



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 9.2

Meeting Date: July 16, 2020

Subject: Consider Resolution No. 3158: Material Revision for Aspire Capitol Heights Academy

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

Division: Continuous Improvement and Accountability

Recommendation: To conference and take action to approve or deny the Material Revision for Aspire Capitol Heights Academy

Background/Rationale: Aspire Public Schools, a California nonprofit public benefit corporation, submitted a petition to make a Material Revision to the charter petition of Aspire Capitol Heights Academy, an independently operated public charter school of the District. In its Material Revision it is requesting to make the following changes:

1. Relocate its current facility located at 2520 33rd St, Sacramento, CA 95817 to 7300 Folsom Blvd, Sacramento, CA 95826,
2. Increase its grade levels from TK-5 to TK-8, and
3. Increase its enrollment from its current maximum capacity of 308 to 600 students in grades TK-8.

Financial Considerations: The financial considerations are outlined within the Executive Summary.

LCAP Goal(s): Family and Community Empowerment

Documents Attached:

1. Executive Summary
2. Resolution No. 3158

Estimated Time of Presentation: 10 minutes

Submitted by: Vincent Harris, Chief of Continuous Improvement and Accountability
Jesse Ramos, Director of Innovative Programs

Approved by: Jorge A. Aguilar, Superintendent

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I. OVERVIEW / HISTORY

A. Action Proposed

On February 18, 2020, the Sacramento City Unified School District ("District") received from Aspire Public Schools, a California nonprofit public benefit corporation ("Nonprofit") a petition to make a Material Revision ("Material Revision") to the charter petition of Aspire Capitol Heights Academy, an independently operated public charter school of the District. In its Material Revision the Nonprofit request to make the following changes to its charter petition for Aspire Capitol Heights Academy:

1. Relocate its current facility located at 2520 33rd St, Sacramento, CA 95817 to 7300 Folsom Blvd, Sacramento, CA 95826,
2. Increase its grade levels from TK-5 to TK-8, and
3. Increase its enrollment from its current maximum capacity of 308 to 600 students in grades TK-8.

District Staff recommends the District's Board of Education ("Board") conference and approves or denies the Material Revision under the California Charter Schools Act, with due consideration of the findings in this Report.

B. History

Capitol Heights Academy is a public, independent charter school located at 2520 33rd St, Sacramento, CA 95817.

The District originally approved the Charter School's charter on September 2, 2003, for a term of five years. Since that time, the Charter School's charter was renewed on November 1, 2012, for a term of five years. The Charter School's charter was renewed again on March 15, 2018, and will expire in five years on June 30, 2023.

The Charter School is currently in its seventeenth year of operation and serves about 232 students in grades kindergarten to fifth.

II. DRIVING GOVERNANCE

C. A Petition to Make a Material Revision to its Charter Petition

As specified in the education code, "A charter school that, concurrently with its renewal, proposes to expand operations to one or more additional sites or grade levels shall request a material revision to its charter. A material revision of the provisions of a charter petition may be

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made only with the approval of the chartering authority. A material revision of a charter is governed by the standards and criteria described in Section 47605."

D. Review Process for A Petition to Make a Material Revision to its Charter Petition; Grounds for Denial

The following are key factors in review process of a petition to make a material revision to a charter petition:

- A request for material revision to add site must be considered at an open, public meeting. (Ed. Code 47605(a)(4).)
- There is no time frame for a decision to be made
- Findings are not a requirement for denial
- It is not "deemed granted" if not denied within 60 days.
- There are no time limits on submission

District Staff evaluates the request for a material revision for Board consideration. District staff uses the same standards and criteria for petition review, the required elements. In addition to the required elements, District Staff reviews "any new requirement of charter schools enacted into law after the charter was originally granted or last renewed."

A finding is not required for denial of a Material Revision, nevertheless the Staff reviewed the specific facts of the Material Revision to support the following:

1. The charter school presents a sound educational program for students,
2. The charter school is likely to implement the program outlined in the Material Revision successfully,
3. The Material Revision contains the necessary affirmations,
4. The Material Revision includes a declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for the purpose of Chapter 10.7 of Division 4 of Title 1 of the Government Code,
5. Where changes to the charter school's operations are proposed, the Material Revision contains reasonably comprehensive descriptions of the required elements outlined in the Charter Schools Act.

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Beginning July 1, 2020 Education Code section 47605, subdivision (c)(8) permits a school district to deny an initial charter petition if the school district is not positioned to absorb the fiscal impact of the proposed charter school. A school district qualifies to assert this as a basis for denial if it has:

1. a negative interim certification, or
2. is under state receivership, or
3. has a qualified interim certification and the county superintendent of schools, in consultation with FCMAT, certifies that approving the charter school would result in the school district having a negative interim certification.

This basis for denying an initial charter petition may also be used when evaluating a proposed expansion through a Material Revision. (Ed. Code, 47607, subd. (a)(4).)

III. RESULTS OF THE PETITION REVIEW

E. District Staff Review of a Petition to make a Material Revision

Throughout the review process Aspire Capitol Heights Academy was responsive to Staff's requests for additional information or clarifications.

In evaluating the Material Revision Staff reviewed the required elements listed in the following table. In addition to evaluating the elements impacted by the material revision Staff analyzed the Material Revision's fiscal impact to the District. The fiscal analysis was necessary, because at the 1st and 2nd interims the District has self-certified negative.

Required Elements

1. Educational Program
2. Measurable Student Outcomes
3. Assessment of Measurable Outcome Goals
4. Governance and Legal Issues
5. Employee Qualifications
6. Health and Safety Procedures
7. Means to Achieve a Racial and Ethnic Balance
8. Admissions Requirements
9. Financial and Programmatic Audit
10. Student Discipline, Pupil Suspension, and Expulsion Procedures

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11. Retirement System
12. Attendance Alternatives
13. Description of Employee Rights
14. Dispute Resolution Process, Oversight, Reporting and Renewal
15. Labor Relations
16. School Closure Procedures

Based on the results of the District Staff's review of the Material Revision, Staff has concluded where changes to the charter school's operations are proposed in the Material Revision the required elements are reasonably comprehensive collectively as outlined in the Charter Schools Act.

In consideration of the District's worsening budget situation, beyond the standard elements, Staff analyzed the fiscal impact of the Material Revision to the District. Staff looked at the request to increase the number of grade levels offered from TK-5 to TK-8, and within the next five years to expand its enrollment from its current maximum capacity of 308 to 600. In the following table, the Staff considered two possible scenarios:

- Scenario 1 – First three years of the Material Revision, 50% of the increased enrollment are in-district students. In years four and five, 40% of the increased enrollment is in-district students.
- Scenario 2 – The yearly increased enrollment maintains the current enrollment percentage of 68% in-district students

Capitol Heights Material Revision						
In District/Out of District Assumptions	Estimated ADA Revenue Loss					Est. 5 Year Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
1. CHA: 50% Years 1-3, 40% Years 4-5	224,044	615,014	1,014,167	894,125	894,125	3,641,475
2. Maintain current 68%/32%	822,208	1,352,630	1,894,095	2,496,788	2,496,788	9,062,509

The Staff determined that this Material Revision could have a significant fiscal impact on the District. Based on the 3rd interim ADA rates, Staff estimates that the lost revenues will total from \$3,641,475 to \$9,062,509 in five years. An additional \$894,125 to \$2,496,788 in lost revenues will continue each year after the fifth year.

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IV. BUDGET

The review of the Material Revision highlights a significant budget consideration for the District. As mentioned in the previous section titled, Results of the Petition Review, this Material Revision could have a significant fiscal impact on the District. Based on the 3rd interim ADA rates, Staff estimates that the lost revenues will total from \$3,641,475 to \$9,062,509 in five years. An additional \$894,125 to \$2,496,788 in lost revenues will continue each year after the fifth year.

Separate from the estimates of revenue lost, the Education Code provides district protection from other potential liabilities. Under Education Code section 47604, subdivision (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. The District will continue to have monitoring and oversight responsibility for charter school finances, as specified in the Charter Schools Act.

V. GOALS, OBJECTIVES, AND MEASURES

Not applicable.

VI. MAJOR INITIATIVES

Not applicable

VII. RESULTS

District Staff requests that the Board conference and take action to approve or deny the Material Revision for Aspire Capitol Heights Academy. Staff recommends that the Board take due consideration to the following factors:

- A school district qualifies to assert new legislation allowing Staff and the Board members to consider the financial impact of an expanding charter school as a basis for denial if the if the school district is not positioned to absorb the fiscal impact, and
- Staff estimates that the lost revenues will total from \$3,641,475 to \$9,062,509 in five years. An additional \$894,125 to \$2,496,788 in lost revenues will continue each year after the fifth year.

VIII. LESSONS LEARNED / NEXT STEPS

If the Board approves the Material Revision, the District, as the charter authorizer, will provide continued oversight by conducting annual visits and programmatic audits to review the Charter School's academic achievement, as well as records of past performance and plans regarding academics, finances, and operations. Additionally, the District and Aspire Capitol Heights

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Academy will collaborate on the timely submission of a signed updated Operational Memorandum of Understanding.

Conversely, if the Board denies the Material Revision, Aspire Capitol Heights Academy will continue to operate under its current charter, which was renewed on March 15, 2018, until it expires on June 30, 2023.

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

RESOLUTION NO. 3158

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT RESOLUTION NO. XXXX
RESOLUTION TO APPROVE THE MATERIAL REVISION OF THE CHARTER
PETITION OF ASPIRE CAPITOL HEIGHTS ACADEMY**

WHEREAS, petitioners for Aspire Capitol Heights Academy (“Petitioners”) submitted to Sacramento City Unified School District (“District”) a Material Revision petition (“Petition”), dated February 18, 2020;

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;

WHEREAS, the District staff reviewed and analyzed the Petition and supporting documents for legal, programmatic, and fiscal sufficiency; and

NOW, THEREFORE, BE IT RESOLVED, that the Sacramento City Unified School District Board of Education hereby adopts the Staff Report.

BE IT FURTHER RESOLVED, that the Petition is hereby approved.

BE IT FURTHER RESOLVED, that the Petition approval is conditional upon signed Memorandums of Understanding for Operations and Special Education by Petitioner and District no later than August 20, 2020.

PASSED AND ADOPTED by the Sacramento City Unified School District Board of Education on this 16th day of July, 2020, by the following vote:

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

Jorge A. Aguilar
Secretary of the Board of Education

Jessie Ryan
President of the Board of Education