

**VICTOR VALLEY UNION HIGH SCHOOL DISTRICT
STAFF REPORT, PROPOSED FINDINGS OF FACT & RECOMMENDATION
CONCERNING OPTIONS FOR YOUTH – VICTOR VALLEY RENEWAL PETITION**

Date Posted: April 7, 2021

The following provides a summary of the Victor Valley Union High School District’s (“District”) staff report, proposed findings of fact, and recommendation concerning the Options For Youth-Victor Valley (“OFY-VV”) renewal petition (“Renewal Petition”).

Introduction and Procedural Background

OFY-VV currently operates as an independent, nonclassroom-based charter school under the authorization of the District. OFY-VV offers a blended learning program to provide educational services to its students. OFY-VV’s primary student demographic includes students who have dropped out, are at risk of dropping out, or have struggled in the traditional school setting. OFY-VV participates in the Dashboard Alternative School Status (“DASS”) program, which holds alternative schools accountable for modified methods of measurement for accountability indicators, where applicable.

As of the 2019-2020 school year, OFY-VV served approximately 833 students. According to the most recent data available on the California School Dashboard (“Dashboard”), OFY-VV’s student population consists of 83.1% socio-economically disadvantaged students, 6.2% English Learners, 0.7% foster youth, and 8.5% special education students.

OFY-VV’s current charter term expires on June 30, 2021, and it is seeking a five-year renewal term from July 1, 2021 through June 30, 2026.

On January 26, 2021, the District received a copy of OFY-VV’s Renewal Petition, along with a signed certification deeming the Renewal Petition to be complete.

On March 18, 2021, the District’s Board of Trustees (“Board”) held a public hearing to determine the level of support for the Renewal Petition by teachers, other District employees, and parents/guardians.

On April 22, 2021, the District’s Board will hold a public hearing on the admissions preferences included in the Renewal Petition, as well as a public hearing during which the Board will take action to either grant or deny the Renewal Petition.

As discussed in further detail below, District staff, in consultation with legal counsel, have conducted a comprehensive review of the Renewal Petition and the performance of OFY-VV utilizing the new charter renewal criteria under Assembly Bill 1505. The District has also evaluated OFY-VV’s written response, including supporting exhibits, to the District’s Notice of

Alleged Fiscal and Governance Violations. Based on that review, District staff recommends that the Board **deny** OFY-VV's Renewal Petition.

Charter Renewal Criteria and Findings of Fact

The consideration of a renewal petition requires the District to (1) determine whether the charter school meets applicable eligibility requirements using the new accountability criteria under Assembly Bill 1505 and reflected in the Dashboard, and (2) evaluate whether the renewal petition meets the standards and criteria set forth in Education Code section 47605. An analysis of these two components of the charter renewal process are addressed in detail below and include District staff's corresponding findings of fact.

1. OFY-VV's Eligibility for Renewal Under New Accountability Criteria / Findings of Fact

Education Code section 47607 provides that a "chartering authority may grant one or more subsequent renewals pursuant to subdivisions (b) and (c) of Section 47607.2." These provisions detail a three-tiered system that categorizes a charter school as a high-performing, middle-performing, or low-performing charter school. These classifications, however, do not apply to a charter school that qualifies under DASS.

The DASS program replaces the previously-administered Alternative Schools Accountability Model ("ASAM"). Under DASS, qualifying alternative schools are held accountable based on modified methods of measurement for the accountability indicators. The State Board of Education ("SBE") has approved a DASS graduation rate indicator, which is based on the percent of students who attend an alternative high school, are enrolled in twelfth grade, and meet enrollment requirements. Other than the graduation rate indicator, however, the SBE has not yet adopted or incorporated additional modified methods in the Dashboard.

To meet the eligibility criteria to participate in the DASS program, a charter school must have an unduplicated count of at least 70 percent of the charter school's total enrollment, upon first entering, that is comprised of high-risk student groups. These include students who are expelled, suspended more than 10 days in a school year, recovered dropouts, credit deficient, habitually truant, etc.

As noted above, OFY-VV qualifies as a DASS alternative school. For purposes of determining whether OFY-VV is eligible for renewal based on this designation, the District must consider OFY-VV's performance on:

- the state and local indicators on the California School Dashboard, and
- alternative metrics that are based on the student population served by OFY-VV.

(See Education Code section 47607(c)(7).)

Under the new law, the charter authorizer and the charter school must meet during the first year of the charter school’s term to discuss alternative metrics that will be used for the renewal analysis. Within thirty (30) days of this meeting, the authorizer must notify the charter school of the alternative metrics that it will use to evaluate the charter school’s performance. The charter authorizer may deny a charter school’s renewal petition pursuant to Education Code section 47607(c)(7) if it makes written findings that set forth specific facts to support the findings and the determination that the closure of the charter school is in the best interest of students.

The new law does not address the timing of the development of alternative metrics where the charter school has been in operation for longer than one year. Here, because OFY-VV was already in its fifth year of its charter term when the law took effect, the District made arrangements to meet with OFY-VV during the fall of 2020 to comply with this requirement and develop alternative metrics that would be used to evaluate the academic achievement and performance of OFY-VV’s students for purposes of renewal.

The District communicated with OFY-VV on several occasions, both through meetings and emails, and received feedback on its proposed alternative metrics. Once finalized, the District provided OFY-VV with the alternative metrics so that it could prepare specific data and other information to address those metrics, which would be included with its submission of the Renewal Petition.

b. Findings of Fact

The following includes the District staff’s findings of fact concerning OFY-VV’s designation as a DASS charter school:

Finding of Fact No. 1: OFY-VV’s performance on state and local indicators demonstrates overall that it is showing modest growth schoolwide and among most subgroup populations.

The District has considered OFY-VV’s performance on a schoolwide basis and among all subgroups served by the charter school as identified on the Dashboard.

Dashboard data reflects that OFY-VV received the following performance levels on a schoolwide basis. Upon comparing the 2018 data, there has been improvement in all areas measured.

	2017-18	2018-19
Chronic Absenteeism:	Green 8.7% chronically absent Declined 18.2%	Green (6% chronically absent, with a decline of 2.7%)
Suspension Rate:	Blue (0% at least once) None in RED, ORANGE or YELLOW	Blue (0.1% suspended at least once, which was maintained at 0.1%)
Graduation Rate	All- Green (72.4%) increased 11.5% - RED-None - Orange- None	All- Yellow (72.6%) maintained at 2.3%) - RED- Hispanic - Orange- White

	<ul style="list-style-type: none"> - Yellow- White - Green- Hispanic & SED 	<ul style="list-style-type: none"> - Green- SED
College and Careers	All- RED (3.4% prepared) RED- White, SED ORANGE- Hispanic Others- small numbers- no report	All- ORANGE (9.3% prepared) increased 4.1% RED- White ORANGE- SED YELLOW- Hispanic Others- small numbers- no report
ELA	All- ORANGE (40.4 points below standards) RED- SED (46.8 points below standards) ORANGE- AA, White Yellow- Hispanic Others- small numbers- no report	All- Orange (37.3 points below standards) RED- None ORANGE- Hispanic, White Yellow- SED Others- small numbers- no report
Math	All- RED (136.9 points below standards) RED- SED, White, Hispanic ORANGE- AA Others- small numbers - no report	All- YELLOW (131.9 points below standards) YELLOW- Hispanic, SED, White, Others- small numbers- no report

According to the English Language Progress indicator on the 2019 Dashboard, 56.7% of English Learners were making progress toward English language proficiency. OFY-VV’s performance on this indicator was above the state average of 48.3% of English Learners making progress toward English language proficiency in the same year.

The following provides a breakdown of OFY-VV’s performance on the California Assessment of Student Performance and Progress (“CAASPP”) in English-Language Arts (“ELA”) and mathematics for students schoolwide and by subgroup for the 2015-2016 through 2018-2019 school years. (Note: The CAASPP was suspended during the 2019-2020 school year due to the COVID-19 pandemic, so there are no reported results for that school year.)

*All sets of data indicate that student subgroups equal or less than 30 are not reported.

CAASPP % Met / Exceed Standards		2015-16	2016-17	2017-18	2018-19	% increase and decrease over 4 years
ALL	ELA	30	28.99	28.66	29.73	Decline slightly
	Math	4	5.61	5.37	5.39	Increase 1.39%
Students with Disabilities (SWD)	ELA	2	13.11	11.90	5.13	Increase 3.13%
	Math	0.00	1.64	0.00	2.56	Increase 2.56%
Socioeconomically Disadvantaged	ELA	27	26.96	26.53	29.88	Increase 2.88%

(SED)	Math	2	5.14	5.16	5.35	Increase 3.35%
EL	ELA	0.00	0.00	15.71	*	-
	Math	0.00	2.27	0.00	*	-
Hispanic	ELA	28	31.35	30	28.21	Increase slightly
	Math	2	5.15	6.33	5.73	Increase 3.73%
African American (AA)	ELA	21	36	25.53	27.02	Increase 6.02%
	Math	4	0.99	2.13	5.41	Increase 1.41%
White	ELA	41	36.99	23.33	26.65	Decrease significantly 14.35%
	Math	5	10.27	4.65	4.55	Decline slightly

The following chart provides a breakdown of OFY-VV's graduation rate for students schoolwide and among subgroup populations from the 2015-2016 through 2018-2019 school years:

Graduation	2015-16	2016-17	2017-18	2018-19	2019-20	TWO years % increase and decrease
All	x	x	72.4	72.6		Increased slightly
SWD	x	x	69.2	75		Increased 4.8%
SED	x	x	71	72.7		Increased 1.7%
EL	x	x	92.9	No data		Less than 11 students
Hispanic	x	x	75.5	61.9		Decreased 13.6%
AA			68.2	80.7		Increased 12.5%
White			69	69.1		Increased 0.1%

American Indian			78.9	No data		
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As reflected above, the reported data shows that OFY-VV’s graduation rate for students schoolwide increased from the 2017-2018 to 2018-2019 school year. There were also increases in the graduation rate among the following subgroups: students with disabilities, socioeconomically-disadvantaged students, African American students, and White students. However, there was a notable decrease in the graduation rate for Hispanic students of 13.6% from the 2017-2018 to 2018-2019 school years.

The following chart includes data on OFY-VV’s college/career indicator, UC/CSU A-G completion, and advanced placement (“AP”) exam performance:

College Career Indicator		2015-16	2016-17	2017-18	2018-19	Trend for THREE years % increase and decrease
ALL				3.4	9.3	Increased by 5.1%
A-G completion	2015-16	2016-17	2017-18	2018-19	2019-20*	Trend for THREE year % increase and decrease
	X	7.8	11.8	7.1	15	Increased 6.2%
AP exam	2015-16	2016-17	2017-18	2018-19	2019-20	Number of students
Enrollment in an AP course	x	x		0	15	Increased in numbers enrolled
Enrolled in test	x	18	8	6	12	Decreased in numbers tested

The 2019 Dashboard also reflects that OFY-VV met all standards on the local indicators, including teachers, instructional materials and facilities; implementation of academic standards; parent and family engagement; local climate survey; and access to a broad course of study.

Conclusion: Based on an analysis of the above data and other related information, the District has determined that OFY-VV is showing modest growth schoolwide and among most of its subgroup populations based on the state and local indicators. While District staff is recommending a denial, if the Board of Trustees instead takes action to approve the Renewal Petition, the District expects OFY-VV to take proactive, focused measures to increase student academic achievement and performance among all subgroup populations, improve the graduation rate (particularly with respect to the Hispanic subgroup), and increase college and career preparation for its students.

Finding of Fact No. 2: OFY-VV appears to demonstrate modest growth and improvement in student achievement on some of the District’s alternative metrics. However, the data and evidence submitted by OFY-VV was lacking or deficient for several metrics, thus limiting the District’s ability to meaningfully evaluate student performance.

District staff has determined that OFY-VV has demonstrated modest growth and improvement in student academic achievement and performance on some of the District’s alternative metrics. However, there are a number of alternative metrics for which OFY-VV submitted incomplete or insufficient data, or the data did not reflect meaningful student growth or showed deficiencies/weaknesses in its educational program.

For ease of reference, and given the number of alternative metrics developed by the District in consultation with OFY-VV, the following chart provides a detailed list of those qualitative and quantitative metrics, and the District’s analysis of data/evidence submitted by OFY-VV to address such metrics. For each metric, the chart also includes an assigned color reflecting the District’s determination of (1) whether OFY-VV has shown growth/improvement, and (2) the sufficiency of the data submitted to address the particular metric. Specifically:

- **Green** - Data submitted is sufficient to evaluate OFY-VV’s performance on the metric, and there is evidence of growth/improvement.
- **Yellow** – Data submitted is partially sufficient, and there is evidence of both strengths and weaknesses in the program.
- **Red** – Data submitted is insufficient/lacking overall, and there is either limited evidence of growth/improvement or a lack of data that prevents the District from effectively analyzing the metric to determine OFY-VV’s performance.

Category	Data Requested	Analysis of Data Submitted by OFY-VV
English Learners	<p><u>Qualitative</u> Evidence of the following:</p> <ul style="list-style-type: none"> ● Differentiated instruction during face-to-face and distance learning ● Lesson plans that include EL support ● State Adopted Curriculum for all EL levels ● Supplementary Materials ● Student work that shows EL students’ progress ● Teacher/PLC use of data to drive instructional decision-making ● Schedule which shows support is being provided outside of class time with everyone else (separate instruction time, support time, tutoring, etc.) ● Sample opportunities for student collaboration ● Source of Common Formative Assessment used which is designed by 	<p>The data submitted by OFY-VV shows that OFY-VV aims to reclassify at least 20% of EL students each year, and the reclassification process appears to be consistent and appropriate. Additionally, OFY-VV performed well on ELPI on the Dashboard, with 56.7% of EL students making progress toward English language proficiency.</p> <p>The District, however, has concerns regarding additional data submitted by OFY-VV. For example, it appears that OFY-VV uses YouTube videos as a main source of instruction. The teacher should be the main source of instruction, with videos used only as a supplementary resource.</p> <p>Additionally, it appears that OFY-VV may print iLit readings for students. iLit is an interactive program, and printing the lessons does not</p>

	<p>grade levels, aligned to standards and SBAC/CAASPP, including performance-based assessments</p> <ul style="list-style-type: none"> ● Reclassification Criteria ● Staff training- What training, how long ● Parent involvement regarding reclassification and student progress <p><u>Quantitative</u></p> <ul style="list-style-type: none"> ● Re-designation rates/numbers per year ● Students graduated in 4 years ● How many EL students per year? ● Supplementary materials for EL levels ● Performance levels in CAASPP/ELPAC state tests ● Performance in Common Formative Assessment ● Growth goals <p><u>Proposed by OFY-VV</u> English Learner Reclassification Rates</p> <ul style="list-style-type: none"> ● In addition to strong performance on the ELPI in the Dashboard, the charter tracks and aims to reclassify at least 20% of English Learners each year. 	<p>allow for students to meaningfully engage with the content.</p> <p>There is also no evidence of parent engagement efforts for the EL student population other than during reclassification and ELPAC notifications. Parent involvement is an integral part of the academic success for EL students</p> <p>There is also no evidence of how often ILPs are reviewed, no evidence of the number of teachers trained in SIOP or on strategies to support ELs, no evidence of appropriate access for ELs to core curriculum compared to their English Only peers, and no evidence of how an EL student with an ELPAC level 1 is provided additional support compared to a student with an ELPAC level.</p>
<p>Special Education</p>	<p><u>Qualitative</u></p> <ul style="list-style-type: none"> ● California Common Core State Standards-aligned curriculum and instructional practices ● Explicit Instructions: <ul style="list-style-type: none"> ○ Model Clear expectations ○ Verbalize the thinking process ○ Provide the student’s feedbacks and opportunities to practice skills being taught ○ Allow processing time before moving on with the lesson ● Provide modifications as necessary ● Modify practice items ● Check in for understanding with all students to ensure they are on track ● Collaboration among peers ● Sample of student work showing growth <p><u>Quantitative</u></p> <ul style="list-style-type: none"> ● Students graduated in 4 years ● How many special Ed students per year? ● IEP Compliance ● SuppRe-designation rates/ numbers per year ● Supplementary materials 	<p>OFY-VV’s data shows an increase in graduation rates for students with disabilities, which is commendable. However, the additional submitted data is either insufficient to analyze or creates cause for concern.</p> <p>For example, OFY-VV submitted a form related to redesignation, but no actual data on redesignation. This is problematic because the District is unable to analyze how students move toward the least restrictive environment. The District needs this data to determine how students are moved along the continuum of placement and services.</p> <p>Additionally, OFY-VV submitted CALPADS data evidencing IEP compliance but failed to submit related CDE data. Specifically, CDE disseminates educational data to improve the education for all students, with an emphasis on students with disabilities. These measures are used to determine the compliance status of each LEA, as required by the IDEA, and to select LEAs each year for participation in the Focused Monitoring process.</p>

	<ul style="list-style-type: none"> ● Performance in state tests ● Performance in Common Formative Assessment ● Growth goals <p><u>Proposed by OFY-VV</u></p> <ul style="list-style-type: none"> ● N/A 	<p>OFY-VV also failed to submit samples of supplementary materials. Without this, the District cannot determine what additional supports and interventions are provided for students with special needs to assist them in their educational program and work toward meeting grade-level standards.</p> <p>There is also no evidence of growth goals. Without this, the District cannot meaningfully evaluate student progress and mastery of academic skills and standards over time (e.g., a year or a course), since student progress is tied to achievement of growth goals.</p>
<p>English-Language Arts</p>	<p><u>Qualitative</u> Evidence of (during face-to-face and distance learning):</p> <ul style="list-style-type: none"> ● The use of California Common Core State Standards-aligned curriculum and instructional practices, strategies and pedagogy ● Use of State Board adopted texts for grades 7 and 8 ● Direct instruction with differentiation (scaffolding and support) ● Frequent checking for understanding ● Collaborative learning ● Implementation of Lesson/Unit plans with focus standards that provide scaffolding for English Learners, Students with Disabilities, and students with other learning needs ● Multiple opportunities for writing over an extended period based on reading both informational and literary texts ● Common Formative Assessments by grade levels, aligned to standards and SBAC/CAASPP, including performance-based assessments ● Teacher/PLC use of data to drive instructional decision-making ● Posted learning intentions/success criteria reflected in daily activities/lessons ● Student work reflecting standards progression and growth ● Supplementary materials <p><u>Quantitative</u></p> <ul style="list-style-type: none"> ● Students graduated in 4 years- cohort graduation rate 	<p>OFY-VV submitted insufficient data for this category, and the data that was submitted creates concerns regarding OFY-VV’s ELA instruction.</p> <p>For example, the data submitted shows no evidence of California ELA/ELD standards progression and alignment. There is also no evidence of incorporation of standards for literacy in History/Social Studies, Science, and Technical Subjects Standards (English Framework). In fact, it appears that OFY-VV uses Wisconsin state standards at the high school level. Additionally, the data suggests that OFY-VV may use low-level materials with high school students. For example, the supplementary texts for 9th grade students are classified at a 6th grade reading level. This is concerning because it indicates that students may not be well prepared for state testing and/or college.</p> <p>Additionally, the data submitted at the middle school level appears unaligned with Common Core State Standards. For example, OFY-VV uses the term “persuasive essay” rather than “argumentative essay,” which indicates pre-Common Core instructional strategies.</p> <p>The texts used at the middle school level are also not state-approved texts. There is also no evidence of curriculum maps, identified priority standards, essential questions, etc. at the middle school level.</p>

	<ul style="list-style-type: none"> ● Performance in state tests from dashboard by grade ● Performance data in CFA- by grade <p><u>Proposed by OFY-VV</u> Renaissance STAR (RenSTAR) Benchmark Reading and Math test results as compared to other alternative schools and similar student performance. We will primarily focus on tracking individual student growth within the school.</p> <ul style="list-style-type: none"> ● While we are actively analyzing the many data points that the RenSTAR tests provide, including Lexile and Grade Level Equivalence, we are particularly focused on Lexile scores to assist in tracking students' performance in English and [insert data point] to track students' performance in math. <p>SBAC</p> <ul style="list-style-type: none"> ● Many students enter our program below grade level in reading and math, and often behind on credits. This makes reaching the "standard met" level on the SBAC difficult for many of our students, despite the great progress they are making in core courses and credit completion towards graduation. 	<p>There is also no evidence of implementation of lesson/unit plans with focus standards that provide scaffolding for English Learners, students with disabilities, and students with other learning needs.</p>
<p>Math</p>	<p><u>Qualitative</u> Evidence of:</p> <ul style="list-style-type: none"> ● Use of California Common Core State Standards-aligned curriculum and instructional practices ● Formative assessments aligned to the standards as well as the data from those assessments ● Use of State Board Adopted texts for grades 7 and 8 ● Directed instruction with frequent checks for understanding ● Collaborative learning ● Lesson/Unit plans that provide scaffolding and spiraling of previous content to address needs of all students including, but not limited to, Special Education and EL. ● Posted learning intentions/success criteria ● Standards-aligned student work 	<p>The data submitted by OFY-VV shows strengths and weaknesses in OFY-VV's math program.</p> <p>The data evidences project-based learning, use of the virtual math learning platform Edmentum, use of mathematics learning targets, use of curriculum maps, and alignment to SMP with a learning experience where students create their own context for problems, all of which is positive. However, other documents submitted by OFY-VV evidence little to no use of California State Standards.</p> <p>Many of the problems submitted on sample assessment pages are not aligned to the standards of the courses listed. For example, Triangle Inequality Theorem is listed in Integrated I but is an Integrated II standard. Additionally, OFY lists middle school Prentice Hall math books as state board approved. Prentice-Hall submitted the program in 2013, and the program was not approved by the State</p>

	<ul style="list-style-type: none"> • Data from longitudinal data representing both formative and summative assessments • Supplementary materials <p><u>Quantitative</u></p> <ul style="list-style-type: none"> • Students graduated in 4 years • Performance in state tests from dashboard by grade • Performance in CFA- by grade <p><u>Proposed by OFY-VV</u></p> <p>Renaissance STAR (RenSTAR) Benchmark Reading and Math test results as compared to other alternative schools and similar student performance. We will primarily focus on tracking individual student growth within the school.</p> <ul style="list-style-type: none"> • While we are actively analyzing the many data points that the RenSTAR tests provide, including Lexile and Grade Level Equivalence, we are particularly focused on Lexile scores to assist in tracking students’ performance in English and [insert data point] to track students’ performance in math. <p>SBAC</p> <ul style="list-style-type: none"> • Many students enter our program below grade level in reading and math, and often behind on credits. This makes reaching the “standard met” level on the SBAC difficult for many of our students, despite the great progress they are making in core courses and credit completion towards graduation. 	<p>Board of Education. This is concerning because it suggests that OFY-VV’s math program is not aligned with state standards and indicates a lack of understanding of such standards among OFY-VV staff.</p> <p>OFY-VV’s learning targets are supported by page numbers and problems, rather than student-facing success criteria. For example, “simplify radical expressions” has a learning target of “students will be able to analyze the characteristics of graphs of quadratic functions in standard form.” However, simplifying radical expressions and quadratic functions have nothing to do with each other. There is also a list of page numbers and problems to solve. There should be a list of criteria for success that tells students what they need to learn to be successful, such as “identify radical expressions, add, subtract, and multiply radical terms in the expression, recognize when the expression is completely simplified.” Without student-facing success criteria, students may have a hard time knowing what they must learn in order to be successful.</p> <p>There is also conflicting evidence as to which math sequence OFY-VV uses. For example, UCOP shows approved courses of Algebra and Geometry, as well as the Integrated series, and both the Integrated sequence and Algebra sequence are in the student handbook as options.</p>
<p>Graduation Rates</p>	<p><u>Qualitative</u></p> <ul style="list-style-type: none"> • Intervention for students who are behind in credits towards graduation and all data analytics related such as hours attended, number of students enrolled, credits completed, etc. • Credit accrual for those who are completing credit recovery. • Progress of middle school students to promotion? <p><u>Quantitative</u></p> <ul style="list-style-type: none"> • Graduation rates by cohort • Graduation rates by ethnicity (AA, W, H/L, Etc) 	<p>OFY-VV did not submit all of the requested data, but the data that was submitted generally evidences improved graduation rates.</p> <p>For example, in 2017-18, graduation rates for all students increased by 11.5%, English Learners increased by 46.9% and socioeconomically-disadvantaged students increased by 12.2%. The overall graduation rate was largely maintained in the 2018-19 school year, with small increases seen in students with disabilities and SED students. No data was submitted for the 2019-20 school year, but the data does show that 91% of OFY-VV seniors are on track to</p>

	<ul style="list-style-type: none"> ● Graduation Rates by target group (EL, FY, HY, SED) ● Currently enrolled seniors and their credit status towards graduation. ● How many students in credit recovery? <ul style="list-style-type: none"> ○ # of credits accrued ● Percentage of students with grade equivalent credits for each grade 9-12 <p><u>Proposed by OFY-VV</u></p> <ul style="list-style-type: none"> ● Even though the 1-year graduation rate is a vast improvement over the 4-year graduation, it still fails to capture the work we are doing with students who transfer back to their home high school or a traditional school to graduate. ● Core Course Annual Unit completion will increase annually ● Student Progression will be at or above 84% <ul style="list-style-type: none"> ○ Progression is an internal measure of work completion tracked to ensure students are progressing towards graduation 	<p>graduate by June 2021, suggesting that OFY-VV has maintained the upward trend.</p> <p>OFY-VV also submitted narratives from its counselors regarding the intervention provided for students who are behind. These narratives indicate that counselors help students set up a plan to get on track.</p> <p>OFY-VV's data shows that only 33% of middle school students are on track to promotion.</p> <p>OFY-VV submitted evidence showing the credits necessary to be classified as a high school freshman, sophomore, junior, and senior. However, OFY-VV did not provide data showing the percentage of students with such grade-equivalent credits. OFY-VV also did not appear to submit data regarding students in credit recovery.</p>
<p>A-G Completion Rates</p>	<p><u>Qualitative</u></p> <ul style="list-style-type: none"> ● How much has this grown over the past five years? <p><u>Quantitative</u></p> <ul style="list-style-type: none"> ● A-G completion rates for the three most recent years of available data. <ul style="list-style-type: none"> ○ Total number of UCOP A-G approved courses offered ○ Total # of AP courses offered. ○ Total # of students enrolled in each AP course ○ Total # of students taking each AP test ○ Total # of students earning 3 or more in each AP test <p><u>Proposed by OFY-VV</u></p> <ul style="list-style-type: none"> ● N/A 	<p>The data submitted by OFY-VV shows significant year-to-year fluctuation for A-G completion rates. For example, over the past four school years (2016-17 to 2019-20), the completion rates have gone from 7.8% to 11.8% to 7.1% to 15%. As set forth above, OFY-VV's completion rate has been under 15% for the last four years.</p> <p>Additionally, the A-G completion rates are generally low. It appears that approximately 85% of the courses offered are A-G courses. OFY-VV's data shows that 15 students took AP classes in 2019-20 and 2020-21 and that all of these students enrolled in AP tests. OFY-VV did not track the number of students in AP classes in 2018-19, but eight enrolled in tests. OFY-VV did not submit data regarding the number of students earning a 3 or more on each AP test. Given the limited data submitted, it is challenging to determine whether there has been real growth in the AP program.</p>
<p>College/Career Indicators</p>	<p><u>Qualitative</u></p> <ul style="list-style-type: none"> ● N/A <p><u>Quantitative</u></p> <ul style="list-style-type: none"> ● # of students in internships 	<p>OFY-VV submitted insufficient data for this category. For example, the submission did <u>not</u> include the following:</p> <ul style="list-style-type: none"> ● # of students in internships

	<ul style="list-style-type: none"> ● # of CTE courses offered ● # of graduating class enrolled in 4 year colleges, 2 year colleges ● Total amount of scholarships earned per year <p><u>Proposed by OFY-VV</u></p> <ul style="list-style-type: none"> ● Because the CCI is largely focused on college readiness and does not have as many career focused pathways to reach the prepared level, alternative schools focused on workforce development and CTE course completion struggle to demonstrate their success in this area. 	<ul style="list-style-type: none"> ● # of graduating class enrolled in four-year or two-year colleges ● evidence of post-secondary transition ● subgroup data ● number of students completing internships <p>In addition, the data on the College/Career Indicator and CTE pathway connection is very low.</p> <p>OFY-VV provided a list of CTE elective courses offered, but construction is the only potential CTE pathway. CDE requires that a pathway consist of a concentrator course and a completer course. Further, most of the introductory CTE courses should be offered at the middle school level.</p> <p>The District also notes that the CTE Coordinator job description requires no credential or background in CTE, which is concerning.</p>
<p>School Climate</p>	<p><u>Qualitative</u></p> <ul style="list-style-type: none"> ● N/A <p><u>Quantitative</u></p> <ul style="list-style-type: none"> ● N/A <p><u>Proposed by OFY-VV</u></p> <ul style="list-style-type: none"> ● Surveys demonstrating Parent engagement and connectedness. ● Surveys demonstrating Student engagement and connectedness. ● These survey questions would allow the charter to track changes throughout the year and across years. ● Student Engagement as measured by the following questions will be maintained or increased annually <ul style="list-style-type: none"> ○ Within the domain of safety, measuring physical security, 72% of students, 73% of staff and 75% of parents gave positive rankings (greater than or equal to 3.5 on a 5 point Likert scale). ○ Within the domain of safety, measuring social-emotional security, 64% of students, 59% of staff, and 71% of parents gave positive rankings (greater than or equal to 3.5 on a 5 point Likert scale). 	<p>The data submitted by OFY-VV for this category indicates a poor school climate.</p> <p>For example, the parent response rate to the survey dropped 27.76 percentage points from 2017 to 2019, evidencing a lack of connectedness.</p> <p>Additionally, the percentage of stakeholders giving a positive rating for the physical security domain dropped from 2017 to 2019: students dropped 7 percentage points, staff dropped 9 percentage points, and parents dropped 2 percentage points.</p> <p>The percentage of students and staff giving a positive rating for the social-emotional security domain also dropped from 2017 to 2019 by 10 percentage points and 6 percentage points, respectively.</p> <p>The percentage of parents giving a positive rating for the social-emotional security domain remained the same from 2017 to 2019.</p>

	<ul style="list-style-type: none"> ● Parent engagement as demonstrated by response rate will be at or above 37.57% annually. 	
Chronic Absenteeism	<p><u>Qualitative</u></p> <ul style="list-style-type: none"> ● What is your attendance expectation? ● How do you address chronic absenteeism? <p><u>Quantitative</u></p> <ul style="list-style-type: none"> ● % of daily attendance ● % of chronic absenteeism <p><u>Proposed by OFY-VV</u> Because this metric is based on only middle school students and is measuring work product completion, rather than attendance, it is a challenge for the school to meet the metrics in comparison to schools reporting pure attendance as a measure.</p>	OFY-VV did not provide data for this category.

The following chart also provides an overview of OFY-VV’s student performance on the STAR ELA and STAR Math, including the point differences from year to year which reflect the net change from the fall screening to the spring screening.

Universal Screening	Point difference	2015-16	2016-17	2017-18	2018-19	2019-20
7th	STAR ELA	-126.3	-32.78	-16.27	-4.74	-60.94
	STAR Math	-6.42	-4.73	+4.71	-0.02	+20.32
8th	STAR ELA	-119.36	-51.42	-29.17	-30.46	-4.77
	STAR Math	- 0.7	-24.27	-2.2	-14.25	+18.02
9th	STAR ELA	-101.56	-30.26	-3.07	-12.9	-39.11
	STAR Math	-9.54	-14.11	-3.55	+13.53	+14.75
10th	STAR ELA	-143.09	+14.47	-18.34	-1.85	-24.19
	STAR Math	-13.52	-8.2	+4.64	+15.61	+9.09

11th	STAR ELA	-91.6	-18.53	-25.76	-4.82	-34.75
	STAR Math	-15.94	-9.9	-4.3	-0.04	+20.89
12th	STAR ELA	-127.87	-72.77	-.03	-3.1	+10.21
	STAR Math	-12.91	-17.99	-16.99	-6.75	+12.27

The data in the above chart, which is in points gained or lost, indicates grade level growth in ELA and mathematics over the course of the academic school year. However, this data must be reviewed with caution given that many students who participated in the testing in the fall administration may not have been the same cohort of students who participated in the spring administration of the test. In other words, the data was not disaggregated by those students who remained enrolled in OFY-VV for the full school year. The data also shows that the fall scaled scores are lower than in previous years, which indicates that students are coming in with deficits and falling lower by the spring. In 2020, due to the COVID-19 pandemic, no spring data was provided.

Based on a comprehensive review of the data OFY-VV submitted to show its performance on the District’s alternative metrics, the District determined that OFY-VV provided sufficient evidence to support documented improvements in its graduation rate. In addition, OFY-VV presented data to support certain strengths on the alternative metrics for English Learners and mathematics. However:

1. The data (or lack of data) submitted for students with disabilities, English-Language Arts, A-G completion rates, college/career indicators, school climate, and chronic absenteeism was either insufficient to demonstrate meaningful improvement or growth, or the lack of data prevented the District from effectively evaluating the corresponding alternative metrics.
2. The District was unable to evaluate student access to these programs or student subgroup performance needs.
3. OFY-VV did not include goals for improvement for student subgroups based on this equity and access data.
4. Another area of significant concern that was pointed out to OFY-VV prior to the evaluation cycle is that there is a lack of alignment of OFY-VV’s English-Language Arts and mathematics curriculum to Common Core State Standards, which reflects a potential lack of understanding of the applicable standards among OFY-VV’s teaching staff. This has been an issue that the District has raised following site visits as part of its charter oversight in prior years, which has not been effectively addressed. Consequently, this creates

serious concerns that students are not receiving appropriate grade-level instruction that is aligned with the applicable standards in the core subject areas.

Overall, while OFY-VV has shown some growth and increases on the state and local indicators, the District remains concerned regarding the efficacy of OFY-VV's educational program. The District recognizes that OFY-VV serves an at-risk student population and qualifies for DASS as an alternative school. However, the District remains concerned about the day-to-day implementation of its instructional programs and services.

If the District's Board of Trustees does not adopt staff's recommendation and instead takes action to approve OFY-VV's Renewal Petition, it is critical that OFY-VV be required to address each of the deficiencies noted in the alternative metrics chart above to improve student academic performance and achievement.

2. Charter Petition Renewal Criteria Under Education Code Section 47605 / Findings of Fact

Education Code section 47607 provides that charter renewals are governed by the standards and criteria set forth in Education Code section 47605 and must include, but not be limited to, a reasonable comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

a. Grounds for Denial

The governing board of a school district shall not deny a petition unless it makes written factual findings specific to the particular petition, setting forth specific facts to support one or more of the following findings:

1. The charter school presents an unsound educational program for the students to be enrolled in the charter school.
2. The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
3. The petition does not contain the number of signatures required by subdivision (a) of Education Code section 47605. (*The signature requirement is **not** applicable to a renewal petition.*)
4. The petition does not contain an affirmation of each of the required conditions.
5. The petition does not contain reasonably comprehensive descriptions of all required elements.
6. The petition does not contain a declaration of whether or not the charter school shall be deemed the exclusive public school employer of the employees of the charter school for purposes of the Educational Employment Relations Act.

7. The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. *(This finding is **not** applicable to a renewal petition.)*
8. The school district is not positioned to absorb the fiscal impact of the proposed charter school. *(This finding is **not** applicable to a renewal petition.)*

b. Findings of Fact

The District conducted a comprehensive review of OFY-VV's Renewal Petition, which included a detailed analysis of its educational program, measurable student outcomes and methods for measuring student progress, fiscal and governance structures, student admissions and discipline, labor and personnel issues, facilities and operations, and legal issues. Overall, as detailed below, the Renewal Petition included reasonably comprehensive descriptions of most required legal elements. However, District staff identified significant concerns with respect to OFY-VV's governance structure and practices, including its adopted bylaws. The District also found deficiencies with respect to OFY-VV's description of its measurable student outcomes, health and safety procedures, dispute resolution process, and other aspects of OFY-VV's operations.

Below, District staff presents its findings of fact addressing the general categories of review. If the Board does not adopt District staff's recommendation and decides to renew OFY-VV's charter, all of the noted deficiencies should be effectively addressed and resolved by OFY-VV, along with all existing and new legal requirements applicable to charter schools.

Finding of Fact No. 3: The Renewal Petition, as written, generally presents a sound educational program for the students enrolled in the charter school. However, the lack of sufficient information in programmatic areas prohibits the District from confirming the efficacy of its implementation.

Although District staff identified areas of weakness and improvement, OFY-VV's Renewal Petition, *as written*, demonstrates that its program is generally consistent with sound educational practice. The Renewal Petition includes a comprehensive description of the educational program, curriculum and instructional design, teaching methodologies, and offerings for enrolled students. OFY-VV's plan for serving students with disabilities and English Learners is sufficiently detailed and reflects an understanding of the legal requirements and programmatic components necessary to address the educational needs of these critical student populations.

The District, however, found that the Renewal Petition does not include a detailed description of how OFY-VV differentiates instruction for students based on the grade level spans it offers (i.e., grades 7-8 and grades 9-12). The Student and Parent Handbook provides the various course offerings based on student grade levels, but again the Renewal Petition lacks a meaningful discussion as to whether or how instruction is specifically tailored to the middle and high school programs.

The District also notes that the Renewal Petition affirms that it will meet the requirements of independent study under the Education Code and includes a copy of its Student Master Agreement. However, the Renewal Petition does not delineate or address a majority of those requirements (e.g., how OFY-VV will meet all applicable student-teacher ratio requirements, how OFY-VV will ensure that independent study will be supervised by an appropriately credentialed teacher, how OFY-VV will claim apportionment for students based on the time value of the work product, etc.). Considering that OFY-VV’s educational model is centered around independent study, the District would expect a more thorough explanation as to how OFY-VV meets its obligations under this distinct set of Education Code requirements.

Finally, even though the Renewal Petition, as written, appears to be sound, the District continues to have concerns regarding the lack of sufficient information on OFY-VV’s program implementation, which restricts the District’s ability to evaluate its efficacy. The following chart provides a recap of the achievements and concerns/deficiencies, as well as the insufficiency of information, related to OFY-VV’s program implementation, as detailed above in Findings of Fact Nos. 1-2.

Chart of Academic Findings	
Achievements	Concerns/Deficiencies
2019 graduation rate for AA students improved by 12.5%	2019 graduation rate for Hispanic students dropped by 13.6%. No goal for addressing this was provided.
2019 Dashboard EL Progress indicator in ELA was 56.7% as compared to 48.3% for the state.	CAASPP Met/Exceeded standards ELA category, White subgroup dropped 14.35%. No goal for addressing this was provided.
2019 Dashboard data reflects improvement in all areas measured	
2019 Dashboard College Career indicator improvement by 5.1%	
Program Considerations- Unable to report progress or findings	
EL programs	Examples submitted indicate that OFY-VV uses YouTube videos as a main source of instruction. The teacher should be the main source of instruction, with videos used only as a supplementary resource.
	OFY-VV may print iLit readings for students. iLit is an interactive program, and printing the lessons does not allow for students to meaningfully engage with the content.
	There is also no evidence of parent engagement efforts for the EL student population other than during reclassification and ELPAC

	<p>notifications. Parent involvement is an integral part of the academic success for EL students.</p>
	<p>There is also no evidence of how often ILPs are reviewed.</p>
	<p>There is no evidence of how an EL student with an ELPAC level 1 is provided additional support compared to a student with an ELPAC level 4.</p>
	<p>There is no evidence of the number of teachers trained in SIOP or on strategies to support ELs.</p>
	<p>There is no evidence of appropriate access for ELs to core curriculum compared to their English Only peers.</p>
Special Ed	<p>OFY-VV submitted a form related to redesignation, but no actual data on redesignation. The District needs this data to determine how students are moved along the continuum of placement and services.</p>
	<p>OFY-VV submitted CALPADS data evidencing IEP compliance but failed to submit related CDE data. Specifically, CDE disseminates educational data to improve the education for all students, with an emphasis on students with disabilities. These measures are used to determine the compliance status of each LEA, as required by the IDEA.</p>
	<p>OFY-VV failed to submit samples of supplementary materials. Without this, the District cannot determine what additional supports and interventions are provided for students with special needs to assist them in their educational program and work toward meeting grade-level standards.</p>
	<p>There is also no evidence of growth goals. Without this, the District cannot meaningfully evaluate student progress and mastery of academic skills and standards over time (e.g., a year or a course), since student progress is tied to achievement of growth goals.</p>
English-Language Arts	<p>It appears that OFY-VV uses Wisconsin state standards at the high school level. Additionally, the data suggests that OFY-VV may use low-level materials with high school students. For example, the supplementary texts for 9th grade students are classified at a 6th grade reading level. This is concerning because it indicates that students may not be well prepared for state testing and/or college.</p>
	<p>Middle school level appears unaligned with Common Core State Standards. For example, OFY-VV uses the term “persuasive essay” rather than “argumentative essay,” which indicates pre-Common Core instructional strategies.</p>
	<p>The texts used at the middle school level are also not state-approved texts. There is also no evidence of curriculum maps,</p>

	<p>identified priority standards, essential questions, etc. at the middle school level.</p> <p>There is no evidence of implementation of lesson/unit plans with focus standards that provide scaffolding for English Learners, students with disabilities, and students with other learning needs.</p>
Math	<p>OFY-VV’s learning targets are supported by page numbers and problems, rather than student-facing success criteria.</p> <p>There is also conflicting evidence as to which math sequence OFY-VV uses.</p>
Graduation Data	<p>OFY-VV’s data shows that only 33% of middle school students are on track to promotion.</p> <p>No disaggregated 2020 Graduation data was provided or subgroup performance analysis.</p> <p>FY-VV did not provide data showing the percentage of students with each grade-equivalent credits. OFY-VV also did not appear to submit data regarding students in credit recovery.</p>
A-G Completion Rates	<p>OFY-VV’s A-G completion rate has been under 15% for the last four years.</p> <p>Given the limited AP data submitted, it is challenging to determine whether there has been real growth in the AP program.</p>
College & Career Indicator	<p>OFY-VV submitted insufficient data for this category. For example, the submission did not include the following:</p> <ul style="list-style-type: none"> # of students in internships # of graduating class enrolled in four-year or two-year colleges evidence of post-secondary transition subgroup data number of students completing internships <p>Most of the introductory CTE courses should be offered at the middle school level not at the high school.</p>
School Climate	<p>The parent response rate to the survey dropped 27.76 percentage points from 2017 to 2019.</p> <p>The percentage of stakeholders giving a positive rating for the physical security domain dropped from 2017 to 2019: students dropped 7 percentage points, staff dropped 9 percentage points, and parents dropped 2 percentage points.</p> <p>The percentage of students and staff giving a positive rating for the social-emotional security domain also dropped from 2017 to 2019 by 10 percentage points and 6 percentage points, respectively.</p>

Chronic Absenteeism	OFY-VV did not provide data for this category.
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Finding of Fact No. 4: The Petitioners are demonstrably unlikely to successfully implement the program.

a. Financial Reserves and Projected Decline in Student Enrollment

With respect to the financial documentation submitted with the Renewal Petition, the District found that OFY-VV currently maintains a 71% reserve account. This raises serious questions for the District as to why OFY-VV’s reserves are so high and whether OFY-VV is committing sufficient funds to support student success in the educational program.

In addition, according to its second interim report, OFY-VV is projecting an approximate 27.37% reduction in its average daily attendance (“ADA”) for next school year, with no percentage change (either increase or decrease) for the 2022-2023 school year. However, OFY-VV has not articulated why it expects such a significant change in student enrollment. Consequently, this calls into question the reasonableness of OFY-VV’s projections.

b. Ongoing Concerns with OFY-VV’s Governance Structure and Practices

The District also continues to have significant concerns regarding OFY-VV’s governance structure and practices. On February 23, 2021, the District’s Board of Trustees took action to approve the issuance of a Notice of Alleged Fiscal and Governance Violations and Reasonable Opportunity to Cure pursuant to Education Code section 47607(e) (“Notice”) to OFY-VV. The Notice outlined the District’s allegations regarding conflicts of interest due to the Hall Family’s involvement in the governance of OFY-VV and OFY-CA, its sole statutory member; the Hall Family’s financial interest in contracts with OFY-VV (with respect to the for-profit and nonprofit entities it controls); the excessive amount of OFY-VV’s revenue that is paid to the Hall-controlled entities; and the potential jeopardy to OFY-VV’s tax exempt status under Internal Revenue Code section 501(c)(3) based on its corporate governance structure and business dealings with the Hall-controlled entities.

The Notice provided OFY-VV with an opportunity to cure the alleged violations by Friday, March 26, 2021. As part of the opportunity to cure, the District asked OFY-VV to provide a detailed, written response addressing each of the identified violations. The District also stated that OFY-VV could enclose a corrective action plan and supporting documentation evidencing any remedial actions it has taken to address and/or refute the violations.

On March 26, 2021, OFY-VV provided the District with a written response (along with accompanying exhibits) to the Notice (“Response”). OFY-VV did not submit a corrective action plan or express any intent to take additional proactive measures to address the District’s concerns. Rather, OFY-VV contended that the alleged violations had already been cured and that

its governance structure and dealings with the Hall-related entities comply with all applicable laws, including the conflict of interest rules under Government Code sections 1090 *et seq.* and the Political Reform Act, and the requirements for tax-exempt status under IRC section 501(c)(3). OFY-VV also contended that the District did not provide a reasonable opportunity to cure based on the assertion that the District did not suggest corrective actions in its Notice that would “cure” the violations. However, OFY-VV fails to recognize that the District has no legal obligation or responsibility to detail specific corrective actions for OFY-VV to implement. Education Code section 47607(e) specifically states that the charter school—not the chartering authority—may propose a corrective action plan in response to a notice of the alleged violation(s).

Below, the District addresses OFY-VV’s Response to the District’s Notice, both of which are hereby incorporated by reference.

i. Alleged Violation of Conflict of Interest Rules and Role of the Hall Family

In its Response, OFY-VV contends that it operates in compliance with the conflict of interest rules applicable to charter schools under Education Code section 47604.1. In support of its position, OFY-VV asserts that none of the Hall Family members are currently directors, officers, or employees of OFY-CA or OFY-VV. OFY-VV included copies of letters submitted to OFY-CA reflecting that John and Joan Hall each resigned from their positions as officers of the corporation on May 18, 2018. The District appreciates that OFY-VV provided evidence indicating that John and Joan Hall no longer serve in an officer role for OFY-CA. However, the District already acknowledged this might be the case in its Notice. The District explained throughout the Notice that, even if the Hall Family members no longer held officer roles for OFY-CA or OFY-VV, this did not diminish the extent of their influence on these entities. The District also noted that, given the timing of their resignations, it was questionable whether this was a strategic maneuver on the part of the Halls to avoid a technical violation of the conflict of interest rules once they took effect.

Regardless of whether there is not a technical violation of Government Code sections 1090 *et seq.* or the Political Reform Act due to the recent resignations of the Halls, it is critical to underscore that until 2018, the Halls participated in the governance of OFY-CA and/or OFY-VV for *over twenty years*. This effectively allowed the Hall Family to establish a governance and operational structure that was well in motion by 2018 and for which they had already exerted extensive influence and control. As one example, the officers who recently replaced the Halls at OFY-CA also previously served as members of the board of directors for Prep for Success, a nonprofit corporation that the Hall Family created and for which members of the Hall Family serve as the officers. (*See Statement of Information and Prep for Success, Inc. – Non Profit Data, attached as Exhibit 1 to the Notice.*) Therefore, while the Halls may have no voting power or authority to contractually obligate either OFY-VV or OFY-CA, this does not diminish the fact that the Halls have the ability to influence their governance and transactions behind the scenes and stand to financially benefit from those structures. Consequently, irrespective of whether the Halls are no longer technically officers or board members of OFY-CA or OFY-VV, the complex structure they established, which allows them to receive significant financial benefit, is still

contrary to the spirit and intent of Government Code section 1090 *et seq.*, the PRA, and other public transparency laws applicable to public agencies.

In the Notice, the District also raised concerns with OFY-CA's level of influence over OFY-VV as the sole statutory member and that it appears to be functioning as a "charter-managing entity." The District appreciates OFY-VV's acknowledgement and agreement in its Response for OFY-CA to be bound by the public transparency laws detailed in Senate Bill 126 (and codified in Education Code section 47604.1) during the renewal term if its Renewal Petition is approved by the District's Board.

ii. Relationship Between the Hall Family and Third-Party Providers

OFY-VV asserts in its Response that there is no overlap in the officer or board member roles of OFY-CA, OFY-VV, or the providers with which OFY-VV contracts for materials and services ("Providers"). While this may be true, this does not address the crux of the issue—namely, the Halls founded and serve in officer and/or board member capacities for several for-profit and nonprofit corporations that directly transact with OFY-VV for a wide range of services and materials. OFY-VV notes that some of the Providers listed on pages 6-8 of the Notice no longer contract with OFY-VV. However, OFY-VV acknowledged that it continues to maintain vendor relationships and contracts with at least nine of those Hall-controlled Providers. This is hardly immaterial.

Again, while the District recognizes that this arrangement may not function as a "technical" violation of conflict of interest rules by virtue of the fact that there is no actual "overlap" in board member or officer/employee roles of OFY-VV or OFY-CA, this does not change or diminish the concerns articulated in the District's Notice. The fact that the Hall Family founded OFY-VV and OFY-CA, operated in governance or leadership roles for those entities until 2018, and continue to control several Providers that directly contract with OFY-VV and receive a substantial portion of OFY-VV annual revenue can hardly be viewed as consistent with the spirit and intent of those laws. As expressed in the District's Notice, this structure allows members of the Hall Family to participate in making or influencing decisions and other financial decisions between the entities it controls and OFY-VV that further their own financial interests. Additionally, this structure creates opportunities for an abuse of power and undue influence by the Halls in the business transactions between OFY-VV and those Providers.

iii. Financial Interest in OFY-VV Contracts

In its Notice, the District alleged that OFY-VV's governance structure and business relationships with the Providers create an avenue for the Hall-controlled entities to financial profit from OFY-VV and trigger conflicts of interest in violation of Section 1090 and the PRA. In its Response, as previously addressed, OFY-VV asserts that the Hall Family members are no longer officials of OFY-VV such that the conflict of interest rules do not apply.

OFY-VV also states in its Response that it implemented a new procurement policy in 2019 in an effort to increase transparency in its vendor relationships. Under the policy, any time a “related party” vendor seeks to provide goods or services to OFY-VV, OFY-VV would need to institute a request for proposals (“RFP”) process. OFY-VV states that it utilized this process in 2019 to procure necessary services, including accounting, human resources, special education, IT, student information systems, and other services. The Response then details the procedures OFY-VV followed for the procurement and contract award process, and includes copies of supporting documentation.

Based on the District’s review of the supporting documentation, it discovered that while OFY-VV engaged in an RFP process, every vendor that received a contract award from OFY-VV’s Board met the definition of a “related party.” Below is a chart that details each RFP issued and the related party vendors that were awarded contracts in each instance.

RFP No./Type of Service	Bidders/Proposers	Vendor Awarded Contract	Related Party?
RFP 12 – IT Hardware Services	1 – Alltech	OFY-VV awarded contract to Alltech Solutions.	Yes
RFP 13 – Charter Management Organization Services	5 – Propel, SkyRocket, 9Dot, CSMC, and Teacher Talent Solutions	No single proposer was able to perform all of the services requested in the scope of work for this RFP. Ultimately, OFY-VV awarded contracts to Propel – a Charter Management Group, Inc. as the CMO, SkyRocket for various educational services, and 9Dot for back office services.	Yes. Propel, SkyRocket, and 9Dot are all related parties.
RFP 14 – Special Education Non-Public Agency Services	4 – Ed Logical, Professional Tutors of America, Prep for Success, and Total Education Solutions	OFY-VV awarded contract to Prep for Success, Inc.	Yes
RFP 15 – Student Information Systems Services	2 – Education Dynamics, Inc and ALMA SIS	OFY-VV awarded contract to Education Dynamics, Inc.	Yes
RFP 11 – Facilities Services	2 – AAA Companies and Lupine	OFY-VV awarded contract to Lupine Properties LLC.	Yes
RFP 17 – US/International Student Tour Services	4 – Go Educational Tours, EF Explore America, Pathways in Education, and EF International	OFY-VV awarded contract to Pathways in Education.	Yes
RFP 18 – College Readiness Program Services	1 – Pathways in Education	OFY-VV awarded contract to Pathways in Education.	Yes

RFP 19 – Farm Program Services	1 – Pathways in Education, Blackbird Farm	OFY-VV awarded contract to Pathways in Education.	Yes
RFP 110 – Ranch Program Services	1 – Pathways in Education, Rocky Mountain Pathways Ranch	OFY-VV awarded contract to Pathways in Education.	Yes

As the above chart reflects, even though OFY-VV engaged in a public process, this did not alter the end result in which every contract was awarded to a related party. From the District’s review of the evidence submitted by OFY-VV, the District also identified other significant concerns. First, the RFPs appear to be tailored in a way that leaves little to no opportunity for an outside, non-related party to receive the highest score. Second, even when an outside, non-related party scored the highest among the proposals, OFY-VV still awarded the contract to a related party.

With respect to the first concern, the RFPs are tailored in such a way that makes it very difficult for an outside vendor to compete and receive the highest score. Based on OFY-VV’s scoring methodology and the results of the RFP processes identified in the chart above, it is clear that OFY-VV staff favored those vendors who, as it notes in its Response, “know and understand [its] program” and where there is “little to no ramp-up for projects like staff professional development, curriculum revisions, and experiential learning.” OFY-VV provided an example where it receives scale benefits from the Providers because they also contract with other OFY and Opportunities for Learning (“OFL”) charter schools. (The OFL network of charter schools was also founded by the Halls.) These Providers are intimately familiar with OFY-VV’s needs on a business/transactional level because they were created by the Hall Family. In addition, the fact that OFY touts the value of having little to no ramp up or transition with these Providers is further indicative of the tight relationship these entities have with the charter school. In effect, because there would be a transition or ramp up with any new service provider, this reduces if not eliminates any chance a new, non-Hall controlled vendor would have in obtaining the highest score on OFY-VV’s evaluation rubric and securing an award of the contract.

With respect to the second concern, the District finds its particularly concerning that even where a non-Hall controlled third party received the highest score, OFY-VV staff recommended the vendor with the second highest score for purposes of the award of the contract, and the Board adopted staff’s recommendation. Specifically, OFY-VV issued RFP No. 14 (Special Education Services) and there were four vendors that submitted proposals. Interestingly, Ed Logical, a non-Hall controlled entity, received the highest score of 40. Prep for Success received the second highest score of 36. (See Exhibit G to Response.) OFY-VV staff thereafter recommended that the Board award the contract to Prep for Success. There was no mention in the written staff recommendation that Ed Logical had received the highest score or why OFY-VV staff chose to instead select Prep for Success for purposes of its recommendation. During the meeting when OFY-VV’s Board considered the contract recommendation, the meeting minutes show that a Board member specifically inquired about the evaluation process since Ed Logical had received the highest total score. Counsel for OFY-VV also asked whether there might have been a typo on the scoring, and the presenter agreed that there were typos in her report. She concluded that

OFY-VV wants to make sure it is “getting the best and not just going with what [it is] familiar with.” (See May 16, 2019 OFY-VV Board meeting minutes, Exhibit G to Response.) While the presenter explained the rationale for her recommendation when a Board member inquired, it is concerning she quickly acknowledged there were “typos” in her report but provided no explanation as to why Ed Logical somehow inadvertently received the highest score. As with the other vendors, the Board nevertheless took action to approve the award of the contract to a related party.

As the District articulated in its Notice, while OFY-VV may have utilized an RFP process to select vendor services, this did not change the outcome that every awardee of a contract with OFY-VV was a related party. Again, while this gives the perception of a legally-compliant competitive process, the results of OFY-VV’s RFP process highlight the difficulty for a non-Hall entity to match the proposal of a Provider given the Provider’s inside knowledge of the OFY-VV structure. Further, the documents that OFY-VV submitted to support its position that it engages in a competitive process actually help to demonstrate the District’s point that the vendor relationship structure the Halls have created is vulnerable to financial abuse and runs afoul of the spirit and intent of the conflict of interest rules applicable to public agencies.

iv. OFY-VV’s Tax Exempt Status

The District alleged in its Notice that the structure of OFY-VV’s corporation and its business dealings with the Providers could jeopardize its tax exempt status as a non-profit public benefit corporation under Internal Revenue Code section 501(c)(3). The District addressed various concerns in the Notice, including how OFY-VV’s practices appear to fail the tax exempt “operational test” under Section 501(c)(3). In its Response, OFY-VV cited to various case law to support its position that (1) the Halls do not hold a leadership role in or otherwise have decision-making authority with respect to OFY-VV, and (2) an exempt organization is entitled to pay reasonable compensation for services to its founder without endangering its tax exemption. For the latter item, OFY-VV asserts that none of the factors used by a court to analyze whether prohibited inurement has occurred are applicable to OFY-VV because the Halls do not control its finances, the charter school does not pay the Halls’ personal expenses, the charter school does not loan money to the Halls, and the charter school does not pay salaries to the Halls.

While this may be the case, the District still finds that the compensation the Halls receive from the Providers creates a cumulative effect that, when considered in totality, creates a significant cause for concern. In fact, the District stated in its Notice that the Halls appear to be compensated approximately \$30,000 to \$40,000 *each* for their roles as officers of each Provider, which the District acknowledged is within the guidelines for officer compensation for a single entity. However, the District’s concern surrounds the amount of compensation the Hall Family is receiving on a *cumulative* basis from all of the Providers that contract with OFY-VV. It is highly doubtful that such amounts would be considered “reasonable” when considered together.

The District also notes that, in its Response, OFY-VV did not address the District’s concerns that over one-third to one-half of OFY-VV’s annual revenue is being paid to Hall-controlled entities.

This amounts to an average of more than \$8 million per year for the last three audited years. Irrespective of whether this arrangement constitutes an impermissible conflict of interest, the amount of money OFY-VV is paying to these Providers is alarming. This arrangement alone paints a clear picture of the level of involvement and influence the Halls have over OFY-VV.

The California Legislature did not establish the Charter Schools Act of 1992 so that charter school founders could create a mechanism to financially profit off of taxpayer money that is intended to benefit public education. Thus, even though OFY-VV may be able to present grounds to support its position that it is not “technically” in violation of the law because its founders, who perpetuated this scheme, resigned from their officer positions in 2018, this does not change the seriousness of OFY-VV’s actions and those of the Hall Family. These types of actions and attempts to “game” the system need to be curbed in order to protect public education dollars and truly infuse accountability and transparency in charter school operations.

For these reasons, District staff finds that the financial interests of the Hall Family, coupled with the interconnectedness of OFY-VV and the entities the Halls control, run afoul of the spirit and intent of Government Code sections 1090 *et seq.* and the Political Reform Act. Further, the complex corporate structure that the Halls created remains susceptible to undue influence and ongoing financial abuse. It is important to reiterate that OFY-VV did not present a corrective action plan to resolve these concerns. Instead, OFY-VV asserted that the violations identified in the Notice had already been fully cured years ago.

Without an acknowledgement of the District’s concerns or a commitment to address the issues raised above, District staff does not believe a corrective action plan would be successful or viable. Thus, District staff finds that the deficiencies described above and in its Notice are sufficiently severe and pervasive to render a correction action plan unviable and to support a finding that OFY-VV is demonstrably unlikely to successfully implement its program.

Please see the copies of the District’s Notice, including the concerns raised therein, and OFY-VV’s Response, both of which are available for inspection at the District Office.

Finding of Fact No. 5: The Renewal Petition contains an affirmation of each of the required conditions.

The Renewal Petition includes all required affirmations and assurances.

Finding of Fact No. 6: The Renewal Petition provides reasonably comprehensive descriptions of most, but not all, of the required elements set forth in Education Code section 47605.

Based on an analysis of the Renewal Petition by the District’s review team, the Renewal Petition generally provides reasonably comprehensive descriptions of the required elements set forth in Education Code section 47605. However, the review team has identified certain items that are deficient or require additional detail/correction in the Renewal Petition and supporting documentation. These items are addressed in further detail below.

- a. Measurable Student Outcomes – The Renewal Petition describes OFY-VV’s exit outcomes, achievement goals, and assessment tools. However, these outcomes are not broken down by subgroup population. While the District recognizes that OFY-VV included a copy of its LCAP, which addresses its goals for the eight state priorities and how it plans to meet those goals, the Renewal Petition should have identified the measurable student outcomes for *all* groups of students served by OFY-VV, including ethnic subgroups, socioeconomically-disadvantaged students, English Learners, students with disabilities, and foster/homeless youth.
- b. Governance
 - i. The Renewal Petition states that OFY-VV is operated as a California non-profit public benefit corporation and governed by its Board of Directors. It also briefly describes the relationship between OFY-VV and OFY-CA, which serves as the sole statutory member of OFY-VV. The Renewal Petition further states that OFY-CA is “not involved in the day to day management or oversight of the Charter School. . . .” Notably absent from this section is a reference to, or description of, Propel, which is the charter management organization (“CMO”) that supports OFY-VV. In fact, Propel is not even mentioned in the Renewal Petition until the very last section under “Additional Charter Requirements.” The Renewal Petition states on page 107 that “OFY-VV’s current contracted CMO service provider is Propel, A Charter Management Group, Inc., a California nonprofit public benefit corporation.” Given that OFY-VV is apparently operated or managed by a CMO, there should have been a description in the governance section detailing Propel’s role and function, including an affirmation that it will adhere to the public transparency requirements of Education Code section 47604.1.

Upon further research, the District discovered that Propel is another Hall-related entity. Based on the registration and Statements of Information filed with the California Secretary of State, the original address for the Propel corporation is the same as other Hall-related entities: 320 N. Halstead Street, Suite 230, Pasadena, California 91107. In addition, at least three of the four officers/Board members/employees of Propel are affiliated with Education Management Systems, Inc., another Hall-related entity. This is yet another example of the interconnectedness of the Hall Family with the operations and management of OFY-VV.

- ii. The Renewal Petition affirms that OFY-VV will comply with all relevant laws, including the Brown Act. However, the corporate bylaws included with the Renewal Petition reflect a complete lack of understanding of Brown Act requirements, as further detailed below.

iii. OFY-VV's corporate bylaws do not comply with the requirements of Education Code section 47604.1. In addition, several provisions are inconsistent and reflect a concerning level of authority/power of OFY-VV's sole statutory member, OFY-CA. Specifically:

- (1) Article V, Section 9, states that the place of Board of Directors' regular and special meetings may occur within or outside the State of California. This is inconsistent with the requirements of Education Code section 47604.1(c)(2)(A), which provides that the governing body of a nonclassroom-based charter school that has one or more resource centers "shall meet within the physical boundaries of the county in which the greatest number of pupils who are enrolled in that charter school reside." Given that OFY-VV operates three resource centers within the District's boundaries, OFY-VV's meetings would need to occur in San Bernardino County—assuming a majority of its students reside within this county.
- (2) Article IV, Section 9, states that notice of Member meetings shall be given to the Board of Directors. There is no provision addressing public notice of meetings, or the time requirements associated with noticing regular and special meetings in accordance with the Brown Act. In addition, Article IV, Section 16, provides that the "transactions of any meeting of Members, however, called or noticed and whenever held, shall be valid as though taken at a meeting duly held after standard call and notice if (a) a quorum is present either in person or by proxy, and (b) either before or after the meeting, each Member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting." The District recognizes that OFY-VV asserts in its Renewal Petition that OFY-CA "is not involved in the day to day management or oversight of the Charter School and has no right to authority to appoint or remove the Charter School's leadership team." However, the bylaws afford OFY-CA extensive rights and powers over the Board of Directors, which take on the character of a charter-managing entity.

OFY-CA possesses significant powers that could severely limit the ability of members of the Board of Directors from discussing or voting on items of business or information that do not align with the views, interests, and mission of OFY-CA. Specifically, OFY-CA has the authority to:

- Approve or change the role and purpose of OFY-VV (the corporation).
- Amend OFY-VV's bylaws or articles of incorporation.
- Fix the number, and appoint and remove members of OFY-VV's Board of Directors. Notably, this includes the ability of OFY-CA to remove a member of OFY-VV's Board of Directors with or *without cause*.
- Approve the merger, consolidation, reorganization, or dissolution of the OFY-VV corporation, and the disposition of its assets upon dissolution.
- Approve the incurrence of debt or guaranties of the OFY-VV corporation above certain thresholds that are established by OFY-CA.
- Approve capital expenditures above certain thresholds that are established by OFY-CA.
- Approve any other action by OFY-VV that has been established by resolution of OFY-CA as requiring approval.
- Determine whether a member of OFY-VV's Board of Directors is not in "good standing" and limit that director's right to vote at a meeting of the Board.

As reflected above, OFY-CA holds extensive authority over OFY-VV's Board of Directors. Although OFY-CA may not manage the day-to-day operations of OFY-VV, it is readily evident that OFY-CA has the ability to exert significant powers in connection with the governance of the charter school. Under Education Code section 47604.1(b), a charter-managing entity must comply with the requirements of the Brown Act, conflict of interest rules (i.e., Government Code sections 1090 *et seq.* and the Political Reform Act), and the California Public Records Act. However, there is no indication from the Renewal Petition that OFY-CA demonstrates compliance with these requirements.

- (3) Article V of the bylaws, which addresses the roles, procedures, and responsibilities of the Board of Directors in conducting meetings of OFY-VV, also does not satisfy Brown Act requirements.
- The sections addressing regular and special meetings do not include the advance notice (e.g., 72 hours for regular

meetings and 24 hours for special meetings) or agenda posting requirements to ensure that members of the public have access to, and the ability to participate in, open meetings of OFY-VV.

- Article V, Section 15, authorizes the waiver of a notice of the Board of Directors meeting by a director. This provision does not align with the Brown Act.

Article V, Section 17, authorizes action by the Board without a meeting, which violates the Brown Act. Specifically, this section provides that “[a]ny action required or permitted to be taken by the Board may be taken without a meeting, if all Directors of the Board shall individually or collectively consent to such action.” This is both unacceptable and prohibited under the law.

(4) The governance issues detailed in Finding of Fact No. 4 are hereby incorporated by reference as though fully set forth herein.

- c. Health and Safety Procedures – The Renewal Petition has some technical deficiencies that were not addressed. Specifically, the Renewal Petition lacks information regarding participation in periodic earthquake drills, identification of appropriate methods of informing parents/guardians of students in grades 7-12 of human trafficking prevention resources, and affirmation that OFY-VV will comply with the requirements of Education Code section 221.61 addressing the rights of a student and the public, and the responsibilities of the charter school, under Title IX. Additionally, the Student and Parent Handbook references access to mental health services, but it is unclear whether this information is provided to parents and students at least twice per year. The Renewal Petition also does not include a copy of its School Safety Plan.
- d. Dispute Resolution Procedures – The Renewal Petition includes proposed dispute resolution procedures for disputes between the District and OFY-VV, but the procedures are inconsistent and conflicting. For example, paragraph 3 on page 102 requires an OFY-VV representative and a District representative (or their respective designees) to meet within 30 days of notice of a dispute. If the joint meeting fails to resolve the dispute, then the parties are to meet again within 15 days to appoint a mediator. On the other hand, paragraph 4 on page 102 requires OFY-VV’s Principal and the District Superintendent (or their respective designees) to meet within 10 days of notice of a dispute. If the joint meeting fails to resolve the dispute, the parties are to meet again within 15 days to appoint a mediator. These paragraphs conflict with each other and do not articulate a consistent process to be followed.

Finding of Fact No. 7: The Renewal Petition includes a declaration of whether or not the charter school shall be deemed the exclusive public school employer of the employees of the charter school.

The Renewal Petition confirms that OFY-VV shall serve as the exclusive public school employer of the employees of OFY-VV for purposes of the Educational Employment Relations Act.

District Staff Recommendation

As detailed above, District staff found that OFY-VV demonstrated some academic gains on the state and local indicators, as well as on some of the District's alternative metrics. However, these gains do not outweigh the District's concerns regarding OFY-VV's performance on other metrics and its failure to present sufficient data to meaningfully evaluate student achievement and performance. Such gains also do not outweigh the significant governance and other concerns/deficiencies identified in the above findings.

For these reasons, and based on District staff's analysis of the above-described criteria for renewal and the corresponding Findings of Fact Nos. 1-7, District staff recommends that the Board of Trustees take action to **deny** OFY-VV's Renewal Petition.

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