NEWPORT-MESA UNIFIED SCHOOL DISTRICT
Resolution No. 11-11-18

Denying the Charter Petition for
International School for Science and Culture

WHEREAS, pursuant to the Charter Schools Act of 1992 (Education Code Section 47600 et seq.), the Governing Board (“District Board”) of the Newport-Mesa Unified School District (“District”) is required to review and consider authorization of charter schools; and

WHEREAS, on or about September 12, 2018, the International School for Science and Culture (“ISSAC” and/or “Charter School”) delivered to the District Office a Charter School Petition (“Charter”) for the proposed ISSAC Charter School; and

WHEREAS, in accordance with the Charter Schools Act of 1992, the Charter was brought to the District Board meeting of September 25, 2018, at which time it was received by the District Board, thereby commencing the timelines for District Board action thereon; and

WHEREAS, a public hearing on the provisions of the Charter was conducted on October 25, 2018, at which time the District Board considered the level of support for this Charter by teachers employed by the District, other employees of the District, and parents. During the public hearing, no District teachers or other employees spoke in favor of the Charter, but representatives of the District’s certificated bargaining unit spoke in opposition to this Charter, thereby evidencing no support for ISSAC from District teachers or other employees. During the public hearing only two parents, representing two students, spoke in favor of the Charter School, though multiple community members and District residents spoke in opposition to the Charter. Thus, the public hearing demonstrated virtually no local interest in or support for ISSAC; and

WHEREAS, the Charter proposes a TK-8 program, starting in the first year with TK-5; and

WHEREAS, in reviewing the Charter for the establishment of ISSAC, the District Board has been cognizant of 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; and

WHEREAS, charter schools are subject to the requirements of federal law, including, but not limited to, the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, the Individuals with Disabilities Education Improvement Act, 20 U.S.C. §1400, et seq., Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act; and

WHEREAS, during its review and analysis of the ISSAC petition, the District learned that in 2017 a charter proposing the Adrian Hands Academy (“AHA”), to be operated by Contributive Lives, Inc., was submitted to and denied three times by the Saddleback Valley Unified School District (“SVUSD”). The third AHA charter petition was appealed to the Orange County Board of Education, but was pulled from consideration by the petitioner after the Orange County Department of Education (“OCDE”) staff recommended that the AHA charter be denied. The lead petitioner for AHA for all three submissions was Padmini Srinivasan; and

WHEREAS, SVUSD’s Board made multiple findings supporting denial of all three AHA charters, and OCDE staff recommended multiple findings supporting denial on appeal. Both
SVUSD’s Board and OCDE staff determined that AHA constituted a conversion of a private school (the Creative Learning Academy) to charter status in violation of Education Code Section 47602(b), despite AHA’s repeated efforts to make changes to the charter to remediate the conversion issue; and

WHEREAS, it is apparent that ISSAC is an attempt to resubmit yet another version of the AHA proposal under a different name. Also, though Ms. Srinivasan’s name is not included in the ISSAC Charter and she is not the “lead petitioner,” she is heavily involved in this ISSAC submission. Before ISSAC submitted its Charter to the District, it distributed flyers advertising the proposed school (though notably those flyers incorrectly implied that the school had already been approved) including a website for more information: http://www.issacweb.org/. A review of that website at the time made abundantly clear that ISSAC is actually AHA redux; and

WHEREAS, during the public hearing, in response to a question from the District Board President, ISSAC’s lead petitioner confirmed that Ms. Srinivasan is part of the ISSAC “team;” and

WHEREAS, the District staff, working with District legal counsel, has reviewed and analyzed all information received with respect to the Charter and information related to the operation and potential effects of the proposed Charter School, and made a recommendation to the District Board that the Charter be denied based on that review; and

WHEREAS, the District Board has fully considered the Charter submitted for the establishment of ISSAC and the recommendation provided by District staff; and

WHEREAS, the District Board specifically notes that this Resolution No. 11-11-18 does not include findings relative to every defect in the Charter submitted, but is limited to a few significant issues in the Charter. Not only are the findings set forth herein legally sufficient to support the District Board’s denial of the Charter, but also it is imperative, should these petitioners ever decide to propose another charter, either to the District or elsewhere, that such petition establish that the petitioners themselves have the knowledge, understanding, and expertise necessary both to write an educationally, fiscally, and practically sound charter petition and to open and operate a sound charter school, not just respond directly to findings of this Board;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Governing Board of the Newport-Mesa Unified School District finds the above listed recitals to be true and correct and incorporates them herein by this reference.

BE IT FURTHER RESOLVED AND ORDERED that the Governing Board of the Newport-Mesa Unified School District, having fully considered and evaluated the Charter for the establishment of ISSAC Charter School, hereby finds granting the Charter not to be consistent with sound educational practice, based upon numerous grounds and factual findings including, but not limited to, the following, and hereby denies the Charter pursuant to Education Code Section 47605:

A. The Charter School presents an unsound educational program for the pupils to be enrolled in the Charter School. [Education Code Section 47605(b)(1)]

B. The petitioners are demonstrably unlikely to successfully implement the program set forth in the Charter. [Education Code Section 47605(b)(2)]

C. The Charter does not contain the required number of signatures. [Education Code Section 47605(b)(3).]
D. The Charter does not contain reasonably comprehensive descriptions of all of the required elements. [Education Code Section 47605(b)(5)]

BE IT FURTHER RESOLVED AND ORDERED that the Governing Board of the Newport-Mesa Unified School District hereby determines the foregoing findings are supported by the following specific facts:

I. THE CHARTER SCHOOL PRESENTS AN UNSOUND EDUCATIONAL PROGRAM FOR THE PUPILS TO BE ENROLLED IN THE CHARTER SCHOOL. [Education Code Section 47605(b)(1)]

A. The lead petitioner specified during the public hearing that the overriding purpose of ISSAC is education for global citizenship. Central to ISSAC’s goals, mission, and educational program proposal is the World Language Learning component in which all students will learn both Mandarin Chinese and Spanish in ISSAC’s “foreign language exposure program.” The importance of this Mandarin and Spanish exposure and enrichment program and its ability to better prepare students for middle and high school world languages and “expand their capacity to succeed in a multi-ethnic global community” is emphasized throughout the Charter. The Charter also promises that “ISSAC will have many teachers and staff members who are competent in language education and in Spanish and Chinese languages.”

However, despite the importance of the trilingual program to the ISSAC proposal, not every child would receive dual language exposure. During Spanish/Mandarin Instruction, English Learner (“EL”) students are pulled for designated English Language Development (“ELD”) instruction, thus EL students miss out on one of ISSAC’s primary educational components. Moreover, only the assistant principal position (which will not be filled in year one) includes a qualification of fluency in Mandarin or Spanish. There are no employee qualifications for any position, teachers or otherwise, that require competence in language education in Mandarin and/or Spanish. Mandarin teachers are in high demand and are difficult to recruit and employ. Recruiting such teachers will no doubt be more difficult still for ISSAC given the low salaries and benefits being offered, as well as the fact that ISSAC employees will not participate in the State Teachers Retirement System (“STRS”), as discussed in more detail below.

B. Another of the fundamental pillars of ISSAC’s educational program is social emotional learning. However, the Charter’s discussion of social emotional learning lacks detail and a specific plan to ensure that what is stated can be accomplished. It is vague and does not specify the curriculum to be used for social emotional learning. The Social Emotional Learning Goals identified in the Charter lack clarity and specificity and it is unclear how social emotional learning goals will be measured. This is a common concern throughout the Charter’s description of its educational program. ISSAC makes promises and declarations about what ISSAC will do, how teachers will teach and students will learn, but lacks detail and specific plans to ensure that what is stated can actually be accomplished.

C. The Charter states that assessment will be through a number of methods and measures, but does not explain which methods will be used to assess student learning. Assessment measures goals at the end of learning, but also communicates
instructional priorities and how the school expects students to make thinking visible in those areas. The ISSAC Charter finds fault with current assessment methods, but does not provide an alternative method.

D. ISSAC includes broad quotes from leaders in the educational field, and cites to authors and educational research relative to some of ISSAC’s proposed practices. However, simply repeating broad quotes from these authors does not constitute a plan, and the methodologies and research to be implemented must be current, sound, internally consistent, and fully developed. ISSAC specifies that its “focus” will be STREAM – which means science, technology, reading and writing, engineering, arts, and math. Effectively, “STREAM” covers everything, so cannot be considered a “focus.” ISSAC’s educational program also includes outdated, unsound and/or internally inconsistent features. A few examples include:

1. In discussing curriculum and instructional design, the Charter specifies that “Teachers also analyze and prioritize content standards . . . .” However, prioritization of standards is an antiquated paradigm connected to previous state standards.

2. ISSAC proposes a constructivist approach. In the description of instructional strategies, however, the Charter states that ISSAC’s practices will “Provide students with ways of thinking about the topic in advance.” This contradicts constructivist philosophy in which students construct their own ways of thinking about a topic by drawing on previous and new knowledge learned, making connections and seeing relationships to construct their own way of thinking about a given topic or task.

3. ISSAC commits to use of a “Rotational Model” during “Workshop Time,” which is described as follows:

   In this model, within a given course or subject (e.g. math), students rotate students rotate within a fixed schedule or at the teacher’s discretion between learning modalities, including online learning, small-group or full-class instruction, group projects, individual conferencing, and pencil-and-paper assignments (Staker & Horn, 2012).

   During a 60-minute instructional block, for example, students in small, differentiated groups rotate across learning stations at 20-minute intervals:

   Group 1 = Teacher-Led (Small Group) Instruction
   Group 2 = Independent & Collaborative Practice
   Group 3 = Personalized, Online Instruction

   There are serious concerns about prescribing this model of instruction without consideration of the learning objective/task. The task/learning goal should determine how much time is spent in each block.
According to ISSAC’s daily schedule with instructional minutes, ISSAC will offer math and science together in an undefined mix for a total of only 90 minutes four days a week. This is an inadequate amount of time to teach mathematics effectively, and is particularly surprising given ISSAC’s claim to emphasize both math and science as part of its “STREAM” focus. In comparison, the District requires 90 minutes per day, five days a week, for math alone. The ISSAC Charter does not propose any type of revolutionary and proven math instructional model that would warrant such a limited amount of instructional time committed to mathematics.

In addition to concerns that English Learners will not participate in the proposed trilingual program, there are numerous other issues raised by the Charter’s description of its plan for English Learners, which is of particular concern given ISSAC’s targeted student population. A few examples of the numerous concerns with the plan for English Learners follow:

1. The Charter describes “mandatory time for designated ELD instruction,” specifying that it will occur “daily” for all English Learners until they reclassify as Fluent English Proficient. It further establishes the minimum time of designated ELD required in grade 1-8 at 45-60 minutes daily. However, the daily schedule with instructional minutes in the Charter combines English language arts, social studies, and ELD-GLAD for a combined total of only 60 minutes per day, four days a week. By definition, this does not comply with the Charter’s own mandate that ELD be provided daily, and if ELD is required for 45-60 minutes per day, it is unclear when and how social studies instruction will occur for English Learners. Moreover, GLAD in and of itself does not qualify as ELD, and there is no other mention of GLAD in the Charter.

2. It is unclear from the Charter how instruction will look different for students at the Emerging, Expanding, or Bridging levels and how this will be assessed.

3. Many claims are made regarding ISAAC’s educational program, including that it provides research-based, high quality programs and instruction for English language development aligned to California’s curricular frameworks, addresses individual and collective linguistic levels of English learners aligned to the California ELA/ELD framework as well as general skills and proficiencies to be developed. The Charter states that there are guidelines in the ELA/ELD framework for materials adoption and that there is an existing list of state-adopted programs that meet the instructional needs of English learners. The Charter mentions the ELA/ELD standards. However, issues with these claims include:

   a. There are no specifics identifying how ISSAC would implement these claims.

   b. There is no mention of the actual materials or programs that would be used to address the needs of English learners.

   c. There is no mention of how the standards would actually be implemented.
d. It must be noted that much of the language used in the Charter under the heading “Strategies for English Learner Instruction and Intervention” is simply verbiage lifted from the ELA/ELD Framework with no description of specifics of how it would actually be implemented at ISSAC. Despite the heading, no information is included on intervention for English learners. Again, merely quoting outside sources without a plan for implementation at ISSAC is not an appropriate educational plan.

G. The Charter also raises issues regarding its proposed program for teaching reading, again despite the stated “STREAM emphasis” on reading/writing and English Language Arts. Examples of areas of concern include the following:

1. The Charter proclaims that ISSAC will develop the curriculum “to provide a richly balanced English Language Arts curriculum that will develop and strengthen the child’s reading process.” ISSAC teachers will focus on the following “essential elements of literacy”: phonemic awareness, phonics, fluency, vocabulary, comprehension and spelling. However, the Charter does not address a systematic approach or how intervention will be provided. While phonemic awareness is listed, there is no description of how this foundational skill will be addressed for TK/K students. Nor does there appear to be an assessment for foundational reading skills (specific targets for instruction and intervention).

2. The Charter’s discussion of reading instruction strategy does not address Lexile levels nor does it address the Common Core shift to focusing students on complex texts. The reading program does not mention the balance of 50 percent Reading Literature and 50 percent Reading Informational Text by sixth grade.

3. As with other aspects of the proposed educational program, the Charter makes many assertions about the results of the proposed reading program and strategies, but overall they lack detail or a specific plan to ensure that what is stated can actually be accomplished. This concern arises in a variety of areas, such as the claim that spelling instruction will be based on a student’s developmental stage, the use of Letter and Word Study focused on phonics instruction, and the claim that “Explicit instruction in word-learning strategies allows students to determine meanings of unfamiliar words encountered while reading.” This last example is particularly speculative as the proposed Lucy Calkins Reading curriculum is not a systematic and explicit foundational skills program.

H. ISSAC would be solely responsible for its compliance with Section 504 of the Rehabilitation Act of 1973 (“Section 504”), and the Charter recognizes that responsibility. However, the Charter fails to evidence a clear understanding of a charter school’s obligations pursuant to Section 504 or a correct and workable plan for actual compliance with Section 504. It is particularly surprising that ISSAC has not included an adequate plan for Section 504 given the fact that SVUSD made similar findings when denying the AHA charters.
1. The Charter specifies: “Any student, who has an objectively identified disability which substantially limits a major life activity including but not limited to learning, is eligible for accommodation by the school.” However, this is not the standard for eligibility for Section 504 services and accommodations pursuant to the applicable law or regulations. Since, as ISSAC itself acknowledges, ISSAC would be solely responsible for compliance with Section 504, it is essential that the school and its staff understand and implement the correct legal standards and do not unlawfully exclude students who qualify for Section 504 services based on the application of an inappropriate and inapplicable standard.

2. The ISSAC Charter does not describe the provision of related services required pursuant to Section 504, including how it would be able to provide those services. Nor does the budget include funding for such services, which can be very expensive. A failure to plan for and fund Section 504 compliance compromises ISSAC’s ability properly to implement Section 504, notwithstanding ISSAC’s statements that it understands its Section 504 obligations.

II. THE PETITIONERS ARE DEMONSTRABLY UNLIKELY TO SUCCESSFULLY IMPLEMENT THE PROGRAM SET FORTH IN THE CHARTER. [Education Code Section 47605(b)(2)]

A. The above-described concerns regarding the unsoundness of the educational program are hereby incorporated herein by this reference. The failure adequately to develop and describe a sound and appropriate educational program establishes that the program set forth in the Charter will not be successfully implemented.

B. As noted above, the ISSAC Charter is a repackaging of the repeatedly denied AHA Charter. One of the considerations in assessing whether a charter is demonstrably unlikely to be successfully implemented is the petitioners’ past history of involvement in charter schools. In this case, effectively the same proposal has been repeatedly found to be deeply flawed and has been denied. This is not a history of success.

1. The District discovered that throughout the ISSAC website there were myriad references to both AHA and Contributive Lives, Inc. (which, according to statements on that website, exists solely to operate AHA). Some examples of these references follow. At the bottom of each page of the website were links to Yelp, Facebook, and an email address, all of which led to AHA addresses and information. The website included requests that parents submit letters of support for AHA and sign up to attend the public hearing before the OCDE. There was a donations page which made multiple references to AHA, the image of the “Hundred Board Donor Campaign” tiles on that page was entitled “Adrian Hands Academy Hundred Board Donor Campaign,” and the bottom of the page specified “You [sic] donations will go to Contributive Lives, Inc., a 501(c)(3) not-for-profit organization, established solely to operate Adrian Hands Academy;” and
The ISSAC website also included a link from the webpage to what was identified as the “petition pdf,” and specified, “Our full educational program is available in this pdf.” However, the link actually led to a Word version draft of the ISSAC Charter. This draft charter included track changes comments from Jennifer Reiter-Cook, Director, School Development, Southern California, for CCSA; Laura Tobben (apparently an educational consultant): attorney Janelle Ruley of Young, Middleton & Corr; and Padmini Hands, who was the founder and lead petitioner of AHA under the names Padmini Hands and Padmini Srinivasan. Based on the comments visible in the track changes document, it appears that Ms. Srinivasan/Hands either directed or played a significant role in the development and revision of the ISSAC Charter from the previously denied AHA charter. All of this information from the ISSAC website, and the similarity between the AHA charters and the ISSAC Charter, establish without a doubt the close relationship between these proposals.

The District continued to monitor ISSAC’s website, and found that the issues and references to AHA/Contributive Lives, Inc., remained in place long after the ISSAC Charter was submitted to the District, though ISSAC has finally updated some components of the website to remove references to AHA. As of November 13, 2018, the ISSAC website continues to include multiple references to AHA/Contributive Lives, Inc. For example, the email link at the bottom of each page still sends an email to info@adrianhandsacademy.org. The donation page still refers to donations to AHA and the “Adrian Hands Academy Hundred Board Donor Campaign.” with the statement: “You [sic] donations will go to Contributive Lives, Inc., a 501 (c)(3) not-for-profit-organization, established solely to operate Adrian Hands Academy.

The carelessness illustrated by the ISSAC website causes concern and cannot be ignored or dismissed. The extensive and ongoing references to the prior charter school and corporate entity establish a level of inattentiveness that was and is being used in developing and marketing the proposed ISSAC. The fact that on that website the ISSAC petitioners are still actively asking for donations to Contributive Lives, Inc., in support of Adrian Hands Academy, is at best sloppy, and at worst constitutes misleading advertising/solicitation and/or fiscal mismanagement. Furthermore, the fact that the petitioners posted a draft of the Charter on the website, including publicly displaying presumably privileged communications with their legal counsel, also evidences a critical lack of care.

2. Ms. Srinivasan is clearly involved in the submission of the ISAAC Charter, which is directly tied to and based on her AHA charter efforts. However, she and these connections were not mentioned by the petitioners until they were asked directly, which causes the District to question whether this was a purposeful effort to hide the connection in order to avoid concerns relative to the conversion findings. However, the central components of ISSAC – including the mission identified on the website “to cultivate global citizens empowered to build a peaceful society” and the tri-lingual program – continue to replicate the program established for the now defunct private
Creative Learning Academy that was determined to be a prohibited private school conversion only a matter of months ago. Changing the name, moving to a neighboring school district, and omitting Ms. Srinivasan’s name from the Charter document do not resolve the conversion issue, and conversion of a private school to a charter is explicitly prohibited by the Charter Schools Act.

3.

A number of the same issues and concerns beyond the conversion issue that formed the other findings for denial of AHA continue to be obstacles, and ISSAC did not remediate these concerns prior to submitting the ISSAC Charter to the District. One of the most significant examples of this is a failure to properly budget for the costs of special education. In denying AHA’s third charter, SVUSD’s Board found that AHA had budgeted for special education costs only the same amount as it would receive in special education funding. SVUSD found in pertinent part: “A failure to budget for costs of special education in excess of revenues attributable to special education funding is unrealistic, particularly given AHA’s stated intent to attract a large population of students with special needs, and shows a lack of understanding of the costs of complying with the IDEIA.” AHA effectively acknowledged that its special education budget was inadequate and said that it had “augmented” that portion of the budget, an argument AHA made to SVUSD and also made to OCDE on appeal.

However, ISSAC did not correct that mistake. ISSAC’s expenses for Instructional Consultants that encompass special education services for 2019-20 exactly equal the federal and state revenues for special education. In the out years, the 2019-20 amount is increased by an unknown multiplier, which is between 10% and 17% less than the special education revenues generated. In other words, while ISSAC acknowledges an escalation in special education costs, according to ISSAC’s budget, the costs are less than the anticipated revenues in out years. Historical experience among school districts and school finance experts establishes that special education revenues are virtually never sufficient to cover expenses. Rather, local educational agencies are required to make contributions from the unrestricted general fund to cover special education expenditures. Therefore, ISSAC’s calculation that special education funds will exactly equal costs, and in later years will actually exceed costs is not supported by historical or current data.

ISSAC’s expenses included within the budget for this item range from $522 to $588 per ADA for 2019-20 through 2023-24. According to the state certified J-90 data, in 2016-17, the District spent $2,488 per ADA for its special education direct costs, which is vastly more than the Charter allocates. The average direct cost expense for other districts within Orange County was also significantly higher than the Charter allocates—elementary districts were $2,141 per ADA and unified districts were $2,125 per ADA. It is evident from the costs experienced by the District and other districts in Orange County—which are quadruple or higher than what ISSAC budgeted—that ISSAC has underestimated these expenses. This is particularly true given that, pursuant to Education Code Section 47646(c), as a school of the District for IDEIA compliance, ISSAC would be required to contribute an equitable share to support districtwide special education instruction and services,
including but not limited to the costs of students who attend the charter school.

This failure properly to budget for the costs of IDEIA compliance is both of concern in its own right, and even more disturbing given that findings to this effect were made in response to the AHA charters, but ISSAC did not cure its proposal on that basis. This is only one example of a finding that was made regarding AHA, but which was not remediated by ISSAC. ISSAC’s failure to remedy past failings makes it demonstrably unlikely that ISSAC would be able to successfully implement the proposed program.

C. Throughout the budget there are a variety of issues, mistakes and unrealistic projections which create concerns about the viability of ISSAC’s plan as well as ISSAC’s capacity. The underestimation of special education expenses, discussed above, is just one example. Other examples of fiscal concerns with the ISSAC proposal include:

1. The Education Code specifies that the in lieu of property tax transfer to a charter school is based on the Local Control Funding Formula (“LCFF”) base grant funding amount. ISSAC’s budget incorrectly calculates the transfer based on the LCFF base, but also the supplemental grants, which would be provided by the state. Therefore, while the projection of total LCFF revenue to be received by the Charter is correct based on the anticipated ADA, the split between state aid, Education Protection Account, and in lieu of property tax transfers is incorrect. This mistake will affect when the funds are received by ISSAC, which in turn affects ISSAC’s cash flow projections.

2. ISSAC provided projections for an additional source of local revenues – Food Service sales – though without including any description or supporting documentation to explain how the projected revenues were calculated. ISSAC’s operating budget includes over $100,000 from this source in each of the five years, which is a significant amount of money. On average, Food Services sales is projected to generate $291 per ADA annually. The District generated approximately $92 per ADA in 2016-17, while the elementary and unified districts within Orange County generated approximately $82 per ADA. Comparison to the more realistic Food Service sales figures from the District and surrounding districts establishes that ISSAC’s budget projection for this revenue source is more than double what it should be.

D. ISSAC’s budget is predicated on an enrollment projection of 390 students, or 370.5 average daily attendance (“ADA”), in the first year, with an increase of 60 students each year in the next three years for a total of 570 students, or 541.5 ADA. These are unusually high projections for a first year startup charter school and would be very difficult to attain. ISSAC’s budget is unrealistic and overly risky as it leaves little leeway should ISSAC not attain exactly this high enrollment and ADA.

LCFF revenues are the main source of funding for public schools in California and the amount received is driven by ADA, which is a calculation derived from enrollment. If ISSAC is unable to meet its projections in the first year, its budget would be unsustainable and ISSAC would be fiscally unviable. Following are
scenarios – based both on ISSAC’s submitted budget and on revised budget projections by the District after correcting for the miscalculations and overstated revenues and understated expenses in the ISSAC budget (including the mistakes described above). These scenarios illustrate the fiscal implications of ISSAC not meeting the projected enrollment.

**Scenario 1:** In the first year, ISSAC is anticipating average LCFF revenues of $8,913 per pupil (this is an average of the per pupil amounts across the four grade spans) for a total of $3.3 million dollars. Based on its stated student to teacher ratio range of 25:1-30:1, ISSAC is proposing to hire 14 teachers in the first year. Incorporating other revenues and expenses, ISSAC’s budget reflects an ending fund balance of $272,484 at the end of year one.

At the average per pupil revenue of $8,913, this ending fund balance translates to 30.6 ADA (approximately 32 students). Given ISSAC’s stated student to teacher ratio, this would result in the loss of only one teacher at a savings of $65,000 plus benefits and minor savings in other operating expenses. Therefore, taking into consideration these minor savings, were ISSAC’s ADA to come in just 10% short of projections, its ending fund balance in the first year would be zero; and if enrollment were to be more than 37 students below the projection, it would result in a negative ending fund balance, which would require additional unidentified funding sources for ISSAC to remain fiscally viable.

**Scenario 2:** The District made a number of adjustments to ISSAC’s budget to better align revenues and expenses to those experienced by the District and other districts within Orange County. Based on these adjustments, the first year ending fund balance calculated by the District is only $19,114. Once again, utilizing the same per pupil LCFF revenue and enrollment/ADA assumptions, this ending fund balance translates to approximately 2.1 ADA. There would be no significant operational savings nor loss of certificated staff in this scenario. Therefore, if ISSAC’s enrollment falls only two students short of its projections, the ending fund balance would be zero in the first year, and if enrollment were more than a mere two students below ISSAC’s generous projections, it would result in a negative ending fund balance.

**Scenario 3:** To further illustrate the impact that enrollment and ADA have on public school revenues, a calculation of the second year was also completed. As noted above, ISSAC is anticipating a 60 student increase each year in the subsequent three years, through the addition of a grade level each year. At the projected average LCFF per pupil rate of $9,082 for 2020-21 (the second year of charter operations), 60 students, or 57 ADA, results in $517,674 in revenues, which is over 13% of the $3.9 million in LCFF revenues anticipated that year. The operational savings, including no longer needing to hire an additional three teachers as currently planned in year two, would be insufficient.
to offset the loss of revenues and further deepen ISSAC’s negative fund balance should that enrollment increase not materialize.

This analysis illustrates the critical relationship of enrollment projections to the development of a public school’s budget. Because ISSAC’s budget is so dependent on enrollment and ADA and provides so little room for error surrounding those projections – even using ISSAC’s own generous financial projections, and even more so using the District’s more realistic projections – the overall budget is too precarious to support the proposal.

E. The Charter specifies: “The International School for Science and Culture salary schedule is competitive and comparable to the District’s salary schedule. ISSAC provides full benefits (health and dental insurance, sick and personal leaves, maternity leave, and 457 Deferred Compensation Plan) for all employees who work 90% or more and their dependents.” These Charter promises and commitments, however, are belied by the Charter’s budget documents. Moreover, the failure to provide competitive salaries or health and welfare benefits will inevitably have a negative impact on ISSAC’s ability to recruit and retain the high quality staff that the Charter promises.

1. The operating budget allocates a starting salary of $65,000 for each teacher. The District’s 2018-19 average TK-8 teacher salary is $94,485. Although the Charter’s $65,000 starting salary may be competitive with the District’s (District BA+30 Step 4 is $63,868), the Charter includes no step and column, only a four percent COLA. The District’s step is four percent, which means Charter compensation, over the long run considering the District’s step, column, and COLA, will be substantially lower in comparison to the District (as well as other districts in the area).

2. The Charter indicates teachers will have 186 instructional days plus 10 professional development summer days, for a total calendar of 196 days. District teachers work a calendar consisting of 188 days. Consequently, the gap in compensation compared to the District widens on a daily rate basis.

3. ISSAC will not participate in STRS or PERS and instead will make a three percent contribution to a 403(b). (Or it may be a 457 deferred compensation plan, which is specified in the Charter narrative, while a 403(b) plan is provided in the budget.) In comparison, the District will make a 2019-20 contribution based on salary of 18.13 percent for STRS and 20.80 percent for PERS.

4. The District’s health and welfare Benefit Unit Cap is $19,293 per FTE. The Charter has assumed $7,000 per FTE. Charter hourly positions will not be offered health and welfare benefits. Thus, the health and welfare benefits offered to ISSAC employees are far lower than those provided to District employees, and ISSAC employees who require or choose coverage for their families are responsible for the entire family contribution. Moreover, the rate of the Charter’s health and welfare benefits year over year increase is capped at two percent per year. The District’s year over year increase in health and welfare costs has averaged approximately six percent.
The District recognizes that charter schools have flexibility in determining salaries and benefits, including retirement systems, that they offer their employees. However, ISSAC has committed in its Charter to provide compensation that is "competitive and comparable" to the District's, but the compensation proposed does not comply with that commitment. Additionally, offering significantly lower compensation packages than the District and other public school employers will have a negative impact on ISSAC's efforts to recruit and retain high quality staff, particularly staff with highly sought skills, such as the ability to teach Mandarin. These concerns are exacerbated by the current statewide teacher shortage.

III. THE CHARTER DOES NOT CONTAIN THE REQUIRED NUMBER OF SIGNATURES. [Education Code Section 47605(b)(3).]

The Charter Schools Act specifies that a charter may not be submitted to a school district unless and until the petition is signed by a number of teachers equivalent to at least half the number estimates will be employed at the school during its first year of operation or a number of parents/guardians equivalent to at least half the number of students the school anticipates enrolling in its first year, and the Charter itself must be attached to the petition at the time it is circulated for signatures. Further, the petition that is signed by such teachers or parents/guardians must include a prominent statement that a signature thereon "means that the parent or legal guardian is meaningfully interested in having his or her child or ward attend the charter school, or in the case of a teacher's signature, means that the teacher is meaningfully interested in teaching at the charter school." (Ed. Code § 47605(a), emphasis added.) This signature requirement is a prerequisite to submission of a charter for school district consideration and action. A failure to comply with this signature requirement is also a basis for denial of the particular charter. ISSAC submitted teacher signatures in an effort to meet this requirement.

Clearly, the Legislature determined that before a charter petition can or should be submitted to a local school district for consideration, the petitioners needed first to confirm and establish that there is significant and meaningful interest in the school opening in the proposed district. It makes sense that California's precious and limited public school dollars only be expended on a school in which there is actual and established meaningful interest beyond the desires of just the petitioners.

ISSAC indicates that it will employ 13-14 teachers in its first year, so as a prerequisite to Charter submission ISSAC needed to submit a minimum of seven signatures from meaningfully interested teachers. ISSAC submitted 13 total teacher signatures. However, each of the 13 teachers who signed the Charter are currently employees of the New Academy Canoga Park, an operating charter school in Canoga Park at which Patricia Gould (ISSAC's lead petition) is or was the principal. New Academy Canoga Park is approximately 65 miles into Los Angeles County from the District Office, through patently heavy traffic, and the teachers who signed the Charter all included addresses in that general vicinity; none of them are local to the District or even Orange County.

Notwithstanding the verbiage included on the ISSAC signature page, it is evident that these teachers are not meaningfully interested in teaching at ISSAC. While it is not impossible that one or even a few New Academy Canoga Park teachers might choose to leave their current employment to take a position at the untested ISSAC, it is not remotely reasonable and defies belief that 13 of the 20 New Academy Canoga Park teachers would even
consider, much less be meaningfully interested in, doing so. This is particularly true when their biographies on the New Academy Canoga Park website are reviewed. For example, according to that website, signatory Brenda Coronado has taught kindergarten at New Academy Canoga Park since 2004, she is a founder of that school’s after school club, and has served as the kindergarten team’s lead teacher on the Leadership Committee since 2013. The website also specifies that another signatory, Laura Contreras, is “thrilled to be part of the NACP family.” Like the other teachers who signed the petition, both Ms. Coronado and Ms. Contreras live only a matter of minutes from New Academy Canoga Park, but an hour or two from this District office.

Again, while it is not impossible that a teacher or two might choose to make this change, it is not credible that all 13 of these teachers, or even seven of them, are actually “meaningfully interested” in teaching at ISSAC under these circumstances. Rather, it is apparent that ISSAC did not actually comply with the letter and the spirit of the Charter Schools Act by finding the appropriate number of either teachers or parents/guardians who are truly meaningfully interested in teaching at or sending students to the proposed ISSAC. Instead, the petitioners simply took the convenient course of asking teachers who they knew to sign the petition, irrespective of whether they are actually meaningfully interested in teaching at ISSAC. This is a disappointing methodology for attempting to start the charter process, and is also a cause for concern given the statewide teacher shortage – particularly as ISSAC will not offer competitive salaries, benefits, or STRS to its teachers, which likely will be a disincentive to teachers to accept employment at ISSAC – and ISSAC has not established any real interest from teachers.

These issues demonstrate that the teachers who signed this petition are not meaningfully interested in teaching at ISSAC, and thus the teacher signatures submitted by ISSAC do not meet the requirements of the Charter Schools Act.

IV. THE CHARTER DOES NOT CONTAIN REASONABLY COMPREHENSIVE DESCRIPTIONS OF ALL OF THE REQUIRED ELEMENTS. [Education Code Section 47605(b)(5)]

A. DESCRIPTION OF THE EDUCATIONAL PROGRAM [Ed. Code §47605(b)(5)(A)]

All of the above-described concerns regarding the unsoundness of the educational program and the inadequacy of the Charter’s description thereof are hereby incorporated herein by this reference.

B. DESCRIPTION OF MEASURABLE PUPIL OUTCOMES [Ed. Code §47605(b)(5)(B)]

All of the above-described concerns regarding student outcomes and assessments and the inadequacy of the Charter’s description thereof are hereby incorporated herein by this reference.
C. DESCRIPTION OF METHODS OF MEASURING PUPIL OUTCOMES [Ed. Code §47605(b)(5)(C)]

All of the above-described concerns regarding student outcomes and assessments and the inadequacy of the Charter’s description thereof are hereby incorporated herein by this reference.

D. DESCRIPTION OF THE GOVERNANCE STRUCTURE, INCLUDING, BUT NOT LIMITED TO, THE PROCESS TO BE FOLLOWED BY THE CHARTER SCHOOL TO ENSURE PARENTAL INVOLVEMENT [Ed. Code §47605(b)(5)(D)]

1. The Charter specifies that ISSAC will be operated by ISSAC Org Inc., a California nonprofit benefit corporation, the stated purpose of which, according to its bylaws, is, “PEACE CULTURE EDUCATION.” The corporation is governed by a Board of Directors consisting of three to seven members. All members of the corporate Board of Directors are to be nominated and elected by the current Board of Directors. There are no identified qualifications to serve on the Board of Directors, and no places on the Board are reserved for parents/guardians. While the Charter states that parents “are considered integral to the effective governance of the school,” there is no official role in actual school governance reserved for parents. There is a “School Advisory Committee” that advises the Principal on “school policies, resource allocations and other matters,” and possibly an English Language Advisory Committee to advise on programs and services for English learners and the LEA plan. The ISSAC Community Association appears to be similar to a parent-teacher organization. While these are valuable ways for parents/guardians to become involved in the school, it does not ensure parent involvement in governance.

2. The Charter specifies:

   The Executive Director serves as the operational and educational leader and Chief Executive Officer (CEO) of ISSAC Org Inc. The Executive Director shall be responsible for the direction of the Charter School and of ISSAC Org Inc, relationships with stakeholders (e.g. community members, parents, students, staff, donors, District oversight office, etc.) and leadership of the organization’s development efforts.

The Charter also identifies a number of specific and vital tasks of the Executive Director. Just a few of these duties include ensuring that ISSAC enacts its mission; overseeing implementation of organizational policies; overseeing all corporate finances and taking actions to ensure financial stability and accurate financial records; and planning and designing ISSAC’s educational program, including all aspects of instructional design. Importantly, the Charter also specifies, “The Executive Director will be filled based on budget availability.” However, there is no alternative position to carry out the duties of the Executive Director, which are fundamental to the proposed school’s operations and potential for success. Therefore, the
possibility of not filling this critical position is untenable and an inappropriate proposal.

BE IT FURTHER RESOLVED AND ORDERED that the terms of this Resolution are severable. Should it be determined that one or more of the findings and/or the factual determinations supporting the findings is invalid, the remaining findings and/or factual determinations and the denial of the Charter shall remain in full force and effect. In this regard, the District Board specifically finds that each factual determination, in and of itself, is a sufficient basis for the finding it supports, and each such finding, in and of itself, is a sufficient basis for denial.

The foregoing resolution was considered, passed, and adopted by this Board at its special meeting of November 15, 2018.

Ayes in Favor: 7
Noes Against: 0
Abstained: 0
Absent: 0

Dated: 11–15–2018

By: Vicki Snell
President, Governing Board
Newport-Mesa Unified School District

Dated: 11–15–2018

By: Martha Fluor
Clerk, Governing Board
Newport-Mesa Unified School District