

## SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 8.6

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Meeting Date: December 7, 2017
Subject: Consider Resolution No. 2976 and 2977: Initial Charter Petition for Success Skills, Inc.: NorCal Trade and Tech
<ul> <li>□ Information Item Only</li> <li>□ Approval on Consent Agenda</li> <li>□ Conference (for discussion only)</li> <li>□ Conference/First Reading</li> <li>□ Conference/Action</li> <li>□ Action</li> <li>□ Public Hearing</li> </ul>
<u>Division</u> : Academic Office
Recommendation: To take action to approve or deny the Initial Charter Petition for Success Skills, Inc.: NorCal Trade and Tech
Background/Rationale: Sacramento City Unified School District received Success Skills, Inc.: NorCal Trade and Tech's initial charter petition on October 17, 2017. District staff met with NorCal Trade and Tech for a capacity interview on November 1, 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) to consider the level of support for the initial charter petition of LCAP Goal(s)
: Family and Community Empowerment

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#### I. OVERVIEW / HISTORY

#### **Action Proposed:**

Sacramento City Unified School District ("District") Staff and legal counsel have reviewed the charter petition ("Petition") submitted by Success Skills Inc. ("SSI"), a 501(c)(3)profit-organization ("Petitioner"), proposing the creation of NorCal Trade and Tech ("NTT" or "Charter School"). After careful review, District Staffvæidentified a number of concerns within the Petition, including, but not limited to, the Charter Schoed scational plan, finaces, facilities, and governance which are set forth in this port. As a result, District Staffe beve deficiencies in the Petition could warrant a denial of the Petition on the following grounds, pursuant to Education Code section 47605:

- 1. The petitioner is demonstrably unlikely to successfully implement the program set forth in the petition.
- 2. The petition does not contain reasonably comprehensive descriptions of certain required elements set forth in Education Code section 47605, subdivisions (45)(5))(

In order to deny a Petition on the grounds set forth above, Educations (at item 47605, subdivision (b) requires the Governing Board to make "written factual findings, specific to the particular Petition, setting forth specific facts to suppost or more" of the grounds for denying the charter. Therefore, if the District Board determines it will deny this Petition, District Staff recommend that the Board adopt the proposed findings of fact, set forth below, as its own findings.

#### History:

On or about October 172017, the District received anitial Petition proposing the creation of the Charter School by SSI. The District held a public hearing on November 16, 2017, so that the District's Governing Board ("Board") could consider the "level of support for the petition by teachers employed by the district, other employees of the district, and parents." (Ed. Code § 47605, subd. (b).)

While SSI has not previously operated a charter school, over the last decade, it has served veterans and distant adults through career education. (Petition, p. 14.) The Petition poses to establish a charter school to primarily serve adults for high school completion, and adult elementary programs, including adult basic education and English language development. (Petition, p. 8.) The Petitioner states, "NORCAL Trade and Tech will help adults to learn both the basic academic skills and knowledge necessary to survive in the 21st century, as well as the

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vocational skills necessary to earn a livable wagetiten, p. 15.) Petitioner proposes to initially offer a truck and bus driving training program, and will later offer programs for auto body repair, diesel mechanics, building, and construction. (Petition, p. 21.) In addition to the educational and teolical programs mentioned, NTT states they will provide services to students through partnerships with Workforce Innovation and Opportunity Act ("WIOA") providers. (Petition, p. 50.)

Petitioner desires to locate the proposed charter school on District property at 24th and Florin in South Sacramento. (Petition, p. 15.) During the 220189 school year, the Petitioner hopes to enroll two hundred (200) students, while increasing enrollment by two hundred (200) students each subsequent school year. (Petition, p.15.) Petitioner estimates a total enrollment of one thousand (1,000) students by the 202023 school year, its fifth year of operation. (Petition, p. 15.)

#### II. DRIVING GOVERNANCE

The Charter Schools Act of 1992 ("Act") governs the creation oftenachools in the State of California. The Act includes Education Code section 47605, subdivision (b), which provides the standards and criteria for petition review, and provides that a school district governing board considering whether to grant a description "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, subd. (b).) Specifically, the governing board may not deny a petition unless it makes written factual findings setting forth specific facts to support one, or more of six findings:

- 1) The charter school presents an unsound educational program for the students to be enrolled in the charter school;
- 2) The petitioner is demonstrably unlikely to successfully implement the program set forth in the petition;
- 3) The petition does not contain the number of signatures prescribed by Education Code section 47605, subdivisions (a)(A) or (a)(1)(B);
- 4) The petition does not contain an affirmation of each of the conditions set forth in Education Code section 47605, subdivision (d), including that the charter school: (1) will be nonsectarian in its admission policies, employment practices and all other operations; (2) will not charge tuition; and (3) will not discriminate against any student on the basis of the characteristics set forth in Education Code section 220;

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- 5) The petition does not contain reasonably comprehensive descriptions of fifteen certain elements in its program and operations as set forth in Education Code section 47605, subdivision (b)(5) (AD), which describes fifteen separate elements that must be addressed in every petition to establish a charter school. The sentel emolude a description of the School's governance structure, admissions policy, health and safety and student discipline policies; or
- 6) The petition does not contain a declaration of whether or not the charter school shall be deemed the ex Tc 0.05 Tcvm(ills)2(,)1( I)3(n)-4(c)4(.)]TJ 0.002 Tc -0.002 Tw 3.92 0 T-

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attendance (students who are 5 to 16's/efage). Petitioner's proposed program would serve adults, therefore, would have nonempulsory attendance.

Petitioner states In adult-focused charter schools, daily enrollment is lothnam average daily attendance due to students not having compylatendance combined with life issues that adults face which kids often do not have, such as issues with childcare for the day hasis added.) (Petition, p. 15.) The Petitioner then establishes an attendance goal of 40%. (Petition, p. 18.) Given that Petitioner estimates an enrollment of 200 students during the first year of operations, a 40% attendance goal would result in an ADA of only 80 students.

However, when reviewing the budget, the Petitioner has based the cash flow projections on an ADA of 90% of the enrollment. (Appx., p. 121.) Therefore, Petitioner is estimating the ADA to be 180 students. Based upon the Petitioner's per pupil LCFF funding estimate of \$9,953.19 per student, for an ADA of 180 students, the LCFF revenues would be \$1,791,574.20. (Appx., p. 122.) However, using the Petitioner's goal of an ADA of only 40% of the enrollment, this would only amount to LCFF revenues of \$796,255.20. These differing ADA projections amount to a difference of \$995,319. These ADA projections would likely result in the Charter School's insolvency.

b. The Petition fails to present an adequate financial plan for the operation of the proposed Charter School.

In order to successfully implement the educational program set forth in the Petition, the Petitioner should provide a detailed budget that ensures the financial stability of the proposed Charter School.

Petitioner states, "NTT expects to have an Average Daily Attendance of at least 180 students in r ei

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However, even if Petitioner receives the loan mentioned above, based upon the Petitioner's submitted budget, adequate reserves may not be available to the Charter School during the second year of operation. During the 202020 school year, the Petition indicates that the Charter School would only have \$17,924 in reserves during the month of January. Latter Ch School's cash flow projections are incorrect, or if unforeseen expenses occur, this could render the Charter School insolvent.

The limited cash reserves maintained by the Charter School become more alarming because the Petition identifies positions for both Assistant Teachers and Paraeducators (Petitional Petitional Petitio

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In order to successfully implement the proposed educational program, the Petitioner should provide a detailed plan for the use of technology.

Petitioner states, "NTT shall utilize web 2.0 learning technologidsopen educational resources (OERs), including Khan Academy, MOOCs (Massive Open Online Courses), Career courses from Ford Next Generation Learning, technology courses from GCFLearnFree, and online ESL sites." (Petition, p. 30.)

Given the Petitioner's posed use of multiple online instructional resources, it is critical that students have access to technology. However, the Petition states:

"NTT shall apply for the Public Charter School Grant Program (PCSGP1(s)-1h2tio16n.-4(ubl)-2

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statutory language that indicates teachers and students are meaningfully inite teateding at the school or attending the school. Additionally, the student signatur <u>explainse</u> identity any specific school or even indicate that the Petition is being submitted to the Sacramento City Unified School Districtor consideration.

Additionally, several of the teachers' signatures submitted with the Petition are from individuals whose names also appear on NTT's other petitions submitted to Twin Rivieral School

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Language Development, Bilingual High School Completion, and High School with English Support. (Appx., p. 15657.) Additionally, it appears that the Bilingual High School Completion program is only offered for Spanish. (Appx., p. 156.) However, Petitioner states "... if sufficient students who speak other languages request such a program we will work to provide it." (Appx., p. 156.)

These proposed EL programs raise many concerns. First, it is unclear how the Petitioner will successfully deliver elementary content intended for first or second grade students to adults enrolled in the Adult Elementary English Language Development program. For example, how will Petitioner make curriculum developed for a six (6) year old student relevant to an

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A charter school may be exempt from the Charter School Act's geographic restrictions if it operates in exclusive partners with a federal Workplace Innovation and Opportunity Act program ("WIOA"). Education Code section 47605.1, subdivision (g)(1) provides:

- (g) Notwithstanding any other law, the jurisdictional limitations set forth in this section do not apply to a charter school that provides instruction exclusively in partnership with any of the llowing:
- (1) The federal Workforce Innovation and Opportunity Act (29 U.S.C. Sec. 3101 et seq.).

No court of appeal in California has reviewed the WIOA exemption, and there is very little guidance available regarding the proper interpretation of the exemption. However, the WIOA exemption was the subject of recent litigation heard by the San Diego County Superior Court. While superior court decisions are not precedential, they are persuasive authority. In Grossmont Union High School District v. Julian Union Elementary School District etSulper. Ct. San Diego, 2017, No 37201500033720), the Superior Court determined that the Diego Valley Public Charter School did not qualify for the WIOA exemption because some of the instruction offered by the charter school was probvided by or in partnership its WIOA providers:

[S]ome of the instruction provided by Diego Valley [the charter school at issue in the litigation] is not in partnership with WIOA providers. Therefore, based on the plain meaning offte language within Section 47605.1(g)(1), instruction at Diego Valley is not provided exclusively in partnership with WIOA providers.

(Grossmont Union High School District v. Julian Union Elementary School District (Surper. Ct. San Diego, 2017, No7-2015-00033720).) District Staff agree with the Superior Court's interpretation that the WIOA exemption is only applicable if a charter school's entire educational program is provided exclusively in partnership with a WIOA provider. In other word at the Diego Superior Court appears to conclude that if any of the instructional options offered by the charter school are not provided in partnership with a WIOA provider, then the charter school does not qualify for use of the WIOA exemption.

Here, as contemplated in the Petition, the majority of the Charter School's educational program is not delivered by a WIOA provider and is not affiliated with the WIOA program, and therefore the WIOA exemption does not apply. The Petition states, "NTT will provides combased instruction where the students will be engaged in required educational activities under the immediate supervision of an instructor with appropriate legal qualifications. More than 80% of the instructional time offered by NTT will be at absol site." (Petition, p. 22.) Because the classroom based curriculum provided by the Charter School is not in partnership with WIOA

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#### SACRAMENTO CITY UNIFIED SCHOOL DISTRICT RESOLUTION NO. 2976 RESOLUTION TO APPROVE THE INITIAL CHARTER PETITION OF SUCCESS SKILLS, INC.: NORCAL TRADE AND TECH

WHEREAS, petitioners for Success Skills, Interestitioners") submitted to Sacramento City Unified School District ("District") an initial charter petition ("Petition"), dated October 17, 2017 for NorCal Trade and Technol

WHEREAS, the District's Governing Board held a public hearing on November 16, 2017 and took board action on December 2017; and

WHEREAS, the Governing Board has considered the level of public support for NorCal Trade and Techand has reviewed the Petiti, including all supporting documentation; and

WHEREAS, in reviewing the Petition, the Governing Board has been guided by the intent of the

# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT RESOLUTION NO. 2977 RESOLUTION TO DENY THE INITIAL CHARTER PETITION OF SUCCESS SKILLS, INC.: NORCAL TRADE AND TECH

WHEREAS, petitioners for Success Skills, Interestitioners") submitted to Sacramento City Unified School District ("District") an initial charter petition ("Petition"), dated October, 27017 for NorCal Trade and Tech and

WHEREAS, the District's Governing Board held a public hearing on November 16, 2017 and took board action December,72017; and

WHEREAS, the Governing Board has considered the level of public support for NorCal Trade and Tech has reviewed the Petitin, 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 sch(r)3(h)-1ol(l)-2(a)4 tehart aln ihnta