



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 8.5

**Meeting Date:** December 7, 2017

**Subject:** Consider Resolution No. 2974 and 2975: Renewal Charter Petition for Sol Aureus College Preparatory

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

**Division:** Academic Office

**Recommendation:** To take action to approve or deny the Renewal Charter Petition for Sol Aureus College Preparatory.

**Background/Rationale:** Sacramento City Unified School District received Sol Aureus College Preparatory's renewal charter petition on September 8, 2017. (Charter petition expiration date: June 30, 2018) District staff met with Sol Aureus College Preparatory for a capacity interview on September 20, 2017 and conducted a comprehensive review of the initial charter petition and related submissions. The Governing Board held a public hearing in accordance with Education Code Section 47605 (b) and 47607 (a) (2) to consider the level of support for the renewal charter petition of Sol Aureus College Preparatory on September 21, 2017. The staff's analysis will be presented for Board Action on December 7, 2017.

**Financial Considerations:** The financial considerations are outlined within the Executive Summary.

**LCAP Goal(s):** Family and Community Empowerment

**Documents Attached:**

1. Executive Summary
2. Resolutions 2974 and 2975
3. Charter Petition (Proposed): <http://www.scusd.edu/charter-petitions>
4. Revised Charter Petition (Proposed): <http://www.scusd.edu/charter-petitions>
5. Appendices A-P (Proposed): <http://www.scusd.edu/charter-petitions>
6. Revised Appendix Q (Proposed): <http://www.scusd.edu/charter-petitions>

**Estimated Time of Presentation:** 10 minutes

**Submitted by:** Iris Taylor, Chief Academic Officer  
Jack Kraemer, Innovative Schools and  
Charter Oversight, Director

**Approved by:** Jorge A. Aguilar, Superintendent

# Board of Education Executive Summary

## Academic Office

Consider Resolution No. 2974 and 2975: Renewal Charter Petition for Sol Aureus College Preparatory  
December 7, 2017



### I. OVERVIEW / HISTORY

#### *Action Proposed:*

On September 8, 2017, the Sacramento City Unified School District (“District”) received a renewal charter petition (“Renewal Petition”) from Sol Aureus College Preparatory (“Sol Aureus” or “Charter School”), an independent public charter school of the District, seeking renewal of its charter for a five year period, from July 1, 2018 through June 30, 2023.

District Staff recommends that Sacramento City Unified School District Board of Education (“Board”) conference and take action to approve or deny the Renewal Petition under the California Charter Schools Act, with due consideration of the findings in this Report.

#### *History:*

Sol Aureus is a charter school serving students in grades kindergarten through 8th grade, operated by Sol Aureus College Preparatory, a California nonprofit corporation. The Charter School is located at 6620 Gloria Drive, Sacramento, California on District-owned property. As of the 2016-2017 school year, Sol Aureus enrolled 330 students.

The District originally approved the Charter School’s charter on March 3, 2003, for a term of five years, beginning on July 1, 2003 and expiring on June 30, 2008. Since that time, the Charter School’s charter has been renewed twice, and is now set to expire on June 30, 2018. Pursuant to Education Code section 47605, subdivision (b), a public hearing was held on September 21, 2017, to consider the level of support for the renewal of the Charter School’s charter.

After reviewing the Renewal Petition, District Staff provided Sol Aureus with a letter, dated October 23, 2017, identifying a number of recommended revisions, updates and/or clarifications to the Renewal Petition. In response, the Charter School submitted a revised Renewal Petition and additional information to the District addressing District Staff’s concerns and recommendations. This Report sets forth findings based upon a review by District Staff and legal counsel of the initial Renewal Petition as well as the revised Renewal Petition and supplemental information submitted to the District by Petitioner.

### II. DRIVING GOVERNANCE

#### A. Academic Performance Criteria

As a prerequisite to the renewal process, the Charter School must provide documentation with its Renewal Petition showing that the Charter School has satisfied at least one of the following

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academic performance criteria specified in Education Code section 47607, subdivision (b) (5) CCR § 11966.4(a)(1.):

1. That the Charter School has attained its Academic Performance Index (API) growth target in the prior year or in two of the last three years, both schoolwide and for all groups of pupils served by the Charter School; or
2. That the Charter School ranked in deciles 4 to 10, inclusive, on the API in the prior year or in two of the last three years; or
3. That the Charter School 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; or
4. That the District 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.

Education Code sections 52052(e)(2)(F) and 52052(e)(4) provide three alternatives to be used by schools and school districts that, because of the suspension of the majority of the California Standards Tests in 2013-2014, do not have a API calculated for years beyond 2013-2014. Those alternatives are: (1) the most recent API calculation; (2) an average of the three most recent annual API calculations; or (3) an alternative measure that shows increases in pupil academic achievement for all groups of pupils school-wide and among significant student groups.

#### *B. Review Process for Renewal Petition; Grounds for Denial*

The Board of Education may deny a renewal petition if the charter school fails to meet the minimum standard for renewal, or if the Board of Education finds that:

- 1) The charter school presents an unsound educational program for students during the term of its renewal charter; or
- 2) The charter school is demonstrably unlikely to successfully implement the program set forth in the renewal petition; or
- 3) The renewal petition does not contain the necessary affirmations; or

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- 4) The renewal petition does not contain a declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for purpose of Chapter 10.7 of Division 4 of Title 1 of the Government Code; or
- 5) Where changes to the charter school's operations are proposed, the renewal petition does not contain reasonably comprehensive descriptions of the 15 required elements set forth in the Charter Schools Act.

If the Board of Education denies the Renewal Petition, the Board must adopt written findings of facts based on any of the above mentioned criteria or standards. In addition, the District "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." Ed. Code § 47607(a)(3)(A). The Board must also consider "the past performance of the school's academics, finances, and operation in evaluating the likelihood of future success, along with future plans for improvement if any." (5 CCR § 11966.4(b)(1))

Charter school petitions are also required to include discussion of the impact on the chartering district, including, the facilities to be utilized by a proposed charter school, the manner in which administrative services will be provided, potential civil liabilities for the school district, and a three year projected operational budget and cash flow. (Ed Code, § 47605, subd. (g)).

A charter may be renewed an unlimited number of times; however, each renewal must be for exactly five years. (Ed. Code, § 47607). If a school district fails to make written factual findings to support a denial within 60 days of the district's receipt of a petition, the charter school's petition is automatically renewed. (5 CCR, §11966.4(c).)

#### **Results of Petition Review (Findings of Fact Determinations):**

##### *A. Academic Performance Criteria Met by Charter School*

Petitioner provides data in the Renewal Petition demonstrating that the Charter School has met at least three of the statutory prerequisite criteria for renewal set forth in Education Code section 47607, subdivision (b).

With respect to *Criterion 1* (Ed. Code, § 47607(b)(1)), the Renewal Petition lists the following API scores for the Charter School: 834 (2010-2011); 864 (2011-2012); 846 (2012-2013); and 849 (2013-2014). The Renewal Petition and data retrieved from the California Department of Education ("CDE") website indicate that these API scores give the Charter School a weighted three-year average API of 850. (Renewal Petition, pp. 10, 54) With regard to student subgroups,

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Petitioner states that in 2013-2014, the Charter School posted an API of 814 for Black or African American students, 900 for Hispanic or Latino students, and 830 for socioeconomically disadvantaged students. However, these figures differ slightly from results listed on page 5 of the Renewal Petition. (Renewal Petition, pp. 5, 10) Data retrieved from the CDE website confirms that the Charter School met its growth target for years 2009-2010 through 2012-2013, thus supporting the Charter School's assertion that it has met statutory *Criterion 1*.

Data presented in the Renewal Petition also indicates that the Charter School has met *Criterion 2* (Ed. Code, § 47607(b)(2)), in that it was ranked in Decile 8 on the API in 2010-2011 and 2011-2012 and in Decile 7 in 2012-2013 and 2013-2014. Sol Aureus also meets *Criterion 3* (Ed. Code, § 47607(b)(3)), as it received a "similar schools" API ranking of 10 for years 2011-2012, 2012-2013, and 2013-2014. (Renewal Petition, pp. 10, 54.)

### B. Increases in Pupil Academic Achievement

As discussed above, the Board "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." Ed. Code § 47607(a)(3)(A). Review of the Charter School's academic achievement, both schoolwide and by pupil subgroup shows that the results are generally favorable, with some increases in academic achievement for Hispanic or Latino students, English Learners, and Asian students, but also decreases in academic performance for African American students. While the overall academic performance of Sol Aureus pupils is generally trending up, District Staff will continue to monitor the Charter School's performance closely over the course of the charter term, with an expectation of further increases in academic achievement schoolwide and across all pupil subgroups.

#### 1. Schoolwide Academic Achievement

The Renewal Petition includes data from the 2014-2015 CAASPP Smarter Balanced assessments ("SBAC"), indicating that schoolwide, 32% of Sol Aureus students in grades 3 through 8 met or exceeded standards for ELA and 33% met or exceeded standards for Math. (Renewal Petition, pp. 53-54).

The Charter School's schoolwide achievement on the 2015-2016 CAASPP Smarter Balanced assessments ("SBAC"), increased, with 40% of Sol Aureus students in grades 3 through 8 meeting or exceeding standards for ELA and 34% meeting or exceeding standards for Math. (Renewal Petition, pp. 53-54)

Data retrieved from the CDE website shows that for the 2016-2017 CAASPP SBAC assessments, schoolwide, 34.64% of Sol Aureus third to 8th grade students met or exceeded

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standards for ELA and 39.11% met or exceeded standards for Math. When compared to SCUSD third through 8th grade students, the Charter School's 3rd through 8th grade students attained higher overall levels of achievement in Math (39.11% as compared to 31.46%) and lower overall levels of achievement in ELA (35.00% as compared to 39.41%).

### 2. Academic Achievement by Subgroup

The revised Renewal Petition indicates that the percentage of African American students meeting or exceeding standards declined somewhat from 2014-2015 to 2015-2016 in both ELA and Math (from 36% to 33% in ELA and from 36% to 34% in Math) and declined further in 2016-2017 for ELA to 19%. No 2016-2017 SBAC scores in Math for African American students were included in the revised Renewal Petition. (Renewal Petition, p, 53-54)

From 2014-2015 to 2015-2016, the percentage of Hispanic or Latino students meeting or exceeding standards increased in ELA from 19% to 33% and remained at 30% in Math for both testing periods. The percentage of Hispanic or Latino students meeting or exceeding standards in ELA in 2016-2017 increased to 40%. No 2016-2017 SBAC scores in Math for Hispanic or Latino students were included in the revised Renewal Petition. (Renewal Petition, pp. 53-54)

The percentage of EL students meeting or exceeding standards increased in ELA from 7% to 16% from 2014-2015 to 2015-2016, and declined from 14% to 8% in Math. The percentage of EL students meeting or exceeding standards in ELA in 2016-2017 further increased to 42.50%. No 2016-2017 SBAC scores in Math or ELA for EL students were included in the revised Renewal Petition. (Renewal Petition, pp. 53-54)

From 2014-2015 to 2015-2016, the percentage of Asian students meeting or exceeding standards increased in both ELA and Math (from 35% to 47% in ELA and from 24% to 43% in Math.) The percentage of Asian students meeting or exceeding standards in ELA in 2016-2017 increased to 63%. No 2016-2017 SBAC scores in Math for Asian students were included in the revised Renewal Petition. (Renewal Petition, pp. 53-54.)

### C. District Staff Review of Renewal Petition

District Staff reviewed the following elements in the originally-submitted Renewal Petition:

- A) Educational Program
- B) Measurable Student Outcomes
- C) Assessment of Measurable Outcome Goals
- D) Governance and Legal Issues
- E) Employee Qualifications



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- F) Health and Safety Procedures
- G) Means to Achieve a Racial and Ethnic Balance
- H) Admissions Requirements
- I) Financial and Programmatic Audit
- J) Student Discipline, Pupil Suspension and Expulsion Procedures
- K) Retirement System
- L) Attendance Alternatives
- M) Description of Employee Rights
- N) Dispute Resolution Process, Oversight, Reporting and Renewal
- O) Labor Relations
- P) School Closure Procedures

District Staff also reviewed the impact on the District as described in the original Renewal Petition.

Following its review of the originally-submitted Renewal Petition, District Staff recommended revisions and additional information to improve the Renewal Petition. Specifically, District Staff noted deficiencies or incomplete information regarding the following: (1) the Charter School's projected growth and current enrollment, and the impact of that growth on the Charter School's budget and planning for facilities, staffing, materials and equipment; (2) insufficient and inaccurate cash-flow summaries and analyses; (3) failure of the Renewal Petition and the Amended Bylaws to state that the Charter School's employees and board members will be bound by applicable conflict of interest laws, such as the Political Reform Act (Gov. Code, § 81000 *et seq.*); (4) lack of information regarding board member training regarding conflicts of interest; and (5) the inclusion of "contractual" language in the Governance section of the Renewal Petition.

As noted above, Petitioner submitted a revised Renewal Petition and supplemental information to the District addressing most of the concerns identified in the District's letter. The changes made to the original Renewal Petition are noted on page 2 of the Charter School's revised Renewal Petition.

Specifically, the Renewal Petition has been revised to include additional information and data regarding the Charter School's projected growth and enrollment. (Renewal Petition, pp. 8, 49, 92) Petitioner also submitted cash-flow projections and revised budget and assumptions data; however, it is not clear if all of the budget documents have been adequately updated to reflect the impact of the Charter School's projected growth and enrollment on its planning for staffing, materials, and equipment. For example, the cost for books and supplies listed in the updated budget remains flat for years 2018-2019 through 2022-2023. As noted in the District's letter to Sol Aureus, this does not indicate realistic forecasting of the Charter School's expenses,



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particularly in light of anticipated enrollment increases. Similarly, estimated facility costs remain the same for all five years of the charter, despite expected growth.

The Governance section of the Renewal Petition has been revised to include an updated organizational chart. (Renewal Petition, p. 58) However, Petitioner has not included language in the revised Renewal Petition stating that the Charter School's employees and board members will be bound by applicable conflict of interest laws, such as the Political Reform Act (Gov. Code, § 81000 *et seq.*). Instead, the Renewal Petition states that "Board members are to require [sic] sign a conflict of interest statement annually." (Renewal Petition, p. 60) The Charter School's November 8, 2107, cover letter does not clarify this concern, and simply notes that the Charter School's board "works diligently to comply with all required government laws and regulations" and that "[e]ach member signs a conflict of interest." The cover letter also notes that Petitioner is unable to amend the Bylaws but that "all concerns will be presented to S.A.C. Prep's Board of Directors for review and consideration." With regard to training regarding conflicts of interest, the revised Renewal Petition states: "Governance training occurs as needed as a Board retreat held annually." (Renewal Petition, p. 60)

Petitioner's letter also states that "[a]ny language that appears contractual in nature has been reviewed, and/or amended."

Based on the results of the District Staff's review of the initial and revised Renewal Petitions, and the supplemental information submitted by Petitioner, District Staff has concluded that all of the required elements are reasonably comprehensive individually and collectively. As discussed above, District Staff has also concluded that Sol Aureus meets the prerequisite statutory requirements for renewal set forth in Education Code section 47607, subdivision (b).

### III. BUDGET

State income and various other income sources to the District are reduced when students living in District boundaries enroll at a charter school. Under Education Code section 47604, subdivision (c), a school district that grants a charter to a charter school to be operated by, or as, a nonprofit public benefit corporation is not held liable for the charter school's debts or obligations as long as the school district complies with all oversight responsibilities. The District will continue to have monitoring and oversight responsibility for charter school finances, as specified in the Charter Schools Act.

### IV. GOALS, OBJECTIVES, AND MEASURES

Not Applicable.

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#### V. MAJOR INITIATIVES

Not Applicable.

#### VI. RESULTS

District Staff recommends that the Board approve Resolution 2974 to approve the Renewal Petition or approve Resolution 2975 to deny the Renewal Petition under the California Charter Schools Act.

#### VII. LESSONS LEARNED / NEXT STEPS

If the Renewal Petition is approved by the Board, the District, 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 future plans regarding academics, finances, and operations. Additionally, the District and Sol Aureus College Preparatory will collaborate on the timely submission of the following:

1. Signed Operational Memorandum of Understanding
2. Signed Special Education Memorandum of Understanding
3. Signed Facility Use Agreement

The initial and revised charter petitions are available online at: <http://www.scusd.edu/charter-petitions>

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
RESOLUTION NO. 2974  
RESOLUTION TO APPROVE THE RENEWAL CHARTER PETITION OF  
SOL AUREUS COLLEGE PREPARATORY**

WHEREAS, petitioners for Sol Aureus College Preparatory (“Petitioners”) submitted to Sacramento City Unified School District (“District”) a renewal charter petition (“Petition”), dated September 8, 2017; and

WHEREAS, the District’s Governing Board held a public hearing on September 21, 2017 and took board action on December 7, 2017; and

WHEREAS, the Governing Board has considered the level of public support for Sol Aureus College Preparatory and has reviewed the Petition, including all supporting documentation; and

WHEREAS, in reviewing the 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

NOW, THEREFORE, BE IT RESOLVED that the Sacramento City Unified School District Board of Education hereby approves the Petition of Sol Aureus College Preparatory.

BE IT FURTHER RESOLVED the term of the charter shall be for five (5) years, beginning on July 1, 2018 and expiring June 30, 2023.

BE IT FURTHER RESOLVED that the Petition approval is conditional upon signed Memorandums of Understanding for Operations and Special Education by Petitioners and District no later than March 1, 2018.

**PASSED AND ADOPTED** by the Sacramento City Unified School District Board of Education on this 7<sup>th</sup> day of December, 2017, by the following vote:

AYES: \_\_\_\_  
NOES: \_\_\_\_  
ABSTAIN: \_\_\_\_  
ABSENT: \_\_\_\_  
ATTESTED TO:

\_\_\_\_\_  
Jorge A. Aguilar  
Secretary of the Board of Education

\_\_\_\_\_  
Jay Hansen  
President of the Board of Education

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
RESOLUTION NO. 2975**

**RESOLUTION TO DENY THE INITIAL CHARTER PETITION OF GATEWAY COMMUNITY  
CHARTERS: SACRAMENTO ACADEMIC AND VOCATIONAL ACADEMY-SCUSD**

WHEREAS, petitioners for Sol Aureus College Preparatory (“Petitioners”) submitted to Sacramento City Unified School District (“District”) a renewal charter petition (“Petition”), dated September 8, 2017; and

WHEREAS, the District’s Governing Board held a public hearing on September 21, 2017 and took board action on December 7, 2017; and

WHEREAS, the Governing Board has considered the level of public support for Sol Aureus College Preparatory and has reviewed the Petition, including all supporting documentation; and

WHEREAS, in reviewing the 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;

WHEREAS, the District staff reviewed and analyzed the Petition and supporting documents for legal, programmatic, and fiscal sufficiency;

NOW, THEREFORE, BE IT RESOLVED that the Petition is hereby denied.

**PASSED AND ADOPTED** by the Sacramento City Unified School District Board of Education on this 7<sup>th</sup> day of December, 2017, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ATTESTED TO:

\_\_\_\_\_  
Jorge A. Aguilar  
Secretary of the Board of Education

\_\_\_\_\_  
Jay Hansen  
President of the Board of Education