



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.3

Meeting Date: April 12, 2012

Subject: Public Hearing and Action on Charter School Renewal Petition – St. Hope Public School 7 (PS7)

- 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 PS7, 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 PS7 Petition (Charter renewal date: July 1, 2012). The district received the PS7 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 – St. Hope Public School 7

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 St. Hope Public School 7 (“PS7”). The District first granted the charter in June 2003 and it was renewed on May 3, 2007. The charter expires on June 30, 2012. This charter petition is seeking a five-year renewal term for their K-8th grade program. The purpose of the Public Hearing is to consider the level of support for PS7.

After reviewing the renewal petition, the District provided PS7 with a list of four elements that were identified as needing modification prior to staff recommendation for approval of the renewal petition. In response, PS7 provided the District with an updated renewal petition (“Revised Petition”).

PS7 adheres to the “Five Pillars,” originally developed by the Knowledge Is Power Program (KIPP), as foundational guidelines. The Five Pillars include “High Expectations, Choice and Commitment, More Time, Focus on Results and Power to Lead.” They guide the operation of PS7 and serve as values by which staff serve and interact with students and families.

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 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 for renewal 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,

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- 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. PS7 achieved its academic performance index (API) growth target during the prior year (2010-2011). In 2010-2011, PS7's API was 911, which is 111 points above the California API target of 800.

As indicated above, another academic standard for a charter to obtain renewal is if the school ranked in deciles 4 to 10, inclusive, on the API in the prior year or in two of the three last years. Its statewide API rank in 2008-2010 is as follows:

2008 - 7
2009 - 9
2010 - 10

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PS7 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 PS7'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.

PS7 timely and effectively responded to staff recommendations by submitting the Revised Petition to the District.

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.

PS7's Response: The revised petition added language to element J, which makes the petition now reasonably comprehensive in its descriptions. PS7 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 58)

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.

PS7's Response: In the revised petition, PS7 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 PS7, 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 74).

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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 collective bargaining contract in sponsor 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.

PS7'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. PS7 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 package which includes medical, dental, vision, and retirement benefits. Furthermore, SHPS is responsible for the payment of social security and other applicable taxes for PS7 employees. (Revised Petition, page 75)

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

Staff Recommendation: District Staff's review of PS7's financial plan shows that the enrollment and revenue projections appear to be reasonable; however, Staff had concerns about budget expenditure and reserve. The budget expenditure in salaries and benefits appears low and economic reserve of three (3) percent minimum was not included in the projection.

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PS7's Response: PS7 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.

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 502 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 \$915,000.

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.

V. Conclusion:

The revisions made to the Petition by PS7 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 understanding be negotiated within sixty (60) days of charter renewal.

VI. Next Steps:

- Upon board approval, District Staff will continue to monitor the development and implementation of PS7'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. 2698

**RESOLUTION TO APPROVE THE PETITION TO RENEW THE CHARTER OF
St. Hope Public School 7 (PS7)**

WHEREAS, petitioners for St. Hope Public Schools (“Petitioners”) submitted to Sacramento City Unified School District (“District”) a charter renewal petition (“Petition”), dated February, 2012, for the St. Hope Public School 7 (“PS7”); and

WHEREAS, following feedback from District staff, the Peititon 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 PS7 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 PS7 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