

## California Department of Education Findings Related to a Petition to Establish the Animo Inglewood Charter High School

### Background

On September 5, 2001, the California Department of Education (CDE) received a request from the petitioners of the Animo Inglewood Charter High School (Animo) to authorize a charter school proposed to be located in the Inglewood area of Los Angeles. The petition to establish the charter school was denied by the Inglewood Unified School District on February 28, 2001.

Pursuant to *Education Code* Section 47605(j), if a governing board of a school district or county office of education denies the petition for the establishment of a charter school, the petitioner may submit the petition directly to the State Board of Education (SBE). The SBE must evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial. The reasons for denial are limited to the following:

- (1) The charter school presents an unsound educational program
- (2) The petitioners are demonstrably unlikely to successfully implement the program
- (3) The petition does not contain the required number of signatures
- (4) The petition does not contain an affirmation of specified assurances
- (5) The petition does not contain reasonably comprehensive descriptions of 15 required elements of a charter.

In addition to consideration of the above stated reasons for denial, a charter-granting agency must hold a public hearing to consider the level of support for the petition by teachers, district employees and parents.

The CDE Charter School Review Team included representatives from the following divisions: School Fiscal Services, Special Education, Professional Development and Curriculum Support and the CDE Legal Office. The review team reviewed the charter petition according to the requirements of law, *California Administrative Code* regulations and CDE procedures for reviewing charter petitions that have been previously denied by a local agency. Attachment 2 contains a checklist with a brief summary of findings related to each of the required elements of the Animo charter petition.

### **Finding 1: The Animo charter may present an unsound educational program for students enrolled in the school.**

In general the petition proposes a program that is intended to “provide a world class education” and “develop effective community leaders” through personal attention and multicultural sensitivity, academic rigor, use of advanced technology and a focus on a leadership curriculum. The petitioners plan to heavily recruit disadvantaged students with potential. This petition is almost identical to one that was submitted to and approved by the Lennox Elementary School District for the Animo Leadership High School. This school has been in existence for one year.

## Attachment 1

Although the goals proposed by this petition are laudible, there is a considerable lack of detail regarding the specific program of instruction that will be offered and how it will be carried out. The petition states that the school intends to offer a rigorous college preparatory academic program that will be supported through small classes and an extensive tutoring and counseling program. However, the curriculum is described in very general terms. For example, the petition contains essentially one paragraph descriptions of each of the subjects the school's first cohort of 9<sup>th</sup> grade students will be expected to take. There are no specific content standards or outcomes described. Nor is there any attempt to tie curriculum, instructional materials, instructional methods, standards and assessments together.

The petition briefly mentions a number of ancillary programs that will support the academic program and students. For example, partnerships with middle schools, youth programs and community organizations are proposed as well as outreach meetings, tutoring, summer programs, sports, activity clubs and business internship programs. However, there are no plans describing how these programs will be developed, what work has been done to date or over what period of time the programs are intended to be implemented. The petition only indicates that "...this program will take several years to build..." or "specifics of the program will be determined in the future..." or "depending on student interest and budgetary constraints, the program may include..."

Although the petition states the school plans to recruit disadvantaged students and will draw heavily from the Inglewood USD, there are no strategies included to address students with special learning needs, and there appears to be little assistance for students who have behavioral problems. Generally, the petition relies on small classrooms, individual learning plans for each student and a variety of teaching styles to cope with special needs students. There is no mention of programs for English Language Learners (ELL), although the petition's budget projections indicate that either 35% or 55% of the school's students will be ELL. Nor is there a description of programs for special education students.

The petition states that the school "explicitly declares itself to be a Local Educational Agency," and that it will apply to a SELPA for LEA inclusion prior to February 1, 2000. These statements appear to demonstrate a lack of understanding of the law and how to operate special education programs. We are very concerned about the absence of explanation of how students with disabilities will be served in the general education program; the supplementary aides and services available to support students; and the lack of a continuum of services and program options for students with disabilities.

In conclusion, as a result of the deficiencies and lack of information noted above, we cannot conclude that the petitioners present a sound program which is likely to be of educational benefit to students who may attend the school.

### **Finding 2: The petitioners may be unlikely to successfully implement the program**

Based on the information provided, we have strong concerns regarding the fiscal viability of the charter. As a result, we cannot conclude that the petitioners would be likely to succeed in implementing the program. Although the school business plan appears to present a balanced budget with reserves at the end of each of the next three years, the plan includes special education revenues that may not all be available to the school since the funds are controlled by the SELPA in which the school participates. If special education revenues are excluded from the budget, it

appears that the school will be insolvent in its second year of operation. Further, expenditures do not appear to include any special education costs nor details on how many special education students are expected to be served by the school.

In addition, we note the following concerns that need clarification to assure the viability of the school:

There are no cash flow projections for the next three years of operation.

The budget contains contract costs for fiscal consultants in the first year of operation of \$52,696, in the second year, \$93,585, and in the third year of \$135,322. However, the petition does not describe a structure for providing administrative services, therefore it is unclear whether the amounts budgeted are for accounting, payroll, personnel or any other administrative services.

Funds for insurance are budgeted in each of the next 5 years, however the petition only states that Animo will be solely responsible for all costs of operation, including the cost of insurance. There is no description of the types of insurance the school intends to secure, therefore it is difficult to determine whether amounts budgeted for insurance are adequate.

Costs for facilities are budgeted at \$85,000 in the first year, \$165,000 in year two and \$240,000 in year three. However, the petition states only that the school “will be located at a site to be announced in Inglewood.” There is no description of the basis upon which the amounts budgeted were determined so it is difficult to determine whether the budget reflects reasonable costs for the acquisition or leasing of facilities to house the school.

The petition proposes a number of ancillary programs and activities (described under Finding 1) which will support the academic program. It is unclear if any funds have been budgeted to support those programs in any of the years covered by the business plan.

Based on our concerns noted above, we believe the petitioners have presented an unrealistic financial and operational plan for the proposed school and are demonstrably unlikely to successfully implement the program proposed in the charter petition.

**Finding 3: The Edison petition may not fully comply with Education Code Section 47605 which requires a reasonably comprehensive description of each of 15 elements required to be included in a charter. The review team noted specific concerns related to some elements under Sections 47605(b)(1)(A-O) which are discussed below.**

*Element 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 21<sup>st</sup> century, and how learning best occurs. The goals identified in that program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.*

Some concerns regarding the educational program are described in Finding 1. Of particular concern is the lack of detail about the general curriculum and instruction

***Element D: Governance structure, including the process to insure parental involvement***

As noted under Finding 2, we are concerned that the Community Council may be a governing body in name only without any real authority or power.

***Element F: Procedures to ensure health and safety of pupils and staff, including criminal records summary (per EC Section 44237)***

The charter petition indicates that the procedures to ensure health and safety of students and staff will be those of SFUSD. However, given the relationship between Edison and SFUSD it is unclear whether that means SFUSD will carry out procedures and policies or whether Edison will even have access to those policies and procedures. For example, who will be responsible for the criminal records summary check required by EC Section 44237? Will Edison arrange for immunizations and tuberculosis tests? If the charter is approved by the State Board, we recommend the petition be amended to clearly identify health and safety procedures and who is responsible for carrying them out.

***Element I: The manner in which annual, independent, financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority.***

The proposed changes to the Edison charter upon renewal by the State Board document states that the school will secure an annual independent financial audit within 6 months of the close of the school year. However, the charter contains no description of how an annual, independent audit will be conducted other than that the Community Council will establish an audit committee to review and resolve any noted deficiencies. There is no indication of who is responsible for contracting and overseeing such an audit, or whether the auditor would have experience in education finance. Nor are there timelines and procedures for addressing audit findings/exceptions. The State Board would be provided a copy of the audit report with Community Council recommendations for resolving exceptions. If the charter is approved by the State Board, we would recommend the petition be amended to describe more precisely how the audit will be conducted, including timelines for resolving exceptions.

***Element J: The procedures by which pupils can be suspended or expelled***

According to the Edison charter, the criteria for suspension and expulsion of students will be consistent with state and federal laws and the due process hearings will be conducted in conformity with state and federal law. The principal or designee has the authority to suspend students. The proposed changes to the charter upon renewal by the State Board indicate only that Edison will review and, if necessary update procedures for providing students due process in connection with discipline and expulsions. An assumption seems to be made that the various components of the school program (structures for prevention and intervention, character and ethics program, family support teams, motivating curriculum, etc.) will mitigate the need for having to use such procedures. Since the charter school has been in existence for three years, presumably there are written procedures for suspension and expulsion, and parents and guardians of students are being informed of their due process rights. However, we are unable to comment on such procedures due to lack of information. If the charter is approved by the State Board, we would

recommend procedures for suspension and expulsion be more clearly delineated in the charter petition.

***Element 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***

The charter describes a resolution process between Edison Schools, Inc. and SFUSD, however there is no description of a dispute resolution process between Edison and the State Board. If the charter is approved by the State Board, we would recommend the charter petition be amended to incorporate such a process, including a description of how costs of the process, if any, would be funded and acknowledging that the State Board is not a local education agency and, therefore, may include specific provisions in the dispute resolution process that it determines are necessary.

**Finding 4: The petition may not contain the number of signatures required**

The petition includes the signatures of 100 people. However, it is not clear whether the signatures are those of parents, teachers or a combination of both. The petitioners indicated verbally that the signatures are those of parents. However, Finding 2 of the reasons for denial by the Inglewood USD governing board states that the “current statement attached to the petition claims all those who signed the petition are teachers.” In addition, the statement at the top of the petition containing the signatures only states that the undersigned petitioners “believe that the attached charter merits consideration” by Inglewood USD. Education Code Section 47605(a)(3) requires the petition to include a prominent statement that a signature means that the parent or guardian is meaningfully interested in having his/her child attend the charter school, or in the case of a teacher’s signature, that the teacher is meaningfully interested in teaching at the charter school.

**Summary and Recommendation**

We recognize that this petition for renewal is different from the other appeals that have come before the State Board previously in that Edison is a school that has been an operational charter school for three years. It is also unique in that the school is being operated by a for-profit company which adds a layer of complexity to the situation. Clearly Edison Schools, Inc. and SFUSD have been under severe time constraints in which to work out the details of their relationship should the State Board approve this charter and we believe that accounts for the provision of insufficient information and lack of detail in some parts of the charter petition. In this report, we have noted some areas of concern and areas where information has not been provided or provided too late for us to draw conclusions.

Based on concerns raised in Findings 2 and 3 above, we conclude that the SBE has sufficient justification to deny the petitioner’s request to approve the Edison charter. At a minimum, we believe that the petition would need further clarification or revision and that a draft management agreement be provided before the State Board approves this charter renewal. Until we can thoroughly review the budget and financial documents as well as the proposed management agreement between Edison Charter Academy and Edison Schools, Inc. we withhold recommendation on the charter renewal. It is our intent to provide further information and recommendations at the time of the State Board meeting in July.

**Conclusion**

The SBE has three options related to this charter:

## Attachment 1

- 1) Approve the application for renewal. If the SBE approves the charter, the school will be authorized to continue to operate as a charter school for five years and the SBE will become the responsible oversight entity for the school unless the SBE, by mutual agreement, delegates that responsibility to another local educational agency.

If the SBE wishes to approve the charter, we recommend that it approve the petition under the condition that school shall not be authorized to operate until:

1. The petitioners revise the charter and supporting documents to address the findings, comments and recommendations identified in this report.
  2. The petitioners provide evidence that the school has been accepted for inclusion in a SELPA.
  3. The petitioners agree to abide by the specific supervisory and oversight requirements contained in the document entitled State Board of Education-Approved Charter Schools: Expectations for Oversight and Supervision.
- 2) Deny the charter petition. If the SBE denies the petition, the petitioners are not authorized to operate. The petitioners would not be prohibited from revising the charter and resubmitting it to the original school district or another eligible LEA in the state. However, given that Edison is a conversion school of the district, it is not clear whether SFUSD would be able to open this school as a district operated school by September.
  - 3) Take no action on the charter petition. According to *Education Code* Section 47605(j), if the SBE does not act on the petition within 120 days, the decision of the governing board of the school district denying the petition shall be subject to judicial review.