Standard Not Met:	39.39%	•	29.41%	•	•	Standard Not Met:	*	41.18%	38.10%	47.62%	57.69%

# Fourth Grade 2018-19 CAASPP Results English Language Arts / Literacy

#### **Black or African American**

	Aspire Capitol Heights Academy	Bret Harte Elementary	Father Keith B. Kenny	Oak Ridge Elementary	Tahoe Elementary
Mean Scale Score:	2430.90	2368.30	2474.60	N/A	N/A
Standard Exceeded:	17.86%	0.00%	21.43%	•	•
Standard Met:	10.71%	16.67%	42.86%	*	٠
Standard Nearly Met:	25.00%	25.00%	14.29%	*	*
Standard Not Met:	46.43%	58.33%	21.43%	*	*

#### **Hispanic or Latino**

	Aspire Capitol Heights Academy	Bret Harte Elementary		Oak Ridge Elementary	Tahoe Elementary
Mean Scale Score:	N/A	2374.4	2417.1	2402.7	2395.4
Standard Exceeded:	•	0.00%	5.26%	2.70%	4.55%
Standard Met:	•	11.76%	21.05%	13.51%	18.18%
Standard Nearly Met:	*	23.53%	26.32%	24.32%	9.09%
Standard Not Met:	*	64.71%	47.37%	59.46%	68.18%



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# Fifth Grade 2018-19 CAASPP Results English Language Arts / Literacy

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	Aspire Capitol Heights Academy	Bret Harte Elementary		Oak Ridge Elementary	Tahoe Elementary		Aspire Capitol Heights Academy	Bret Harte Elementary		Oak Ridge Elementary	Tahoe Elementary
Mean Scale Score:	2420.40	2364.10	N/A	N/A	N/A	Mean Scale Score:	2453.1	2393	2511.9	2420.1	2460.3
Standard Exceeded:	5.26%	0.00%	*	*	*	Standard Exceeded:	8.33%	0.00%	41.18%	0.00%	16.00%
Standard Met:	5.26%	0.00%	*	*		Standard Met:	16.67%	5.88%	17.65%	10.26%	16.00%
Standard Nearly Met:	26.32%	16.67%	•	*	•	Standard Nearly Met:	25.00%	5.88%	17.65%	33.33%	24.00%
Standard Not Met:	63.16%	83.33%	*	*	•	Standard Not Met:	50.00%	88.24%	23.53%	56.41%	44.00%

#### **Black or African American**

#### Mathematics

For 2019, the charter's academic performance for mathematics for African American or Black students was assigned Orange, second lowest performance level. African American or Black students scored 73.9 points below standard and declined 22.1 points.

Overall, for all grade levels, 15% of the Black or African American students met or exceeded the English language arts/literacy standards. This was below Father Keith B. Kenny's 17.32%, but better than Bret Harte Elementary' s 11.43%, Oak Ridge Elementary' s 10.82%, and Tahoe Elementary' s 8.57%.

# **African American**

**Hispanic or Latino** 



73.9 points below standard

Declined 22.1 Points ③ Number of Students: 76



# ather Ceith B. Oak Ridge

Standard

**Black or African American** 

Exceeded:	1.25%	2.86%	2.17%	5.41%	0.00%	Exceeded:	3.70%	1.52%	12.16%	0.67%
Standard Met:	13.75%	8.57%	15.22%	5.41%	8.57%	Standard Met:	18.52%	3.03%	27.03%	11.33%
Standard Nearly Met:	21.25%	14.29%	41.30%	32.43%	37.14%	Standard Nearly Met:	22.22%	22.73%	17.57%	24.67%
Standard Not Met:	63.75%	74.29%	41.30%	56.76%	54.29%	Standard Not Met:	55.56%	72.73%	43.24%	63.33%

# The next three tables are the charter's 2019 Mathematics CAASPP results for African American or Black and Latino or Hispanic students by grade level in comparison to four SCUSD schools, Bret

Harte Elementary, Father Keith B. Kenny, Oak Ridge Elementary, and Tahoe Elementary.

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For Hispanic or Latino students 22.22% met or exceeded the English language arts/literacy standards. This was below Father Keith B. Kenny's 39.19%, but better than Bret Harte Elementary's 4.55%, Oak Ridge Elementary's 12%, and Tahoe Elementary's 18.95%.

**Mathematics** 

2018-19 California Assessment of Student

Performance & Progress (CAASPP) Results

Standard

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**Hispanic or Latino** 

ather eith B.

8.42%

10.53%

37.89%

43.16%

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# Third Grade 2018-19 CAASPP Results **Mathematics**

В	Black or African American						Hispanic or Latino					
	Aspire Capitol Heights Academy	Bret Harte Elementary	Father Keith B. Kenny	Oak Ridge Elementary	Tahoe Elementary		Aspire Capitol Heights Academy	Bret Harte Elementary		Oak Ridge Elementary	Tahoe Elementary	
Mean Scale Score:	2387.8	N/A	2357.4	N/A	N/A	Mean Scale Score:	N/A	2365.9	2401.4	2373.9	2403.1	
Standard Exceeded:	3.03%	*	0.00%	•	*	Standard Exceeded:	•	5.88%	4.76%	2.38%	15.3 <mark>8</mark> %	
Standard Met:	21.21%	*	17.65%	*	*	Standard Met:	*	11.76%	33.33%	21.43%	11.54%	
Standard Nearly Met:	24.24%	•	23.53%	*	•	Standard Nearly Met:	•	29.41%	23.81%	21.43%	38.46%	
Standard Not Met:	51.52%	*	58.82%	*	*	Standard Not Met:	*	52.94%	38.10%	54.76%	34.62%	

# Fourth Grade 2018-19 CAASPP Results **Mathematics**

В	Black or African American						His	spanic	or La	tino	
	Aspire Capitol Heights Academy	Bret Harte Elementary		Oak Ridge Elementary	Tahoe Elementary		Aspire Capitol Heights Academy	Bret Harte Elementary		Oak Ridge Elementary	Tahoe Elementary
Mean Scale Score:	2422.3	2371.9	2427.8	N/A	N/A	Mean Scale Score:	N/A	2385.7	2408.8	2401.1	2428.9
Standard Exceeded:	0.00%	0.00%	0.00%	*	*	Standard Exceeded:	*	0.00%	5.00%	0.00%	9.09%
Standard Met:	14.29%	18.18%	7.14%	*	*	Standard Met:	*	0.00%	10.00%	13.16%	4.55%
Standard Nearly Met:	28.57%	27.27%	64.29%	*		Standard Nearly Met:	*	35.29%	25.00%	39.47%	45.45%
Standard Not Met:	57.14%	54.55%	28.57%	*		Standard Not Met:	*	64.71%	60.00%	47.37%	40.91%

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**Black or African American** 

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for Aspire Capitol Heights Academy

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# Fifth Grade 2018-19 CAASPP Results Mathematics

**Hispanic or Latino** 

	Aspire Capitol Heights Academy	Bret Harte Elementary	Father Keith B. Kenny	Oak Ridge Elementary	Tahoe Elementary		Aspire Capitol Heights Academy	Bret Harte Elementary		Oak Ridge Elementary	
Mean Scale Score:	2387.6	2350.5	N/A	N/A	N/A	Mean Scale Score:	2400.9	2356.8	2514.1	2406.6	2448.8
Standard Exceeded:	0.00%	0.00%	*	*	*	Standard Exceeded:	0.00%	0.00%	29.41%	0.00%	8.00%
Standard Met:	0.00%	0.00%	*	*		Standard Met:	0.00%	0.00%	23.53%	2.56%	12.00%
Standard Nearly Met:	5.26%	9.09%		*	*	Standard Nearly Met:	25.00%	6.25%	11.76%	10.26%	28.00%
Standard Not Met:	94.74%	90.91%	*	*	*	Standard Not Met:	75.00%	93.75%	35.29%	87.18%	52.00%

To see the academic growth of African American or Black and Hispanic or Latino students, staff looked at progressive grade levels and years; so the third graders in the 2016-17 school year, then the fourth graders in the 2017-18 school year, and lastly the fifth graders in the 2018-19 school. The data was not cohort data, meaning it was not exclusively the same students year to year. The next two tables look at the charter school's progressive grade levels corresponding academic years' performance in English Language Arts and Mathematics.



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# **CAASPP** Achievement Level Distribution Over Time in English Language Arts/Literacy

Black	or	Africa	n Am	erican	

	Grade 3	Grade 4	Grade 5
chievement vel	(2016-17)	(2017-18)	(2018-19)
andard ceeded:	4.17%	5.26%	5.26%
andard et:	4.17%	10.53%	5.26%
andard early Met:	29.17%	21.05%	26.32%
andard Not et:	62.50%	63.16%	63.16%

#### **Hispanic or Latino**

CAASPP Achievement Level Distribution
Over Time in Mathematics

### **Black or African American**

Achievement	Grade 3	Grade 4	Grade 5
Level	(2016-17)	(2017-18)	(2018-19)
Standard Exceeded:	0.00%	0.00%	0.00%
Standard Met:	20.00%	0.00%	0.00%
Standard Nearly Met:	32.00%	47.37%	5.26%
Standard Not Met:	48.00%	52.63%	94.74%

#### **Hispanic or Latino**

	Grade 3	Grade 4	Grade 5
Achievement Level		(2017-18)	(2018-19)
Standard Exceeded:	0.00%	0.00%	0.00%
Standard Met:	31.25%	16.67%	0.00%
Standard Nearly Met:	18.75%	58.33%	25.00%
Standard Not Met:	50.00%	25.00%	75.00%



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In conclusion, after reviewing the most recent CAASPP results from 2018-19, staff continues to agree with the statement on their evaluation of the charter's 2018 renewal petition. Then staff wrote that, "The Renewal Petition illustrates that while the charter school generally has an academic achievement that is below that of the district as a whole, the charter school's academic performance generally exceeds that of comparable district schools."

# IV. BUDGET

#### Fiscal Impact of Material Revision

The nonprofit has a four-year plan to increase its enrollment to 600. It plans for yearly incremental increases in enrollment (see table below).

Current Enrollment 2019-2020	Year 1, Enrollment 2020-2021	Year 1, Enrollment Increase	Year 2, Enrollment 2021-2022	Year 2, Enrollment Increase	Year 3, Enrollment 2022-2023	Year 3, Enrollment Increase	Year 4 2023- 2024	Year 4, Enrollment Increase
213	336	123	420	84	504	84	600	96
Ye	arly Increases	123		84		84		96

Currently, the nonprofit's approved operational enrollment limit is 440 students. It will not exceed its approved operational enrollment limit until year three when it anticipates having an enrollment of 504 students. In year three, its Material Revision will have a negative fiscal impact because its enrollment will surpass its approved operational enrollment of 440 students by 64 students.

The following table shows three different scenarios of the fiscal impact of the nonprofit's material revision to increase its enrollment. In year four when the nonprofit reaches an operational enrollment of 600 students, the yearly negative fiscal impact will range from an annual loss of \$319,167 if twenty-five percent of the students are from the district to a yearly loss of \$1,448,113 if a hundred percent of the students are from the district.



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Enrollment	Year 1	Year 2	Year 3	Year 4	
Growth	Total Fiscal Impact	Total Fiscal Impact	Total Fiscal Impact	Total Fiscal Impact	
	(Oversight+Cost of	(Oversight+Cost of	(Oversight+Cost of	(Oversight+Cost of	
	Reduced Students-	Reduced Students-	Reduced Students-	Reduced Students-	
	Projected Revenue	Projected Revenue	Projected Revenue	Projected Revenue	
	Loss)	Loss)	Loss)	Loss)	
25%	\$32,354.07	\$40,164.39	\$(102,219.31)	\$(319,167.36)	
50%	\$32,354.07	\$40,164.39	\$(252,569.31)	\$(695 <i>,</i> 482.36)	
100%	\$32,354.07	\$40,164.39	\$(553,270.31)	\$(1,448,113.36)	

This analysis considered the district's savings from serving fewer students and the increase in revenue from Oversight Fees due to the nonprofit's increase in enrollment.

### Allowable percentage to charge for Oversight Fee

The nonprofit proposes to increase from the 1% that it currently pays for the oversight fee to the maximum of 3% as a way to reduce the fiscal burden of its material revision to the district. This proposal is not suggested per the Ed. Code. The district may not charge the maximum of 3 percent of the revenue of the charter school, **unless** "...the charter school is able to obtain substantially rent free facilities from the chartering authority." (Ed. Code, § 47613, subd. (b))

### **Purchase of District Services**

Another proposal from the nonprofit is to purchase services from the district to reduce the impact of its material revision. The fees the district charges for services rendered, such as custodial, cover the cost to provide the services. The district does not have a profit margin for the services it provides.

### No Savings from Reduction in Full Time Employees

When the staff reviewed which SCUSD schools the nonprofit plans to recruit the additional students to reach an enrollment of 600 from its current enrollment, it does not appear that the district will realize any reductions in Full-Time Employees (FTE). The projected enrollment growth would need to impact the same grade and the same school to result in a potential FTE reduction. Based on the nonprofit's data, the projected enrollment growth is spread across various grade-levels and schools. There is no significant concentration of students leaving a single school and grade level to allow the district to eliminate or reduce personnel.

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To calculate the fiscal impact of the material revision staff considered that between 25 to 100% of the growth in enrollment, would come from SCUSD schools with an average per-pupil funding of \$10,002. The staff chose to use a wide percentage range for the potential increase of students from the SCUSD attendance area to demonstrate the material revision's impact in many different scenarios. The nonprofit's leadership shared that approximately 68.4% of its current student population lives in the SCUSD attendance boundaries. The proposed location could help the school recruit students from other districts, such as Elk Grove, South Sacramento, and San Juan. The nonprofit estimates that the increase of out-district-students would change the percentage of SCUSD students to out-of-district students to as low as 50%, which is greater than the low threshold of 25% used by staff.

# No percentage cap limit for students from SCUSD attendance area

Though the nonprofit believes that only about 50% of the students will be from the SCUSD district, it was necessary to look at the possibility of 100% of the increased enrollment coming from the SCUSD attendance area. This was necessary because the charter school act states that "[a] charter school shall admit all pupils who wish to attend," and in the event of a lottery, "preference should be extended to ...pupils who reside in the school district." (Ed. Code, § 47605(e)(2)(A)-(B).)

### Impact of Senate Bill 98 on Revenue Loss

For the immediate year, as a "…result of a provision in Senate Bill (hereinafter, "SB") 98 specifies that the average daily attendance for calculating funding apportionments in the 2020-21 fiscal year will be fixed at the local educational agency's 2019-2020 levels. (Ed. Code, § 43502, subd. (b).) This "hold-harmless" provision protects school districts that may face declining enrollment this fiscal year due to the uncertainty over the spread of the novel coronavirus (COVID-19)." Since the nonprofit's material revision will not have a negative fiscal impact till its third year of implementation, Senate Bill 98 will not impact the effect of the material revision.

# V. MAJOR INITIATIVES

Not applicable.



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# VI. RESULTS

District staff requests that the Board conference and take action to approve or deny the Material Revision for Aspire Capitol Heights Academy. Staff recommends that the Board take due consideration to the content of this Executive Summary.

# VII. LESSONS LEARNED / NEXT STEPS

If the Board approves the Material Revision, SCUSD, as the charter authorizer, will provide continued oversight by conducting annual visits and programmatic audits to review the charter school's academic achievement, as well as records of past performance and plans regarding academics, finances, and operations.

Should the SCSS believe that the approval of the nonprofit's material revision could negatively affect the district's financial position, he may choose to exercise his stay and rescind authority per the Education Code.

Conversely, if the Board denies the Material Revision, Aspire Capitol Heights Academy will continue to operate under its current charter, which was renewed on March 15, 2018, until it expires on June 30, 2023.

