



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 10.1

**Meeting Date:** May 5, 2011

**Subject:** Action on Charter School Material Amendment: Sol Aureus College Preparatory (SAC Prep)

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

**Learning Support Unit/Department:** Accountability Office

**Recommendation:** To conference and take action to approve or deny the amendment petition of SAC Prep to add grades Kindergarten through Fourth. Staff report will be presented at the May 5, 2011 board meeting.

**Background/Rationale:** The district received the amendment petition from SAC Prep on March 1, 2011 and a public hearing was held on April 7, 2011. District staff and legal counsel conducted an extensive review of the amendment petition. The staff report and recommendation are being presented for Board Action on May 5, 2011.

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

**Documents Attached:**

1. Charter Amendment Petition is located on the District web-site: [www.scusd.edu](http://www.scusd.edu) (under Board of Ed./Board Meetings, April 7th Board Meeting – agenda item 10.1)
2. Executive Summary

**Estimated Time of Presentation:** 10 minutes

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

**Approved by:** Mary C. Shelton, Chief Accountability Officer



**Staff Recommendation for Approval of  
Sol Aureus College Preparatory Charter School  
Amendment to their Charter Petition**

**I. Overview of Charter School Amendment Petition:**

District staff has reviewed the petition to amend the charter ("Amendment") to add kindergarten through fourth grades to the Sol Aureus College Preparatory Charter School ("Charter School"). The Charter School is governed by a nonprofit public benefit corporation, but the District would continue to be responsible for oversight of the Charter School. The initial five-year charter was approved by the District in March 2003, and was renewed on June 5, 2008. The current charter expires in June 2013. The Charter School proposes to add kindergarten through fourth grades beginning with the 2011-2012 school year, and would continue to serve grades five through eight for the remainder of the renewal term. For the 2011-2012 school year, the Charter School anticipates enrollment to be between 170 and 190 students in grades kindergarten through eight. After five years, the Charter School anticipates enrollment to be between 201 and 223 students. The Charter School began in 2003 as a Knowledge is Power Program ("KIPP") school; however, in 2005, the Sol Aureus Board of Directors and school leaders, along with representatives of KIPP California, the entity that initially held the Sol Aureus charter, jointly requested a name change and transfer of governance to the locally formed Board of Directors of the Charter School. Although the name and governance structure changed in 2005, the KIPP "Five Pillar" philosophy has been maintained. The Charter School's mission is to develop in its students the knowledge, skills, and habits necessary to compete and succeed in college and in life. It achieves its mission by focusing on classroom instruction, school culture, and enrichment activities that are aligned to the goals of college and career preparation.

**II. Driving Governance:**

Overview of Material Amendments to Charter Petitions

Material revisions to charter petitions are governed by the same standards and criteria set out for charter petitions in Education Code section 47605. (Ed. Code, § 47607, subd. (a)(2).) A material revision of the provisions of the Charter may be made only with the approval of the authority that granted the charter. (Ed. Code, § 47607, subd. (a)(1).) The governing board may not deny a material revision to the Charter unless it sets forth specific facts to support one, or more, of the following four findings in section 47605, subdivision (b):

- (1) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.

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- (2) The charter school presents an unsound educational program for the students to be enrolled in the charter school.
- (3) The petition does not contain the number of signatures required by Education Code section 47605, subdivision (a)(1)(A) or (a)(1)(B). Specifically, subdivision (a)(1)(A) requires that the petition be signed by a number of parents or guardians of students equal to at least one-half the number of students that the charter school estimates will enroll in the charter school for its first year of operation. In the alternative, subdivision (a)(1)(B) requires that the petition be signed by a number of teachers that is equivalent to at least one-half of the number of teachers that the charter school estimates will be employed at the school during the first year of operation.
- (4) The petition does not contain reasonably comprehensive descriptions of the following elements set forth in Education Code section 47605, subdivision (b)(5)(A-P), which constitute sixteen separate elements that must be addressed in every charter petition.
- (A) A description of the educational program of the school, designed, among other things, to identify those whom the school is attempting to educate, what it means to be an "educated person" in the 21st century, and how learning best occurs. The goals identified in that program shall include the objective of enabling students to become self-motivated, competent, and lifelong learners.
- (B) The measurable student outcomes identified for use by the charter school. "Student outcomes" means the extent to which all students of the school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the school's educational program.
- (C) The method by which student progress in meeting those student outcomes is to be measured.
- (D) The governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement.
- (E) The qualifications to be met by individuals to be employed by the school.
- (F) The procedures that the school will follow to ensure the health and safety of students and staff.
- (G) The means by which the school will achieve a racial and ethnic balance among its students that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.

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- (H) Admission requirements, if applicable.
- (I) The manner in which annual, independent, financial audits will be conducted, which will employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies will be resolved to the satisfaction of the chartering authority.
- (J) The procedures by which students can be suspended or expelled.
- (K) The manner by which staff members of the charter schools will be covered by the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security.
- (L) The public school attendance alternatives for students residing within the school district who choose not to attend charter schools.
- (M) A description of the rights of any employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.
- (N) The procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.
- (O) A declaration whether or not the charter school will be deemed the exclusive public school employer of the employees of the charter school for the purposes of the Educational Employment Relations Act ("EERA" or "Rodda Act").
- (P) A description of the procedures to be used if the charter school closes. These procedures must ensure a final audit of the school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of student records.

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

In fact, the law is unclear as to whether parent signatures are required in support of material amendments to a charter petition. Although petitioners did not submit parent signatures that were specifically in support of the Amendment, they did submit "Intent to Enroll" forms, signed by parents that were indicative of parent support for the Charter School and the Amendment to add grades K-4.

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Moreover, staff recognizes that petitioners are not required to provide a comprehensive description of every element under Education Code section 47605, subdivision (b)(5) when submitting a material amendment to a charter petition. Instead, Staff has required that petitioners submit reasonably comprehensive descriptions of those provisions that will be impacted by the proposed amendment. The provisions not impacted by the proposed amendment remain unchanged from the current charter that was renewed in 2008.

The governing board of a school district shall grant a material amendment to a charter petition if it is satisfied that granting the Amendment is consistent with sound educational practice. (Ed. Code §§ 47605, subd. (b) and 47607, subd. (a)(2).)

### III. Results of Amendment Petition Review:

#### Approval is Recommended If Certain Conditions Are Met Prior to Board Action

District staff recognizes the efforts made by the Charter School since its inception to close the achievement gap and send students to top public and private high schools. As stated in the Executive Summary to the Amendment:

Despite challenged with facilities and enrollment, the school has maintained a loyal following of families, high teacher retention, and fiscal stability. There is an inherent challenge in starting students in the Fifth grade, which has historically not been a grade level at which parents look to transition their students from one school to another. Starting students at an earlier grade will also help families with more than one sibling by keeping them together on one campus. Students entering the Charter School at a younger age will allow teachers more time to close the achievement gap and prepare students for college and careers. By working with students beginning at a younger age, crucial intervention measures can be taken earlier in children's lives. Finally, serving grades kindergarten through eight will help to stabilize enrollment and, therefore, financially stabilize the school.

Although District staff finds that the petitioners have adequately addressed the required elements of Education Code section 47605 in the Amendment, staff believes it would be in the District's and Charter School's best interest to have clearer language and a more comprehensive description of certain provisions within Amendment. Therefore, Staff requests that petitioners supplement or clarify the following sections in the Amendment to the District prior to May 5, 2011. If petitioners provide clarification or additional information concerning the sections identified below to the satisfaction of the District prior to May 5, 2011, staff recommends that the Board approve the Amendment.

#### **Condition 1: Petitioners need to clarify or revise their budget analysis based on more realistic projected enrollment numbers for the 2011-2012 and subsequent school years.**

District staff would like to see a more detailed discussion of the Charter School's budget for the 2011-2012 school year and subsequent years, particularly in light of the five new grades that the school will be operating. Staff is concerned that the budget information contained in the

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Amendment (pages 63-65) does not sufficiently discuss the fiscal impact that the addition of the kindergarten through fourth grade program will have on the Charter School. While the projected student enrollment numbers assume the increased enrollment per year based on the additional grade levels, there is insufficient discussion in the Amendment and explanation of the numbers in the appendices about the financial impact five additional grades will necessarily have on the Charter School. Petitioners need to provide the District with a revised budget discussion, which includes a narrative describing the increased costs of adding kindergarten through fourth grades. There should be discussion and analysis of the costs of furnishings and equipment for the classrooms for each of the five additional grade levels, as well as the costs for textbooks and supplies, and staffing costs for hiring new teachers and subject area instructors.

District staff notes that the estimated revenues for the 2011-2012 school year seem to be overestimated by approximately \$185,658, based on the Governor's current proposal. This is calculated assuming 177 students at a 95% average daily attendance ("ADA") rate. Current enrollment for Sol Aureus is 75 students for the Fifth through Eighth grade program. The projected enrollment of 177 appears overly optimistic, even with the addition of grades kindergarten through four, given that the Charter School currently has 75 students and has never operated at full capacity since it opened.

Moreover, the Amendment lacks a sufficient designation of funds for economic uncertainty, despite a staff recommendation of 5% as required by District Administrative Regulation. Staff is concerned that such an oversight could jeopardize the fiscal condition of the Charter School's operational budget. In addition, the personnel budget comprises 64% of the total budget, which appears to be low, even for a charter school. Finally, the budgeting of \$6,000 per employee for health benefits seems too low, particularly as the budget spreadsheet submitted with the Amendment contemplates only a minimal increase in certificated employees' benefits, and does not contemplate an increase in classified employees' benefits at all, over the next five school years.

Petitioners must revise or clarify the budget numbers to reflect a more realistic projected enrollment beginning with the 2011-2012 school year. Specifically, petitioners must provide the following information to Staff prior to May 5, 2011:

1. A narrative description of the anticipated increased expenses associated with the addition of grades kindergarten through four.
2. Revised enrollment numbers to reflect a more realistic projected enrollment for 2011-2012, and subsequent years, based on historical enrollment.

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3. Revised cost of benefits per employee, or, explanation as to why the currently budgeted amounts for benefits are realistic based upon the Charter School's prior years of operation.

4. Adjusted revenues to be more consistent with the Governor's current proposal.

### **Condition 2: Petitioners need to supplement and clarify the following elements.**

#### Element A – Educational Program Description

##### a. Educational Program

District Staff would like to see a more comprehensive discussion of the educational program, curriculum, course of study, and instructional day for the proposed kindergarten through fourth grades. As submitted, the Amendment generally describes "A Day in the Life of a SAC Prep Student;" however, the discussion should provide more detail in regards to the grades the Charter School is seeking to add. While there is mention of "block" instruction for grades 1-8, there is nothing in the Educational Program Description that references the kindergarten program, curriculum, courses of study, or a typical instructional day for a Kindergarten. Moreover, on page 18 of the Amendment, the only reference to lower grades (ie. K-6) is in the section labeled "Block Schedule Format," where petitioners note that the lower grades schedule will be less dynamic. In addition, under the section labeled "Typical Class Examples," the description seems to focus on the current fifth through eighth grade programs, as opposed to addressing the unique needs and circumstances of grades kindergarten through fourth. (see Amendment, page 18.) It is further unclear whether the "College Prep Features," "Field Lessons," and "College Friday" sections on page 19 are components of all grade levels, or simply the existing grade levels served by the Charter School.

Petitioners must clearly define and describe the curriculum and course of study for the students in the kindergarten through fourth grade programs. Staff would like to see a "Day in the Life" discussion for students in grades kindergarten through four.

##### b. English Language Learners

While there is a reasonably comprehensive discussion of the English Language Learners ("ELL") program at the Charter School, Staff feels that the Amendment does not adequately address how the educational program will serve kindergarten through fourth grade ELL students in

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particular. Staff recommends that petitioners clarify how they intend to identify ELL students in the new grade levels. Further, Staff recommends petitioners provide a more comprehensive description of the different ELL levels of placement or any specialized curriculum or supplemental materials that may be available to ELLs at each of those levels. Moreover, Staff would like to see discussion of different best practices as it relates to ELL students in grades kindergarten through four.

As a further condition of approval, Staff recommends that the Amendment contain a more detailed description of parental notification of the programs and services available at the Charter School for ELLs. For example, the California Department of Education directs districts to send letters annually within 30 days of the start of each school year to parents in order to comply with parental notification requirements. Further, districts need to send California English Language Development Test ("CELDT") notification letters to ELL parents within 30 days of receiving the CELDT results from the state. Staff would like to see further discussion of the Charter School's parental notification policy and its compliance with state requirements.

Finally, Staff is concerned that the Amendment does not provide a discussion of the use of English Language Development ("ELD") materials, nor does it provide a comprehensive description of the ELD curriculum. Staff recommends that petitioners clearly define its intended use of ELD materials and curriculum to assist students in making the transition from Limited English Proficient to Reclassified Fluent English Proficient.

The Charter School must revise its Charter Amendment to address the above issues to the District's satisfaction before May 5, 2011.

### Element F – Health and Safety Plan

The Amendment makes reference to the Sol Aureus Emergency Procedures Manual. However, no manual was provided with the Amendment, nor does it appear that such a manual is available online.

Petitioners must provide a copy of the Sol Aureus Emergency Procedures Manual, as referenced in the Amendment at page 40, to the District as a condition of approval of the Amendment.

### Element N – Dispute Resolution Process

While the Amendment generally provides a reasonably comprehensive description of the dispute resolution process, the Amendment does not clearly state the District's right to pursue revocation without first utilizing the dispute resolution process, and does not clearly indicate that the District has discretion to determine which disputes, including internal matters, relate



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to issues that may result in revocation of the charter. The Amendment must clearly state that the District has the right to initiate revocation proceedings without going through the dispute resolution procedures.

The Charter School must revise Element N to include express language acknowledging the District's right to pursue revocation without first utilizing the dispute resolution process.

### IV. Budget Implications

Even though a negative financial impact to the District cannot be used as criteria to deny a charter school amendment petition, the potential loss of district students does reduce available revenue. The following are estimates based upon known information:

To estimate the Loss of Revenue Limit and Lottery Funds for additional 127 ADA for 2011-2012 school year, offset by a reduction in expenses for teachers and supplies, the potential reduction of funds to the district is approximately \$617,220.

These losses would be offset by any fees paid to the district, including (but not limited to) fees for lease of facility, custodial services, and food services. Also, one percent of the Charter School's state revenues would be paid to the district for oversight. A Memorandum of Understanding and/or Facility Use Agreement would outline those fees.

### V. Conclusion:

#### District Staff Recommendation for Approval

Accordingly, Staff recommends the Board approve the Amendment in its entirety, provided the following conditions have been met prior to Board action:

1. Petitioners shall revise or clarify the budget numbers to reflect a more realistic projected enrollment beginning with the 2011-2012 school year, including: 1) a narrative description of the anticipated increased expenses associated with the addition of grades kindergarten through four; 2) revised enrollment numbers to reflect a more realistic projected enrollment for 2011-2012, and subsequent years, based on historical enrollment; 3) revised cost of benefits per employee or explanation as to why the currently budgeted amounts for benefits are realistic based upon the Charter School's prior years of operation; and 4) adjusted revenues to be more consistent with the Governor's current proposal.
2. Petitioners shall clearly define and describe the curriculum and course of study for the students in the kindergarten through fourth grade programs. Petitioners shall further provide a "Day in the Life" discussion for students in grades kindergarten through four.

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3. Petitioners shall provide a copy of the Sol Aureus Emergency Procedures Manual, as referenced in the Amendment at page 40.

4. Petitioners shall revise the Dispute Resolution discussion to include express language acknowledging the District's right to pursue revocation without first utilizing the dispute resolution process.

District staff recommends that the Board adopt this recommendation as their own.

### **VI. Next Steps:**

- If the Board approves SAC Prep's Amendment Petition, District staff will meet with charter petitioners to negotiate an acceptable Operating Memorandum of Understanding (MOU), Special Education MOU, and Facility Use Agreement.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING SOL AUREUS COLLEGE PREPATORY  
CHARTER SCHOOL'S PETITION TO AMEND THEIR CHARTER**

**WHEREAS**, the Governing Board ("Board") of the Sacramento City Unified School District ("District") of Sacramento County met for the purpose of considering the Sol Aureus College Preparatory Charter School's ("Sol Aureus" or "Charter School") amendment to its charter petition ("Amendment"); and

**WHEREAS**, the District administration has reviewed the Amendment, determined that it satisfies the requirements of a material amendment to a charter school petition under the Education Code of the State of California, and prepared a report supporting this determination; and

**WHEREAS**, it is the intention of the Board to approve the Amendment based on the report and pursuant to the recommendation of the District administration.

**NOW, THEREFORE, BE IT RESOLVED** that the Sacramento City Unified School District Board of Education hereby adopts the recommendation of the District administration and approves the Sol Aureus College Preparatory Charter School's Amendment to its charter petition.

**FURTHER**, Sol Aureus may commence operation of grades Kindergarten through Fourth in the 2011-2012 school year.

The term of the Charter remains the same, expiring June 30, 2013.

**PASSED AND ADOPTED** by the Sacramento City Unified School District Board of Education on this 5th day of May, 2011, by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Gustavo Arroyo  
President of the Board of Education

ATTESTED TO:

\_\_\_\_\_  
Jonathan Raymond  
Secretary of the Board of Education