

CHIEF OPERATIONS OFFICER REPORT March 8, 2015

The mission of the YPI Charter Schools (YPICS) is to prepare students for academic success in high school, as well as post--secondary education; prepare students to be responsible and active participants in their community; and enable students to become life-long learners. Students at YPI Charter Schools will become active citizens who characterize the ideals of a diverse and democratic society. Students will provide service to their community, take responsibility for their own learning, and develop the habits of mind and body that will empower them to be successful in high school and beyond.

Construction Projects

Central Office

All permits have been pulled. Construction has begun. The contractor anticipates that the project will be completed in two or three months. We have begun to cost out furniture with multiple vendors.

Berendo Gym

Additional modifications are being reviewed this week with school site administrators. Modifications will continue to be reviewed by site administration as we continue through the DSA approval process. A design packet will be available for review at the Board Meeting.

MORCS Project

MORCS Lease and Development Agreement Approval Request

Summary

YPICS Staff and consultants have been negotiating the lease and development agreements with the LAUSD. After multiple conversations the LAUSD has agreed to change the lease agreement to change the term of lease language to include an opportunity to renew the lease at the end of the 40 year term.

Background

The district is recommending the following language change and explanation to the Lease agreement. These two items are the final items that have been of concern.

1. Term of Lease. This Lease is effective, subject to the Conditions Precedent contained in Article 3, as of Effective Date. However, the Term shall be measured from and shall commence on the Term Commencement Date (assuming the conditions set forth in Article 3 are satisfied) and shall terminate at 11:59 p.m. on the day prior to the 40th anniversary thereof, if not sooner terminated (the “**Expiration Date**”). At least one (1) year but no more than three (3) years prior to the Expiration Date, Tenant shall notify Landlord in writing of its desire to remain in occupancy of the Leased Premises. After receipt of Tenant’s notice, Tenant and Landlord shall negotiate a new lease for Tenant’s occupancy of the Leased Premises. Landlord’s Board of Education shall accept or reject the terms and conditions of said new lease as it deems appropriate and prudent prior to any execution of said new lease by Landlord. If the parties cannot mutually agree upon the terms and conditions of a new lease for Tenant’s occupancy of the Leased Premises, Landlord may require and Tenant agrees to execute a Proposition 39 occupancy/use agreement for a school year, a 30-day license or such other instrument that will allow Landlord and Tenant to continue to negotiate and mutually

agree upon the terms and conditions of Tenant’s occupancy of the Leased Premises. The term of this Lease shall not automatically extend regardless of any renewal of Tenant’s charter petition because Landlord’s Board of Education should be provided with the opportunity to review Tenant’s occupancy of the Leased Premises, the proposed terms and conditions under which Tenant will continue its occupancy of the Leased premises and make a reasonable decision regarding said proposed terms and conditions.

2. Below is an explanation of the process for MORCS to use space on the Berendo campus after school:
 - a. If one time use – MORCS can submit the attached form to Steve Cotton, Leasing and Asset Management. Assuming it is a school event, MORCS would be charged the costs incurred. LAUSD currently charges for utilities, supplies (i.e. toiletries), and custodial costs by the hour (For the gym, the cost would be \$37.12 per hour.)
 - b. For recurring use (i.e. School Basketball Practice/Games), then MORCS would work with Steve Cotton, Leasing and Asset Management to execute a license agreement. The fee is same as above.

Recommendation:

Approve the lease and development agreement between the LASUD and Monseñor Oscar Romero Charter School with the Term of Lease language above and the clarification of use of facilities after school.

Portable Removal Approval Request

Summary:

The Board of Directors will be voting on approving or denying a request to remove 7 bungalows and 1 restroom building from the Berendo Middle School Campus with Augmentation Grant funds.

Background:

The LAUSD will advance Augmentation funds to complete the work. If the YPICS Board of Directors does not move forward with the construction of the new MORCS facility, MORCS will not be charged be required to repay the cost of the removal of the bungalows outlined in the scope of work.

Recommendation:

Approve the district to spend up \$310,000 of LAUSD Augmentation Grant funds to disconnect, and remove 7 bungalows and 1 bathroom facility at Berendo Middle School.

The original estimate was inaccurate. After being reviewed and discussed with YPICS Staff, The district removed \$37,281.54 of costs.

	Disconnects	Abatements and Demolitions	RHU Management	Total	Savings
Original	\$140,000.00	\$175,000.00	\$30,000.00	\$345,000.00	
Cost 1	\$102,718.46	\$175,000.00	\$30,000.00	\$307,718.46	\$37,281.54
Cost 2	\$90,162.32	\$175,000.00	\$30,000.00	\$295,162.32	\$49,837.68

Augmentation Grant Program Approval Request

Summary:

The LAUSD has changed the bond-funded Charter Augmentation Grant Program. Previously school could apply for up to 35% of the project cost. The new program allows schools to apply for 50% of the project cost.

Background:

Bond Program Funding for Charter School Facilities

Since 2002, with the passage of Measure K, the District has undertaken charter school facilities projects as part of its Bond Program. Approximately \$380 Million of proceeds associated with Measures K, R, Y, and Q have been targeted specifically for charter school facilities projects. Approximately 65 percent of this spending target is associated with the District's most recent local bond, Measure Q (utilized under the School Upgrade Program). To date, approximately 350 charter school facilities projects with a combined budget of approximately \$146 Million have been approved by the Board of Education. As expressed in local bond language, the primary intent of the charter school facilities projects funded by bond proceeds is to provide new seats to assist in the relief of overcrowding on District campuses and to meet the District's responsibilities under Education Code section 47614 (Proposition 39).

Charter Augmentation Grant Program

One of the mechanisms by which the District has supported charter school facilities projects is with augmentation grants provided on an "as-requested" basis. In December 2011, the Charter Augmentation Grant Program was formalized because of an increased interest by charter schools. Under the current guidelines of the program, applicants are required, among other things, to contribute a minimum of 65 percent of the total project cost from non-District sources. Applicants are also required to hold a valid charter, be in good standing, and agree to waive Proposition 39 rights to facilities. District staff reviews the applications, and if the minimum score (70 points) is achieved, the proposal is forwarded to the Bond Citizens' Oversight Committee (BOC) for consideration and the Board of Education for approval.

The intent of the Charter Augmentation Grant Program was, and continues to be, to provide equal access to all charter schools, and to leverage funding to the maximum extent possible with other non-District sources. The program provides charters additional funding needed to finance long-term, capital improvement facilities projects. The grant funds are provided to the charter upon proof that all other non-District funding has been received and/or committed to ensure funds are leveraged more effectively and that projects can be successfully completed. Since the program's inception, augmentation grants valued at nearly \$30 Million have been approved by the Board of Education to support five long-term charter school facilities projects:

- Accelerated Charter Elementary School
- CHIME Institute Schwarzenegger Community School
- Granada Hills Charter High School
- Monseñor Oscar Romero Charter School (at Berendo Middle School)
- Vaughn Next Century Learning Center Charter School (Vaughn)

All but Granada Hills and Vaughn are utilizing State bond funds through the State's Charter School Facilities Program (CSFP) to fund their portion of the project costs (65 percent).

Charter School Facilities Program

Through the State's CSFP, approximately \$900 Million has been made available to charters for facilities projects. In November 2014, the State Allocation Board (SAB) made its last round of unfunded preliminary apportionments under CSFP. At that time, 59 eligible applications totaling \$656.5 Million were received, but only \$89.9 Million remained available for preliminary apportionments. New CSFP applications are not being accepted and SAB has not approved a future application round. As of December 9, 2015, there are 26 projects with preliminary apportionments pending approval for final

apportionment. The 26 preliminary apportionments include four located within the District's boundaries, Ocean Charter, College Ready Academy High School No. 8, Stella Academy Building, and Charter Academy Middle School (aka Lou Dantzler).

CURRENT SITUATION AND UPDATE TO PROGRAM GUIDELINES

Approximately \$240 Million remains targeted for charter school facilities projects within the District's Bond Program. District staff and charters agree that the Charter Augmentation Grant Program has by far been the most successful in supporting long-term charter school facilities projects. Some charter schools and the California Charter School Association (CCSA) requested the District increase the grant percentage from 35 percent to 50 percent and to clarify that "the funds must be utilized for a capital improvement project that will provide long-term facilities seats" does in fact include the one-to-one replacement of a relocatable classroom building with a permanent classroom building.

The District will update the Charter Augmentation Grant Program to allow augmentation funds up-to a maximum of 50 percent of project costs. The increase is reasonable because of the limited funding available from the State for charter school facilities projects and escalation in construction and land acquisition costs. It is anticipated the increase of augmentation funds up-to 50 percent will encourage more charter schools to participate in the District's program, especially those already located on District-owned property. The clarification that augmentation funds may be used to construct school facilities to replace aging and deteriorating relocatable classroom buildings may also encourage charter schools to participate in the District's program.

These updates will be incorporated into the new guidelines to the Charter Augmentation Grant Program that will be posted on the District's website in February 2016. All proposals received from here on out will be considered under the new guidelines. Projects previously approved to receive an augmentation grant that have not yet awarded a construction contract may also be reconsidered upon resubmittal of their application and project proposals. All applications, including resubmittals, will be reviewed by staff, and ultimately submitted to the BOC for consideration and the Board of Education for approval.

Recommendation:

Give authorization to the Executive Director to request an increase in augmentation funds LAUSD for up-to 50 percent of the construction costs for the Monsenor Oscar Romero Charter School Construction Project from LAUSD per the

Fiscal Policy Modifications Approval

Summary:

The following changes align the fiscal policy to current staff, practice, and implementation of the responsibilities of the Accounts Payable Staff.

Background:

The Coordinator of Accounts Payable position has assumed additional duties and responsibilities. Additional an Accounts Payable Assistant position has been added.

1) Invoice Approval & Processing

Policy: The Executive Director or Chief Operations Officer must approve all invoices. Any invoice over \$50,000 must also receive approval from a member of the Board. The following procedures will be performed either manually or electronically.

Procedures:

- The Coordinator of Accounts Payable or Accounts Payable Assistant will open and review invoices and bills and will notify the Executive Director or Chief Operations Officer of any unexpected or unauthorized expense.
- When receiving tangible goods from a vendor, the Coordinator of Accounts Payable or Accounts Payable Assistant will trace the merchandise to the packing list and note any items that were not in the shipment.
- The Coordinator of Accounts Payable or Accounts Payable Assistant will code invoices to the correct budget line.
- Invoices are then routed to the Executive Director or Chief Operations Officer for payment approval.
- If the vendor is a sole proprietor or a partnership (including LP, and LLP) providing a service, the Coordinator of Accounts Payable will obtain a W-9 from the vendor prior to submitting any requests for payments to ExED.
- ExED will review the invoice for sufficient supporting documentation, verify the coding, and process payment.

2) Payroll Additions, Deletions, and Changes

Policy: The Executive Director or Chief Operations Officer is authorized to approve all payroll changes within the scope of his/her budget authority.

Procedures:

- Chief Operations Officer or Accounts Payable Coordinator will submit, either physically or electronically via payroll system, new hire or employee change paperwork to ExED prior to the payroll deadline for the first pay period in which the change or addition is to go into effect.

Recommendation:

Approve the changes to the Invoice Approval & Processing and Payroll Additions, Deletions, and Changes sections of the YPICS Fiscal Policy as stated above.

Student Information System Change

YPICS Leadership has decided to change our student information system next year from Powerschool to Illuminate. Selected staff will be attending the User Conference in San Diego on February 23 and 24.

We believe the system has the following advantages:

- **Lower cost.** The per student licensing cost is about 75% less than Powerschool annually. The training costs are also significantly reduced by 90% for similar events, such as conferences and consultants.
- **Completely HTML5 based.** The entire site, including the grade book, uses modern web technology to dynamically display data, relieving the IT staff of the burden of maintaining Java runtime compliance on the various platforms. Therefore, any device that can access the website with a modern browser can use the entire application, limited only by screen size.
- **Data visualization.** In conjunction with the Illuminate DnA testing platform, we can load external test data such as our Achieve3000 and MAPS scores and create reports per student and per cohort. This will lighten the data processing burden of our data folks significantly, and allow stakeholders, such as students, teachers, parents and administrative staff access to real-time data to more easily tailor instruction and intervention.
- **Reporting.** The Powerschool reporting module requires learning a separate layout and markup language, and has proven difficult to customize, especially where reports cards are concerned.

Illuminate ISI allows us to create PDF templates using standard applications, such as Microsoft Word, and then populate the required data more easily.

- **Spanish language localization.** The student and parent portals have Spanish versions, and can be easily switched between English and Spanish in the user interface. Power School had to be run through a translation service such as Google Translate, and did not translate error messages, making the system difficult to access for non English speakers.
- **Easy access to support.** Illuminate's help resources are open to all at <http://illuminate.screenstepslive.com/s>, and does not require a designated technical contact or access credentials. Any user can also search the online and contextual help, and can email the Illuminate support staff.
- **Integration with MiSIS.** Illuminate has taken steps to easily export data to the LAUSD student information system, while exporting data out of Powerschool and into MiSIS has been very problematic and time consuming. This integration will allow us to run our own student information system and exchange data with the district in accordance with the consent decree.
- **Responsive development cycle.** Illuminate runs a two week software development cycle, where program improvements are tested and implemented dynamically. Powerschool's development cycle has been increasing, but it is still a matter of months between updates.

For additional info, follow this link: <http://mrharvey.ypics.org/category/illuminateisi/>