



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 11.2

Meeting Date: May 4, 2017

Subject: Approve Resolution No. 2947 or 2930: Renewal Charter Petition for Sacramento New Technology High School

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

Division: Deputy Superintendent's Office

Recommendation: To take action to approve or deny the renewal of the charter for Sacramento New Technology High School.

Background/Rationale: Sacramento City Unified School District received Sacramento New Technology High School's renewal petition on January 18, 2017 (Charter petition expiration date: June 30, 2017). The Governing Board held a public hearing in accordance with Education Code Section 47607 (b) to consider the level of support for the renewal of Sacramento New Technology High School on February 16, 2017. District staff conducted a comprehensive review of the renewal petition and related submissions. The staff's analysis will be presented for Board Action on May 4, 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 No. 2947 and 2930
3. Charter Petition (Proposed): <http://www.scusd.edu/charter-petitions>
4. Revised Charter Petition (Proposed): <http://www.scusd.edu/charter-petitions>
5. Appendices (Proposed): <http://www.scusd.edu/charter-petitions>
6. Revised Appendices (Proposed): <http://www.scusd.edu/charter-petitions>

Estimated Time of Presentation: 10 Minutes

Submitted by: Lisa Allen, Deputy Superintendent and
Jack Kraemer, Innovative Schools and Charter
Oversight, Director

Approved by: José L. Banda Superintendent

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I. OVERVIEW / HISTORY

Action Proposed:

This Report sets forth findings based upon a review of the charter renewal petition (“Renewal Petition”) by District Staff and legal counsel. After a careful review of the Renewal Petition, District Staff has concerns regarding the Petitioner’s academic performance of all student groups and fiscal debt. Based upon these concerns, the Renewal Petition may be denied on the following grounds:

The Petitioner is demonstrably unlikely to successfully implement the program set forth in the Renewal Petition based on:

- 1) Lower pupil academic achievement by the charter school’s pupils as compared to pupils in District schools that they would otherwise attend; and
- 2) Fiscal insolvency.

The Governing Board shall approve either Resolution 2947 or 2930 for the Renewal Petition submitted by Sacramento New Technology High School (“SNTHS” or “Charter School”).

History:

Sacramento New Technology High School is a dependent charter school with 9th through 12th grade students located at 1400 Dickson Street, Sacramento, CA 95822 on district owned property. Sacramento City Unified School District (“District”) originally granted SNTHS’s charter petition for establishment on June 2003. The charter petition has been renewed twice and is now due to expire June 30, 2017. District received a charter renewal petition from SNTHS on January 18, 2017 with a mutually agreed upon 30-day extension of the renewal petition timeline requirements. District and SNTHS mutually agreed upon an additional 30-day extension on April 11, 2017. The 30-day extensions are beneficial because they provide latitude to staff for the review and analysis of the charter renewal application, and they ensure compliance with deadlines while considering the set schedule of Board of Education meetings should more time be needed due to unforeseen circumstances. The Renewal Petition is for a term of five years, from July 1, 2017 through June 30, 2022 with an enrollment cap of 400 students in grades 9-12.

The District held a public hearing on February 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).)

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After reviewing the Renewal Petition and appendix items, District Staff provided SNTHS with feedback regarding numerous areas of the Renewal Petition that needed updates and/or clarification. In response to the District Staff analysis and recommendations, SNTHS submitted a revised Renewal Petition and revised appendix items on February 28, 2017 to address District Staff's concerns.

II. DRIVING GOVERNANCE

As defined by Education Code Section §47607, a charter school shall meet one of the following criteria before receiving a charter renewal:

- 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; or
- 2) Ranked in deciles 4 to 10, inclusive, on the API in the prior year or in two of the last three years; or
- 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; or
- 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.

Due to the suspension of the majority of the California Standards Tests in 2013-14, SNTHS does not have a 2016 Growth API. Schools that do not have a current year API calculation will use either the more recent API score, an average of the three most recent API scores, or an alternate measure that shows an increase in academic achievement for all groups of students schoolwide and among significant student groups. (Assembly Bill 484; See Education Code sections 52052(e)(2)(F) and 52052(e)(4)). SNTHS met criteria 1, 2, and 3 in the final 2013-14 year of API utilization. However, SNTHS had 30% and 15% of their 11th grade students achieve at proficient/advanced levels for the 2015-16 CAASPP ELA and Math assessments respectively while the 10th grade students achieved at the 17% proficient/advanced levels for the Science assessment. When compared to similar student populations in SCUSD, SNTHS's population attained lower levels of achievement in ELA, Math, and Science.

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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
- 4) The 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, 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).)

A charter may be renewed an unlimited number of times; however, each renewal must be for exactly five years. (EC 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. (Cal. Code Regs., tit. 5, §11966.4(c).)

District Staff's Review:

The District Staff reviewed the below listed 15 required elements and the Impact on District (i.e. facilities, District oversight, etc.) in the SNTHS Renewal Petition.

Elements:

- 1) Educational Program
- 2) Measurable Student Outcomes

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- 3) Method by Which Pupil Progress is to be Measured
- 4) Governance Structure
- 5) Employee Qualifications
- 6) Health and Safety Procedures
- 7) Means to Achieve a Reflective Racial and Ethnic Balance
- 8) Admissions Requirements
- 9) Financial Audit
- 10) Suspension and Expulsion Procedures
- 11) Staff Retirement Systems
- 12) Attendance Alternative
- 13) Description of Employee Rights
- 14) Dispute Resolution Process
- 15) Procedure for School Closure

Although the originally submitted Renewal Petition included the above information required, District Staff recommended revisions and additional information to improve the Renewal Petition. The changes made to the SNTHS initial Renewal Petition are noted on the initial pages of the Charter School's revised appendix.

Based on the results of the District Staff's review process of the initial Renewal Petition, the revised Renewal Petition, initial appendix items, and revised appendix items, District Staff assessed that all fifteen elements are reasonably comprehensive individually and collectively. However, District Staff concluded that SNTHS meets the statutory requirements for denial as Petitioner is demonstrably unlikely to successfully implement the program set forth in the revised Renewal Petition based on the Charter School's lower pupil academic performance as compared to pupils in similar District schools, and fiscal insolvency.

Results of Petition Review (Findings of Fact Determinations):

**Petitioner is Demonstrably Unlikely to Successfully Implement the Program Set Forth in the
Petition**

- A. **Lower Academic Achievement by the Charter School's Pupils as compared to Pupils in
District Schools that They Would Otherwise Attend**

When determining whether to grant a charter renewal, the District "shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor." (Ed. Code § 47607(a)(3)(A).) SNTHS met criteria 1, 2, and 3 in the final 2013-

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14 year of API utilization. However, SNTHS had 30% and 15% of their 11th grade students achieve at proficient/advance levels for the 2015-16 CAASPP ELA and Math assessments respectively while the 10th grade students achieved at the 17% proficient/advance levels for the Science assessment. SNTHS's pupil population attained lower levels of achievement in ELA, Math, and Science as compared to pupils in those District schools the Charter School pupils would otherwise attend. Additional results against comparison schools of McClatchy, Kennedy, and Burbank are as follows:

- SNTHS attained lower levels of achievement in ELA compared to all three schools
- SNTHS attained lower levels of achievement in Math for two of the three schools
- SNTHS attained lower levels of achievement in Science compared to all three schools
- SNTHS significant student groups of Economically Disadvantaged and Hispanic attained lower levels of achievement in ELA compared to the same significant student groups of all three schools.
- SNTHS significant student groups of Economically Disadvantaged and Hispanic attained lower levels of achievement in Math compared to the same significant student groups of two of the three schools.

The revised Renewal Petition indicates that SNTHS met its API Growth target for the last three years that the API was reported, but its overall API increased only 33 points during that period. District Staff considered the Charter School's minimal increases in pupil academic achievement in determining whether to recommend approval or denial of renewal; however, in nearly all measures and across all significant pupil groups, the academic performance of SNTHS pupils was significantly lower than that of pupils in District schools that the Charter School's pupils would otherwise attend. Thus, the Charter School's minimal increases in pupil achievement were not sufficient to outweigh Staff's conclusion that the Petitioner is demonstrably unlikely to successfully implement the educational program due to lower academic achievement by the Charter School's pupils as compared to pupils in District schools they would otherwise attend.

B. Fiscal Insolvency

In order to successfully implement the program described in the Renewal Petition, Petitioner must demonstrate that it is familiar with the content of the Renewal Petition and the requirements of law applicable to the proposed school, present a realistic financial and operational plan, have the necessary background in areas critical to the Charter School's success, or have a plan for securing the services of individuals with the necessary background,

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including curriculum, instruction, assessment, finance and business management. Based upon the information provided in the revised Renewal Petition, Petitioner is demonstrably unlikely to successfully implement the educational program due to significant current and projected fiscal deficits. SNTHS carry over reserves were as follows:

- 2011-2012: <\$28,408.65>
- 2012-2013: <\$11,049.92>
- 2013-2014: \$61,092.97
- 2014-2015: <\$63,926.01>
- 2015-2016: <\$172,085.36>

The projected fund balances for the end of 2016-2017 and 2017-2018 are <\$650,000.00> and <\$965,000.00> respectively.

Directly related to the fiscal position of SNTHS are the below enrollment figures, which demonstrate a pattern of declining enrollment:

- 2014-2015 276 (27% out of district)
- 2015-2016 238 (24% out of district)
- 2016-2017 187 (22% out of district)

Accordingly, District Staff have concluded that Petitioner is demonstrably unlikely to successfully implement the educational program due to the Charter School's fiscal insolvency.

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(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. However, as a dependent charter school of Sacramento City Unified School District, District is liable for the charter school's debts or obligations.

IV. GOALS, OBJECTIVES, AND MEASURES

Not Applicable.

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V. MAJOR INITIATIVES

Not Applicable.

VI. RESULTS

Based on the analysis described in this report, Sacramento City Unified School District Board of Education shall take action to approve either Resolution 2947 or 2930 for the Renewal Petition submitted by Sacramento New Technology High School under the California Charter Schools Act with due consideration of the factual findings in this report. The factual findings in this report demonstrate that the revised Renewal Petition meets the following conditions for denial under Education Code § 47607:

The Petitioner is demonstrably unlikely to successfully implement the program set forth in the Renewal Petition, based on:

- 1) Lower pupil academic achievement by the Charter School's pupils as compared to pupils in District schools that they would otherwise attend; and
- 2) Fiscal insolvency.

VII. LESSONS LEARNED / NEXT STEPS

Next Steps:

The Governing Board shall approve either Resolution 2947 to approve the charter renewal or 2930 to deny the charter renewal. Should the Board decide not to renew the charter, the Board must adopt these final written findings of fact as its own to deny the revised Renewal Petition. Additionally, as the charter authorizer, District will provide SNTHS guidance and support in the orderly process of charter school closure should the revised Renewal Petition be denied.

The revised Renewal Petition is available online at: <http://www.scusd.edu/charter-petitions>

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2947
RESOLUTION TO APPROVE THE PETITION TO RENEW THE CHARTER OF
SACRAMENTO NEW TECHNOLOGY HIGH SCHOOL**

WHEREAS, Sacramento New Technology High School submitted to Sacramento City Unified School District (“District”) a charter renewal petition (“Petition”), dated January 18, 2017; and

WHEREAS, following feedback from District staff, the Petition was revised and submitted (“Revised Petition”); and

WHEREAS, the District’s Governing Board held a public hearing on February 16, 2017 and took board action on May 4, 2017; and

WHEREAS, the Governing Board has considered the level of public support for Sacramento New Technology High School 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

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 Sacramento New Technology High School for another term.

BE IT FURTHER RESOLVED the term of the charter shall be for five (5) years, beginning on July 1, 2017 and expiring June 30, 2022.

PASSED AND ADOPTED by the Sacramento City Unified School District Board of Education on this 4th day of May, 2017, by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____
ATTESTED TO:

José L. Banda
Secretary of the Board of Education

Jay Hansen
President of the Board of Education

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2930
RESOLUTION TO DENY THE RENEWAL CHARTER PETITION OF
SACRAMENTO NEW TECHNOLOGY HIGH SCHOOL**

WHEREAS, petitioners for Sacramento New Technology High School submitted to Sacramento City Unified School District (“District”) a renewal charter petition (“Petition”), dated January 18, 2017; and

WHEREAS, the District’s Governing Board held a public hearing on February 16, 2017 and took board action on May 4, 2017; and

WHEREAS, the Governing Board has considered the level of public support for Sacramento New Technology High School 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

WHEREAS, 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; and

WHEREAS, the District staff reviewed and analyzed the Petition and supporting documents for legal, programmatic, and fiscal sufficiency, and has identified deficiencies in the Petition, such that the Petition may be denied.

NOW, THEREFORE, BE IT RESOLVED that the Sacramento City Unified School District Board of Education hereby adopts the written Staff Report and Proposed Findings of Fact regarding Sacramento New Technology High School as its own.

BE IT FURTHER RESOLVED, that based on the Findings of Fact set forth in the Executive Summary, the petitioners are demonstrably unlikely to successfully implement the program set forth in the Petition.

BE IT FURTHER RESOLVED, that for the reasons given above, the Petition is hereby denied.

PASSED AND ADOPTED by the Sacramento City Unified School District Board of Education on this 4th day of May, 2017, by the following vote:

AYES: ____

NOES: ____

ABSTAIN: ____

ABSENT: ____

ATTESTED TO:

José L. Banda
Secretary of the Board of Education

Jay Hansen
President of the Board of Education