

Watsonville Prep School Presentation

August 16, 2018

Santa Cruz County Board of Education

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Overview

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- Santa Cruz County Office of Education Review Team Process
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Legal Requirements for the Review of Charter Petitions

- Education Code (EC) section 47605, subdivision (j) provides that the County Board shall review a charter petition submitted after denial by a school district under the criteria in subdivision (b) – the same criteria that governs a school district’s initial review of the petition.
- The County Board is to receive a complete copy of the Charter Petition as denied. (Cal. Code Regs., Title 5, §11967, subd. (b) (1).) The County Board is also to receive a copy of the District Board’s Findings on the petition, setting forth the Board’s grounds for denial under EC §47605(b).
- The County Board is not limited to a review based solely on the reasons for denial stated by the district, but must review the petition pursuant to the criteria in EC §47605(b).

Legal Requirements for the Review of Charter Petitions

- EC §47605(b) provides that in reviewing petitions for the establishment of charter schools, the chartering authority shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged.
- The County Board shall deny a petition for establishment of a charter school only if the County Board makes written factual findings, specific to the particular petition, setting forth facts to support one or more of six grounds for denial in EC §47605, subdivision (b) (1)-(6).

Legal Requirements for the Review of Charter Petitions

Educational Code §47605 (b) (1)-(6)

- 1) The charter school presents an unsound educational program for the pupils 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;
- 4) The petition does not contain an affirmation of each of the conditions described in EC §47605(d);
- 5) The petition does not contain reasonably comprehensive descriptions of all of the fifteen listed required elements: or
- 6) The petition does not contain a declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code.

Legal Requirements for the Review of Charter Petitions

15 Required Elements

- 1) A description of the educational program of the school, designed, among other things, to identify those pupils whom the school is attempting to educate, what it means to be an “educated person” in the 21st century, and how learning best occurs. The goals identified in the educational program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.
- 2) The measurable pupil outcomes identified for use by the charter school.
- 3) The method by which pupil progress in meeting those pupil outcomes is to be measured.
- 4) The governance structure of the school, including, but not limited to, the process to be followed by the school ensure parental involvement.
- 5) The qualifications to be met by individuals to be employed by the school.

Legal Requirements for the Review of Charter Petitions

15 Required Elements (Continued)

- 6) The procedures that the school will follow to ensure the health and safety of pupils and staff.
- 7) The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.
- 8) Admissions requirements, if applicable.
- 9) The manner in which annual, independent, financial audits shall be conducted, in accordance with regulations established by the State Board of Education, and the manner in which audit exceptions and deficiencies shall be resolved.
- 10) The procedures by which pupils can be suspended or expelled.

Legal Requirements for the Review of Charter Petitions

15 Required Elements (Continued)

- 11) The manner by which staff members of the charter school will be covered by the State Teachers' Retirement System, the Public Employees' Retirement System or federal social security.
- 12) The public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.
- 13) A description of the rights of any employee of the school district, upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.
- 14) The procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.
- 15) A description of the procedures to be used if the charter school closes. The procedures shall ensure a final audit of the school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records.

Legal Requirements for the Review of Charter Petitions

The County Board's review is based on three sources of information: Statute, State Regulations and Staff Analysis.

- 1) EC §47605 provides the required elements of a petition.
- 2) State Regulations provide greater specificity on each of the requirements.
- 3) Staff team review and analysis of the required elements for formation of a new charter school. Staff review team provides the County Board with its report and findings. (Cal. Code Regs., tit. 5, §11967.5 et seq.)

Review Team

Consistent with required elements and legal criteria, a team of Santa Cruz County Office of Education staff members (representing all operational specialties) and assisted by legal counsel conducted an in-depth review of the Petition and supporting documents.

COE Staff

Michael Watkins, County Superintendent of Schools

Dr. Faris Sabbah, Deputy Superintendent

Mary Hart, Deputy Superintendent, Chief Business Officer

Mary Anne James, Associate Superintendent, Educational Services (Retired)

Jivan Dhaliwal, Associate Superintendent, Educational Services

Jean Gardner, Senior Director, Fiscal Services

Kris Stanga, Senior Director, District Support and Leadership

Jessica Little, Senior Director, North County SELPA

Troy Cope, Senior Director, Human Resources

Sofia Sorenson, Multilingual Achievement Coordinator

Dr. Cristine Chopra, Executive Director, S4C

Review Team Process

- The Review Team, in consultation with legal counsel, utilized a rubric developed by the Charter Authorizers Regional Support Network (CARNet) which examines 185 elements aligned to the required components of EC §47605 and other laws that apply to charter schools.
- With the exception of four areas of concern, the Review Team concluded that the Petition “met or exceeded” the requirements of the law for approval of the charter school.
- **It is the opinion of the Review Team, that these areas of concern, can be addressed through Conditional Approval, which includes the execution of a Memorandum of Understanding between the Petitioners, the County Superintendent and the County Board.**



Additional Considerations

Additional considerations were discussed by the Review Team and have been properly addressed through the proposed Memorandum of Understanding.

Transportation

The Review Team recognizes that the County Board cannot deny the Petition on the basis that the Charter School does not plan to offer transportation to attending students, as such, concerns are not among the enumerated grounds on which a charter petition can be denied (EC §47605(b) (1)-(6)). The Review Team recommends the petitioner consider developing a transportation plan to provide access to students who live in remote areas.

Conflict of Interest

To ensure transparency and minimize potential conflicts of interest, the Petitioners' Governing Board shall comply with Government Code 1090.



Additional Considerations

Financial Accounting

A thorough review was conducted of financial documents including cash flow, supply costs for technology, start up costs, donation revenue and ADA projections. This documentation was deemed satisfactory. To ensure fiscal transparency, the Petitioners will utilize the Standardized Account Code Structure (SACS) account codes school identifier to maintain separate accounting of all budget allocations and Actuals including revenues, encumbrances and expenditures. The Petitioner shall not commingle funds between Watsonville Prep School (WPS) and other charter schools operated by Navigator Schools for any purpose whatsoever.

ELL Assessments

The Petitioner will need to provide a plan for the use of interim assessment of English Learners in acquiring English proficiency in reading, writing, listening and speaking.



Findings of Fact

The Review Team identified four primary concerns in the Petition.

- 1) Local Parent/Community Involvement in Governance
- 2) Transitional Kindergarten
- 3) Services for English Language Learners
- 4) Facilities

Findings of Fact (Continued)

Local Parent/Community Involvement in Governance

The Education Code requires the Petition to describe “the governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement” (EC §47605(b)(5)(D).) As set forth in the Regulations, the Petition should include “evidence that the organizational and technical design of the governance structure reflect a seriousness of purpose necessary to ensure that there will be active and effective representation of interested parties, including, but not limited to parents (guardians) (5CCR §11967.5.1(f)(4)(B).)

Recommendation

It is recommended that the County Board approve the Petition with the condition that such approval be contingent on the Petitioner’s modification of the structure of the Board of Directors to include a designated position for a WPS parent. In addition, the Petitioners will have to hold their Board meetings in a location convenient to WPS parents.

Findings of Fact (Continued)

Transitional Kindergarten (TK)

The Petition did not include a description of the program to address the needs of transitional kindergarten students. EC §48000(d) defines “Transitional Kindergarten” as the first year of a two-year kindergarten program that uses a modified kindergarten curriculum that is age and developmentally appropriate. EC §48000 (c)(3)(A) “In the 2014-2015 school year, and each school year thereafter, a child who will have his or her fifth birthday between September 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.” EC §48000(f) states, “It is the intent of the Legislature that transitional kindergarten curriculum align to the California Preschool Learning Foundations developed by the department.”

Recommendation

It is recommended that the County Board approve the Petition with the condition that the Petitioners describe the Transitional Kindergarten Program that they will offer, or secure an agreement from the Pajaro Valley Unified School District that Transitional Kindergarten services will be offered by the School District.

Findings of Fact (Continued)

Services for English Language Learners

The Charter's policy for redesignation of English Language Learners excludes the redesignation of students in grades earlier than grade 4. The Education Code allows for students in any grade to redesignate as Fluent Proficient. EC §313[f][1]; 5 CCR §11302, 11303.

Recommendation

It is recommended that the County Board approve the Petition and that such approval be contingent on the Petitioners revising their criteria to allow English Learners to be redesignated as Fluent English Proficient in any grade.

Findings of Fact (Continued)

Facilities

Under Proposition 39 (EC §47614; Prop 39), a school district is obligated to provide facilities to each charter school with at least 80 unites of ADA associated with the enrollment of students from that school district. Specifically, EC §47614(b) states:

Each school district shall make available, to each charter school operating in the school district, facilities sufficient for the charter school to accommodate all of the charter school's in-district students in conditions reasonably equivalent to those in which the students would be accommodated if they were attending other public schools of the district. Facilities provided shall be contiguous, furnished and equipped and shall remain the property of the school district. The school district shall make reasonable efforts to provide the charter school with facilities near to where the charter school wishes to locate, and shall not move the charter school unnecessarily. [EC §47614(b)]

Findings of Fact (Continued)

Facilities (Continued)

In this case, the Review Team is concerned that adequate facilities to house the proposed school have not yet been identified, and the Team is also concerned about the burden a Proposition 39 request could place on the Pajaro Valley Unified School District. Nevertheless, the Review Team acknowledges that the County Board cannot deny the Petition on the basis that adequate facilities will be difficult to secure or burdensome for the District, as such concerns are not among the enumerated grounds on which a charter petition can be denied (EC §47605(b)(1)-(6)).

However, pursuant to EC §47605(g), the Petition is required to provide the County Board with a sufficient description of its facilities, including where the facilities are located. Petitioners did not provide this information in the Petition. The Petitioners have also failed to include in their budget expense amounts for the rental of facilities if the Petitioner chooses to waive their Proposition 39 rights.

Recommendation

It is recommended that the County Board approve the Petition and that such approval be contingent on the Petitioners providing the Santa Cruz COE with a Facility Plan no later than October 1, 2018 which shall include a detailed description of desired facilities, related costs and the Petitioner's intention to pursue or not a Proposition 39 request in accordance with EC §47605(g).

Resolution I – With MOU Approval

Conditional Approval

- Requires the Charter School to meet identified requirements by October 1, 2018, which includes the approval of the proposed Memorandum of Understanding (MOU).
- The County Board will conclude whether the requirements have been met at its October 18, 2018 regularly scheduled meeting.
- If the County Board determines that the requirements have not been met, the Petition will be automatically denied.
- If the County Board determines that the requirements have been met, the Petition will be deemed approved with no conditions.
- If the County Board supports Resolution I “Conditional Approval”, it is also voting to approve the MOU.



Resolution II (Denial) or No Action

Denial

The County Board denies the Petition based on the findings of fact as set forth in the Staff Report.

No Action

The County Board also has the option to not take any action, which will default in a denial. The Charter School may seek approval from the State Board of Education.



Questions?



STAFF REPORT AND PROPOSED FINDINGS OF FACT OF THE WATSONVILLE PREP CHARTER SCHOOL PETITION

August 1, 2018

Prepared by the Charter School Review Team:

- Michael Watkins, County Superintendent of Schools
- Dr. Faris Sabbah, Deputy Superintendent
- Mary Hart, Deputy Superintendent, Chief Business Officer
- Mary Anne James, Associate Superintendent
- Jivan Dhaliwal, Associate Superintendent
- Jean Gardner, Senior Director, Fiscal Services
- Kris Stanga, Senior Director, District Support and Leadership
- Jessica Little, Senior Director, North County SELPA
- Troy Cope, Senior Director, Human Resources
- Sofia Sorensen, Multilingual Achievement Coordinator
- Dr. Cristine Chopra, Executive Director, S4C

EXECUTIVE SUMMARY

On June 19, 2018, the Santa Cruz County Board of Education (“County Board”) received a charter petition to form the Watsonville Prep School from Navigator Schools, Inc. (“Petitioners”), appealing the May 23rd, 2018 denial of the Petition by the Pajaro Valley Unified School District (“District”).

Consistent with required elements and legal criteria, a team of Santa Cruz County Office of Education (“SCCOE”) staff members representing all operational specialties and assisted by legal counsel (collectively, the “Review Team”) conducted an in-depth review of the Petition and supporting documents. Recognizing that Education Code (“EC”) 47605(b) provides that in reviewing petitions for the establishment of charter schools, the chartering authority shall be guided by the intent of the Legislature. The Review Team worked to ensure its review was robust, unbiased, and accurate.

The Review Team, in consultation with legal counsel, looked at over 185 different elements aligned to the required components of EC § 47605 and other laws that apply to Charter Schools. With the exception of four areas, the review team concluded that the petition and related documents “met or exceeded” the requirements of the law for approval of the charter school. It is the opinion of the Review Team that these areas of concern can be addressed through conditional approval of the Petition, which includes the execution of a Memorandum of Understanding between Petitioners, the County Superintendent, and the County Board.

Based on its review of the Petition, the Review Team recommends that the County Board **conditionally approve** the Petition subject to Petitioner meeting certain requirements, as further set forth in the Conditional Approval Resolution, which addresses the following concerns:

1. **Local Parent/Community Involvement in Governance**

The Petition does not include parent representation of a Watsonville Prep School parent on the Petitioner’s Board of Directors in accordance with EC § 47605(b)(5)(D). As set forth in the Regulations, the Petition should include, “active and effective representation of interested parties, including, but not limited to parents (guardians)” (5 CCR § 11967.5.1(f)(2).)

2. **Transitional Kindergarten (TK)**

The Petition does not include a description of the program to address the needs of transitional kindergarten students as required in EC §48000(c)(3)(A) which states that "a child who will have his or her fifth birthday between September 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.”

3. **Redesignation of English Language Learners**

The Petitioners’ policy for redesignation of English Language Learners excludes the redesignation of students in grades earlier than grade 4 as required by EC § 313[f][1]; 5 CCR § 11302, 11303.

4. **Facilities**

The Petition does not provide a sufficient description of its facilities including where the facilities will be located. Pursuant to EC § 47605(g) a description of the facilities to be used by the Petitioner, including the location of the facilities, must be provided as part of the Petition.

BACKGROUND

On June 19, 2018, the Santa Cruz County Board of Education received a charter petition to form Watsonville Prep School (“Petition”) from Navigator Schools Inc. appealing the denial of the Petition by the Pajaro Valley Unified School District on May 23, 2018. The County Board also received a report entitled “Staff Report and Findings of Fact, Watsonville Prep School Charter Petition” adopted by the District’s Board of Trustees on its denial of the Petition.

Pursuant to Education Code section 47605, subdivision (j), if the governing board of a school district denies a charter petition, the petitioner may submit the petition to a county board of education. If a county board of education does not grant or deny the petition within 60 days of receipt, the petitioners may submit the petition to the State Board of Education (“SBE”). If a county board grants the charter, it becomes the chartering authority and oversight agency for the charter school. (EC §47605(j), 47604.32 and 47604.33.) If the county board denies the petition, then petitioners may appeal to the State Board of Education. (EC §47605, subdivision (j)(1).)

On July 19, 2018, the County Board held a public hearing concerning the Petition as required by Education Code section 47605. The County Board of Education intends to make a decision at its meeting on August 16, 2018.

REVIEW PROCESS

Education Code (EC) section 47605, subdivision (j) provides that the County Board shall review a charter petition submitted after denial by a school district under the criteria in subdivision (b) – the same criteria that governs a school district’s initial review of the petition. The County Board is to receive a complete copy of the petition as denied. (Cal. Code Regs., tit. 5, §11967, subd. (b)(1).) The County Board is also to receive a copy of the District Board’s findings on the petition, setting forth the board’s grounds for denial under EC §47605(b). The County Board is not limited to a review based solely on the reasons for denial stated by the district, but must review the petition pursuant to the criteria in EC §47605(b). Essentially, this means that the County Board is to take account of the District Board’s action and findings, but the County Board is also to conduct a new, independent review of the petition under the same legal criteria in EC §47605(b).

As broad guidance, EC §47605(b) provides that in reviewing petitions for the establishment of charter schools, the chartering authority shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged. EC §47605(h) further charges that in reviewing petitions for the establishment of charter schools within the school district, the governing board of the school district shall give preference to petitions that demonstrate the capability to provide comprehensive learning experiences to pupils identified by the petitioner or petitioners as academically low achieving pursuant to the standards established by the department under Section 54032, as that section read before July 19, 2006.

The County Board shall deny a petition for establishment of a charter school only if the County Board makes written factual findings, specific to the particular petition, setting forth facts to support one or more of six grounds for denial in EC §47605, subdivision (b)(1)-(6). The six grounds for denial are:

1. the charter school presents an unsound educational program for the pupils 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;
4. the petition does not contain an affirmation of each of the conditions described in EC §47605(d); or
5. the petition does not contain reasonably comprehensive descriptions of all of the following fifteen required elements:
 - A. A description of the educational program of the school, designed, among other things, to identify those pupils whom the school is attempting to educate, what it means to be an "educated person" in the 21st century, and how learning best occurs. The goals identified in the educational program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.
 - B. The measurable pupil outcomes identified for use by the charter school.
 - C. The method by which pupil progress in meeting those pupil outcomes is to be measured.
 - D. The governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement.
 - E. The qualifications to be met by individuals to be employed by the school.
 - F. The procedures that the school will follow to ensure the health and safety of pupils and staff.
 - G. The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.
 - H. Admissions requirements, if applicable.
 - I. The manner in which annual, independent, financial audits shall be conducted, in accordance with regulations established by the State Board of Education, and the manner in which audit exceptions and deficiencies shall be resolved.
 - J. The procedures by which pupils can be suspended or expelled.

- K. The manner by which staff members of the charter schools will be covered by the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security.
 - L. The public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.
 - M. A description of the rights of any employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.
 - N. The procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.
 - O. A description of the procedures to be used if the charter school closes. The procedures shall ensure a final audit of the school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records.
6. The petition does not contain a declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code.

The County Board's review is based on three sources of information: statute, state regulations and staff analysis. First, EC §47605 provides the required elements of a petition; second, state regulations provide greater specificity on each of the requirements; and third, the staff team review and analysis of the required elements for formation of a new charter school and provides the County Board with its report and findings (Cal. Code Regs., tit. 5, §11967.5 et seq.) These regulations were developed for the State Board of Education's review of petitions; however, they offer helpful guidance to county boards and school districts, as well as the state board, on essential information for each of the criteria in EC §47605(b), including the findings for denial and the fifteen elements.

Consistent with required elements and legal criteria, a team of SCCOE staff members representing all operational specialties and assisted by legal counsel (collectively, the "Review Team") conducted an in-depth review of the Petition and supporting documents. The Review Team spoke with the Petitioners on July 13, 2018, to ask clarifying questions and to offer Petitioners an opportunity to provide input for the team's consideration. Following this process, the Review Team compiled this Staff Report and Proposed Findings of Fact regarding the Watsonville Prep School Charter Petition ("Staff Report").

In conducting its analysis, the Review Team, in consultation with legal counsel, utilized a rubric that examines 185 elements aligned to the required components of EC § 47605 and other laws that apply to Charter Schools. With the exception of four areas of concern, the Review Team concluded that the Petition "met or exceeded" the requirements of the law for approval of the charter school. It is the opinion of the Review Team that these areas of concern can be addressed through conditional approval, which includes the execution of a Memorandum of Understanding between Petitioners, County Superintendent, and the County Board.

The Review Team identified concerns in areas under Education Code Section 47605(b). Following this introduction is a summary of the key findings that form the basis for the Review Team's recommendation of approval.

FINDINGS

The Review Team identified four concerns in the Petition. The following findings establish the basis for the Review Team's recommendation.

1. Local Parent/Community Involvement in Governance

The Education Code requires the Petition to describe “the governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement” (Ed. Code §47605(b)(5)(D).) As set forth in the Regulations, the Petition should include, “evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that: there will be active and effective representation of interested parties, including, but not limited to, parents (guardians); and the educational program will be successful (5 CCR §11967.5.1(f)(4)(B).) The Petition does not demonstrate adequate WPS parent representation.

Recommendation

If the County Board chooses to approve the Petition, we recommend that such approval be contingent on the Petitioners modification of the structure of the Board of Directors to include a designated position for a WPS parent. In addition, the Petition Petitioners will hold their board meetings in a location convenient to WPS parents.

2. Transitional Kindergarten (TK)

The Petition did not include a description of the program to address the needs of transitional kindergarten students. EC §48000(d) defines “Transitional Kindergarten” as the first year of a two-year kindergarten program that uses a modified kindergarten curriculum that is age and developmentally appropriate. EC §48000(c)(3)(A) "In the 2014–15 school year, and each school year thereafter, a child who will have his or her fifth birthday between September 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.” EC §48000(f) states: “It is the intent of the Legislature that transitional kindergarten curriculum align to the California Preschool Learning Foundations developed by the department.”

Recommendation

If the County Board chooses to approve the Petition, we recommend that such approval be contingent on the condition that the Petitioners describe the transitional kindergarten program they will offer, or secure an agreement from Pajaro Valley Unified School District that Transitional Kindergarten services will be offered by the School District.

3. **Services for English Language Learners**

The Charter's policy for redesignation of English Language Learners excludes the redesignation of students in grades earlier than grade 4. Education Code allows for students in any grade to redesignate as Fluent Proficient. EC §313[f][1]; 5 CCR §11302, 11303.

Recommendation

If the County Board chooses to approve the Petition, we recommend that such approval be contingent on the Petitioners revising their criteria to allow English Learners to be redesignated as Fluent English Proficient in any grade.

4. **Facilities**

Securing adequate facilities for a new charter school can be very challenging. Under Proposition 39 (Ed. Code §47614; "Prop 39"), a school district is obligated to provide facilities to each charter school with at least 80 units of ADA associated with the enrollment of students from that school district. Specifically, EC §47614(b) states:

Each school district shall make available, to each charter school, operating in the school district, facilities sufficient for the charter school to accommodate all of the charter school's in-district students in conditions reasonably equivalent to those in which the students would be accommodated if they were attending other public schools of the district. Facilities provided shall be contiguous, furnished, and equipped, and shall remain the property of the school district. The school district shall make reasonable efforts to provide the charter school with facilities near to where the charter school wishes to locate, and shall not move the charter school unnecessarily.

Meeting the burden of a Prop 39 request is often exceedingly difficult for a school district, particularly where the district's own facilities are at full capacity. If adequate facilities are not readily available, both district and charter school students may suffer, as high quality facilities are a cornerstone of the educational experience. Even if a Prop 39 request is not made, it is also often difficult for a charter school to secure adequate commercial space to meet the needs of its students. In this case, the Review Team is concerned that adequate facilities to house the proposed school have not yet been identified, and it is also concerned about the burden a Prop 39 request could place on the Pajaro Valley Unified School District. Nevertheless, the Review Team acknowledges that the County Board cannot deny the Petition on the basis that adequate facilities will be difficult to secure or burdensome for the District, as such concerns are not among the enumerated grounds on which a charter petition can be denied (Ed. Code 47605(b)(1)-(6)). However, pursuant to EC § 47605(g), the Petition is required to provide the County Board with a sufficient description of its facilities including where the facilities are located. The Petitioners did not provide this information in the Petition. The Petitioners have also failed to include in their budget expense amounts for the rental of facilities.

Recommendation

If the County Board chooses to approve the Petition, we recommend that such approval be contingent on the Petitioners providing the Santa Cruz COE with a Facility Plan no later than October 1, 2018, which shall include a detailed description of desired facilities, related costs, and their intention to pursue or not pursue a Prop 39 request in accordance with Education Code section 47605(g).

The Review Team recommends that the above conditions be fully addressed to the satisfaction of the County Board on or before October 1, 2018.

ADDITIONAL CONSIDERATIONS

Transportation

School Districts may choose to provide for the transportation of pupils to and from school in accordance with EC §39800(a). With the exception of certain students, i.e. students with disabilities, school districts and charter schools are under no legal obligation to provide transportation to students. Given PVUSD's community reliance on District-provided transportation services to access schools and related programs, the Review Team is concerned about the ability of all students to access the Charter School and the possible limitations this may place on the Charter School's enrollment. The Review Team recognizes that the County Board cannot deny the Petition on the basis that the Charter School does not plan to offer transportation to attending students, as such concerns are not among the enumerated grounds on which a charter petition can be denied (Ed. Code 47605(b)(1)-(6)). The Review Team recommends the petitioner consider developing a transportation plan to provide access to students who live in remote areas.

Financial Plan

The Review Team conducted a thorough study of the financial documents included in the Petition. The Team further reviewed materials addressed in the Petition, such as Gilroy and Hollister Local Control and Accountability Plans (LCAPs), the El Dorado County SELPA Local Plan, Navigator Schools, Inc. websites, and the Petition appendices. Based on this review, WPS' supply costs, especially for instructional technology items, appear to be adequate. The Charter has funds in more than one expenditure line, totaling just over \$111,000.00, which is approximately \$600.00 per student the first year. These expenditures have been verified in the Charter budget. The Charter Petition included documentation in the Appendix regarding the donation revenue currently included in their 2018-19 and 2019-20 budgets. This documentation was deemed satisfactory. Concerns regarding cash flow and other budget items were reviewed by the Team and documentation provided in the Petition was deemed satisfactory. The Charter Petition included the revolving fund repayment schedule in the cash flow statement and it also included start-up costs in the 2018-19 planning year. The Review Team reviewed overall support staff FTE and it was deemed to be adequate. The Local Control Funding Formula was recalculated by the Review Team and the variance is approximately 0.1% of the Charter School's calculation, which is well within an acceptable standard variance. Finally, adequate reserves are projected in each year displayed in the multi-year projections and the proposed Memorandum of Understanding requires the Charter School to utilize the Standardized Account Code Structure (SACS) account codes school identifier to maintain separate accounting of all budget allocations and Actuals including revenues, encumbrances, and expenditures. Navigator Schools shall not commingle funds between WPS and other charter schools operated by Navigator Schools for any purpose whatsoever.

Likelihood for Success

The Review Team concluded that the recent 5 year charter renewals of Hollister Prep School and Gilroy Prep School served as strong evidence of the operational stability of Navigator Schools, Inc. The results of Navigator Schools, Inc.'s statewide achievement data and high performance levels in English Language Arts and Mathematics further support the potential success and sustainability of the educational plan for WPS. These assessment results were documented on the website for the California Assessment of Student Performance and Progress (CAASPP), the Smarter Balanced Assessment (SBAC), and referenced in the LCAPs). Review of Navigator Schools LCAP documents clearly demonstrates the significant funds to support ongoing, job-embedded professional learning and coaching for teachers as well as a proven track record of in-house training of new staff. The Review Team concurred with the LCAP planned Actions and Services to improve student's socio-emotional wellbeing, behavior, and safety through implementation of Positive Behavior Interventions and Supports (PBIS) training. The Review Team concluded that the Petition's well defined educational plan (including the 5 Compass Points), the integrated curriculum, instruction, and assessment model, and the Petitioners focus on continuous improvement combine to forge a likelihood of success at WPS.

Additional minor concerns raised by the Review Team, which are not contained herein, have been properly addressed through the proposed Memorandum of Understanding.

RECOMMENDED ACTION

Based on its review of the Petition, the Review Team recommends that the Petition be **conditionally approved in conjunction with the attached proposed Memorandum of Understanding.**

The Review Team recommends that the above conditions be fully addressed to the satisfaction of the County Board on or before October 1, 2018.

ALTERNATIVE ACTION

If the County Board determines that identified concerns cannot be adequately addressed or otherwise constitute grounds for denial of the Petition per Education Code Section 47605, subdivision (b), the following conditions would constitute “written factual findings, specific to the particular petition, setting forth specific facts to support one or more” grounds for denying the Petition. Should they vote to deny the Petition, the County Board could adopt these final findings of fact as their own:

The Petition does not contain reasonably comprehensive descriptions of all required elements of a Charter Petition set forth in Education Code 47605.6(b)(5)

Local Parent/Community Involvement in Governance

The Petition does not include parent representation of a Watsonville Prep School parent at the governance council to ensure “active and effective representation” parent representation in accordance with EC §47605(b)(5)(D).

Transitional Kindergarten (TK)

The Petition does not include a description of the program to address the needs of transitional kindergarten students as required in EC §48000(c)(3)(A).

Services for English Language Learners

The Petitioners’ policy for redesignation of English Language Learners excludes the redesignation of students in grades earlier than grade 4 as required by EC § 313[f][1]; 5 CCR §11302, 11303.

Facilities

The Petition does not provide a sufficient description of its facilities including where the facilities will be located. Pursuant to Education Code §47605(g) a description of the facilities to be used by the Petitioner, including the location of the facilities, must be provided as part of the Petition. The Petition does not include a budget which includes any expense amount for the rental of facilities.

Charter School Memorandum of
Understanding

Between

Santa Cruz County Board of Education,

Santa Cruz County Superintendent of
Schools/Office of Education,

And

Navigator Schools
which operates
Watsonville Prep School

August 16, 2018 – June 30, 2023

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MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made and entered into this 16th day of August, 2018 by, between, and among the Santa Cruz County Board of Education (hereinafter “the County Board”), Santa Cruz County Superintendent of Schools/Office of Education (hereinafter “the Santa Cruz COE”), and Navigator Schools which operates Watsonville Prep School, (hereinafter referred to as “WPS” or “Charter School”). Hereinafter, the County Board, the Santa Cruz COE, and WPS shall be collectively referred to as “the parties.”

I. PURPOSE OF MEMORANDUM OF UNDERSTANDING

- A. The State of California enacted the Charter Schools Act of 1992 (hereinafter “The Act”) authorizing the formation of charter schools with the intent that the schools improve student learning through a variety of means, including increased learning opportunities, innovative teaching methods, performance-based accountability, and expanded choice for parents within the public school system.
- B. The Act authorizes the County Board to grant charter petitions under specified circumstances. The County Board has approved a charter petition for WPS for a five-year period beginning August 16, 2018 through June 30, 2023 (hereinafter the “Charter”).
- C. WPS is operated by Navigator Schools, as a California non-profit public benefit corporation in accordance with Education Code section 47604. WPS and the Navigator Schools Board of Directors are responsible for the Charter School’s compliance with the terms of the Charter and with this MOU.
- D. All parties agree that no single party to this MOU waives any of the rights, responsibilities and privileges established by the Charter Schools Act of 1992 that may change from time to time during the Term of this MOU.
- E. To the extent permitted by applicable law, the County Board has, by agreement with the County Superintendent, delegated its obligations to oversee the Charter School, whether arising at law, by the terms of Charter School’s Charter, by this Agreement, or from any other source, to the County Superintendent; and in connection with the said delegation, the County Superintendent shall report periodically to the County Board.
- F. The fundamental interest of the Santa Cruz COE and County Board is – on a continuing basis – to be reasonably assured that WPS is:

- Implementing the provisions of the Charter as approved.
 - Obeying all requirements of federal, state, and local law that apply to the Charter School.
 - Being operated prudently and soundly in all respects.
 - Providing a sound education for all of the Charter School's students.
- G. The parties recognize that there are a limited number of matters related to the operation of this Charter School and the effective oversight of WPS, which go beyond the provisions included in the Charter School's Petition or which need further clarification. Santa Cruz COE also acknowledges that the operation of Charter School is to be solely carried out by WPS. This MOU is intended to address those matters that have not been covered in the Charter and to provide guidance on the oversight policies and procedures of Santa Cruz COE. Further, this MOU is intended to outline the parties' agreements governing their respective fiscal and administrative responsibilities and their legal relationships.
- H. The parties recognize and agree that WPS shall not charge tuition, shall be nonsectarian, and shall be open to all students regardless of the characteristics listed in Education Code Section 220 (actual or perceived disability, gender, gender identity, gender expression, nationality, race or ethnicity, religion, sexual orientation, or any other characteristic that is contained in the definition of hate crimes set forth in Section 422.55 of the Penal Code, including immigration status or association with an individual who has any of the aforementioned characteristics) and those provisions of non-discrimination shall apply as well to employment.

II. TERM OF MEMORANDUM OF UNDERSTANDING

- A. This MOU shall commence on August 16, 2018, and end on June 30, 2023 ("Term"). This MOU between and among the Santa Cruz County Board of Education, County Superintendent, and WPS shall include Attachment A (Additional Services), Attachment B (Special Education Local Plan Assurances), Attachment C (Timeline) and Attachment D (the Charter Petition), and is subject to termination during this Term or during any renewal of the Charter as specified by law or as otherwise set forth in this MOU. Should the County Board deny the Petition, in the event the conditions set forth in the Conditional Approval Resolution are not met, this MOU shall automatically terminate.
- B. Any modification of this MOU must be in writing and executed by duly authorized representatives of all parties.

1. The duly authorized representative of WPS are its Chief Executive Officer, Principal, or designee.
 2. The duly authorized representative of the County Board is the President of the County Board of Education or designee. However, this representative does not have authority to act on behalf of the County Board without approval by a majority of the County Board's membership.
 3. The duly authorized representative of the Santa Cruz COE is the County Superintendent of Schools or designee. For purposes of material amendments to the Charter, such amendments take effect only if approved by WPS and the County Board.
- C. Communication with the Santa Cruz COE regarding progress towards resolution of the identified areas of concern as set forth in the Santa Cruz COE Staff Report and Findings of Fact shall take place quarterly during the 2018-19 school year and in accordance with specific timelines set forth herein.
- D. This MOU is for the term of the Charter and shall be reviewed at least annually by the parties. Proposed revisions to the MOU will be submitted by July 1 annually, or as may be requested by WPS, the County Board, or the Santa Cruz COE. In the case of mid-year changes in applicable laws, the Santa Cruz COE reserves the right to request mid-year modifications to this MOU. Such modifications, if agreed upon, will be included as addendums to the MOU. The approved MOU and addendums will continue unless modified and agreed to in writing by all parties. This MOU will automatically expire upon the expiration or revocation of the Charter. However, the MOU will not expire pending any appeal of a denied renewal or revocation.

III TERM, RENEWAL, AND REVOCATION OF CHARTER

- A. WPS is a public charter school that shall be operated pursuant to the charter petition (Attachment D).
- B. The Charter School will operate with grades Transitional Kindergarten (TK) through 5 and may grow to serve an approximate enrollment of up to 390 student enrollment growth during the chartered period. WPS shall be responsible to provide a Transitional Kindergarten Program to students eligible to attend WPS unless they are able to secure an agreement with Pajaro Valley Unified School District to provide a TK program to WPS students. WPS shall provide Santa Cruz COE with a description of its TK program or the written agreement with PVUSD to serve its TK students.

- C. WPS shall be responsible for all the functions of the Charter School as a public charter school subject to terms and conditions set forth in this MOU, the Charter and applicable law.
- D. The Charter School’s Petition shall have a five (5) year term and expire on June 30, 2023. The parties acknowledge that the provisions of the Charter and this MOU are not intended to conflict. However, in case of conflict between the Charter and MOU, the parties agree to meet as soon as possible to negotiate an amendment to the MOU (or Charter, if necessary – which shall require County Board approval for material changes). In the interim, however, this MOU shall control.
- E. Future review and renewal of the Charter shall be in accordance with state and federal law, and as described under Section 4.3 of this MOU. The County Board reserves the right to approve amendments to the Charter and/or revoke the Charter as specified in EC section 47607 and applicable regulations, if any.

SECTION 1: GOVERNANCE AND ORGANIZATIONAL MANAGEMENT

- A. The Charter School will operate consistent with EC Section 47604(a). Navigator Schools is a separate legal entity and neither the County Board nor the Santa Cruz COE is liable for the debts and obligations of WPS as per EC 47604(c).
- B. The parties further recognize that consistent with the Charter approved by the County Board, Navigator Schools has obtained and maintains during the term of this MOU and Charter Petition status as a non-profit, public benefit corporation as provided in EC 47604.
- C. WPS will use all revenue received from state and federal sources only for the educational services and related activities specified in the Charter and this MOU for the benefit of the students enrolled and attending Charter School.
- D. Other sources of funding must be used in accordance with applicable state and federal statutes, and the terms or conditions, if any, of any grant or donation.

1.1 Organization

Prior to the effective date of the Charter, and at all times it is operational, WPS will have the following information posted on its Internet site (<http://www.navigatorschools.org>) and will update the posting as quickly as possible whenever the information changes:

- a) Contact information, including phone numbers and e-mail addresses of the principal contacts for Charter School; and

- b) The Charter School's management organization chart displaying WPS' governing board and listing of all the names and contact information for the Charter School leadership.
- c) WPS will provide Santa Cruz COE with written notice of any change in the directors, officers, and administrators within twenty (20) business days.

1.2 Governing Board Composition

Prior to the effective date of the Charter, and at all times it is operational, WPS will have the following information posted on its Internet site (<http://www.navigatorschools.org>) and will update the posting as quickly as possible whenever the information changes:

- a) Articles of Incorporation as filed with the California Secretary of State.
- b) Bylaws approved by Navigator Schools.
- c) Notice of approval of federal 501(c)(3) tax-exempt status of Navigator Schools.
- d) Conflict of Interest policy applicable to Navigator Schools.
- e) Roster of current Board of Directors of Navigator Schools.
- f) Membership process for the Board of Directors of Navigator Schools.

1.3 Governing Board Activities

- a) Calendar

WPS shall provide Santa Cruz COE an annual calendar of governing board meetings for WPS including a description of how parents of WPS students and community members will be notified of the meetings. This calendar shall be posted on the Internet (<http://www.navigatorschools.org>).

- b) Brown Act Training

Prior to the effective date of the Charter, WPS shall provide verification by letter to Santa Cruz COE that all members of the governing board of Navigator Schools, administrative staff, and any other staff relative to the Charter School deemed appropriate by WPS have participated in Brown Act training.

c) Governing Board Meetings

The governing board of Navigator Schools shall conduct public meetings at such intervals as are necessary to ensure that the governing board is providing sufficient direction to WPS through implementation of effective policies and procedures. Governing board meetings of Navigator Schools will be conducted in keeping with the requirements of the Ralph M. Brown Act (Government Code sections 54950 – 54962).

- 1) All agendas shall be provided to the Santa Cruz COE electronically at least 3 working days in advance of the board meeting when posted and such posting shall be in a conspicuous location and on the Internet in accordance with the Brown Act (<http://www.navigatorschools.org>).
- 2) Minutes of each meeting whether regular or special shall also be made available to the Santa Cruz COE within ten (10) working days of approval.
- 3) Approved Charter School Governing board meeting agendas and minutes will be posted on the Internet (<http://www.navigatorschools.org>)
- 4) Governing Board meeting agendas and minutes of WPS shall be maintained and available for public inspection and during site visits.

d) Governing Board Policies

The governing board will adopt policies and procedures to guide the operation of WPS, and WPS will post the policies and procedures on the Internet (<http://www.navigatorschools.org>) updating the posting as quickly as possible following any change. The policies and procedures will include, but not be limited to, the following:

1) **Conflicts of Interest**

Navigator Schools' Governing board shall: (1) adopt a conflict of interest policy, including provisions related to nepotism, for itself, for Charter School, and for Navigator Schools' employees and contractors, to ensure that no action taken by an individual or organization covered by the policy results in an actual or apparent conflict of interest; and (2) provide Santa Cruz COE verification that

all Navigator Schools' board members and employees deemed appropriate by Navigator Schools' have participated in conflict of interest training. Navigator Schools' Governing Board shall comply with all requirements of Government Code section 1090.

2) **Representation of WPS Parents on Navigator Schools. Navigator Schools Board**

Navigator Schools will add a WPS parent voting position on the Navigator Schools Board of Directors. Board meetings will take place in a location convenient to all charter schools operated by Navigator Schools, and rotate board meetings among all schools.

3) **Representation of WPS**

The Navigator Schools Board of Directors, when acting on behalf of WPS, shall make decisions in the best interest of WPS. If the Navigator Schools Governing Board determines that there may be potential competing interests between WPS and other charter schools served by Navigator Schools the Navigator Schools Governing Board shall immediately disclose the potential competing interests to the County Superintendent and the parties shall work together to determine the appropriate remedy.

4) **Internal Fiscal Controls**

Navigator Schools will maintain internal fiscal control policies governing all financial activities of Charter School. Navigator Schools shall provide Santa Cruz COE a copy of its internal fiscal control policies governing all financial activities approved by Navigator School's governing board as policies are revised. Such policies and procedures are subject to review during site visits to see that they are being implemented.

5) **Campus Supervision**

WPS shall provide Santa Cruz COE a copy of the governing board policy of Navigator Schools relative to the supervision of Charter School students before and after school and while on campus, student field trips, student pick-up, as well as a procedure for visitors to enter and leave campus.

6) **Discipline Policies**

WPS shall provide Santa Cruz COE a copy of the governing board policies of WPS relative to student discipline, including a list of the offenses for which students may be suspended or expelled, the procedures for suspension or expulsion, procedures by which parents and students will be informed about reasons for suspension or expulsion, and of their due process rights in regard to either disciplinary action. WPS' student discipline policy shall be in compliance with Education Code § 47605(b)(5)(J).

7) **Parent/Student Handbook**

WPS shall provide Santa Cruz COE a copy of the parent/student handbook for the Charter School. At a minimum, the handbook shall include detailed expectations for student attendance, behavior, and discipline, including policies and consequences for bullying and harassment, due process rights related to discipline (including suspension, expulsion, and special education), and a description of both informal and formal complaint procedures that parents may pursue in the event of disagreements. WPS will provide an electronic copy of the parent/student handbook to each family in the language spoken at home at the beginning of each year and will post a copy on the Internet in both English and Spanish. Upon request, WPS will promptly also provide a hardcopy of the parent/student handbook to anyone requesting a copy.

8) **Complaint Procedure**

WPS shall address, respond, investigate, and take any and all necessary action to respond to all complaints received under, among other issues, the Charter School's uniform complaint procedure, including, but not limited to those complaints involving Special Education and IDEA or 504/ADA compliance. A copy of the Uniform Complaint Form and a description of the complaint procedure will be included in both the Parent/Student Handbook and the Employee Handbook. Complaints filed with the Charter School, whether formal or informal, and including complaints filed with any governmental entity other than the Santa Cruz COE must be provided to the Santa Cruz COE within three (3) working days of receipt by the Charter School. Complaints regarding the Charter School received by the Santa Cruz COE, whether

formal or informal, shall be communicated to the Charter School within three (3) working days of the Santa Cruz COE's receipt of such complaints. If any such complaint raises an issue or issues that may be grounds for revocation or non-renewal of the charter, the Santa Cruz COE may request that the Charter School report to the Santa Cruz COE on how such complaints are being addressed, and the Charter School agrees to provide such information upon the Santa Cruz COE's request. The Charter School shall make such information available to the Santa Cruz COE for inspection and copying upon request during regular business hours or, upon request, the Charter School shall deliver to the Santa Cruz COE within ten (10) business days a current copy of any requested records or information. Under all circumstances, the Charter School will cooperate fully in the release of information to the Santa Cruz COE to assist in the Santa Cruz COE's oversight obligations.

e) Health and Safety Plan

At all times it is operational, WPS will have the following information posted on the Internet (<http://www.navigatorschools.org>) and will update the posting as quickly as possible whenever the information changes:

- 1) A copy of the health, safety, and emergency plan for Charter School students and employees.
- 2) Certification that staff has been trained in health, safety, and emergency procedures.
- 3) A Copy of the Charter School's Emergency Preparedness Plan

The health and safety plan shall address at a minimum, fire emergencies, earthquakes and other natural disasters, civil disorder, accidents, injuries, and other threats to the health and safety of students and staff. WPS shall provide training for staff in responding to emergencies and conduct emergency response drills for its students. WPS shall provide Santa Cruz COE a copy of the annual calendar of emergency drills for students at the Charter School.

f) Notice to Parents/Guardians

- 1) Prior to the effective date of the Charter, and at all times it is operational, WPS will have posted on the Internet (<http://www.navigatorschools.org>) information concerning the rights of parents and guardians under the applicable provisions of the federal Every Student Succeeds Act (ESSA) and the Family Educational Rights and Privacy Act (FERPA), and will update the posting as quickly as possible whenever the information changes. WPS will also provide a hardcopy to families upon request.
- 2) If the Charter School receives Title I funding on behalf of Charter School, parent notice shall provide information regarding the federal Every Student Succeeds (ESSA) Act.

g) Family Educational Rights and Privacy Act (FERPA)

WPS employees have a legitimate educational interest such that they are entitled to access to education records under 20 U.S.C.A. § 1232g, the Family Educational Rights and Privacy Act (FERPA). The Charter School, its officers and employees shall comply with FERPA at all times. In addition, it is agreed that the Santa Cruz COE has a legitimate educational interest in the educational records of Charter School's students such that the Santa Cruz COE shall have access to those records. Records shall, at a minimum, include emergency contact information, health and immunization data, attendance summaries, and academic performance data from the statewide student assessments required pursuant to EC sections 60605 and 60851.

h) Criminal Records Summaries

At all times during the Term of the Charter, WPS employees who will be performing services with Charter School students that are not under the direct supervision of a certificated teacher, and onsite vendors having unsupervised contact with Charter School students will submit to background checks and fingerprinting in accordance with EC Section 45125.1. WPS will provide certification to Santa Cruz COE that all employees, and volunteers/vendors (as applicable) have clear criminal records summaries prior to their having any unsupervised contact with students. WPS shall maintain on file and have available for inspection during site visits, evidence that it has performed criminal background checks for all employees and documentation certifying that vendors have conducted required criminal background checks for their employees prior to any unsupervised contact with students.

1.4 Administration

Prior to the effective date the Charter, and at all times it is operational, WPS will have the following information posted on the Internet (<http://www.navigatorschools.org>) and will update the posting as quickly as possible whenever the information changes:

- a) Enrollment and Admissions Documentation
 - 1) Procedures for enrollment, admission, and the public random drawing.
 - 2) Descriptions of outreach and recruitment activities that have been conducted to reach target population.
 - 3) Evidence that enrollment preferences and random drawing preferences are consistent with the Charter and applicable law, including but not limited to Education Code § 47605(d).
 - 4) A copy of the application and enrollment forms and information provided to prospective families.
 - 5) Process for exiting a student from WPS for other than disciplinary reasons and communicating their dismissal to the Santa Cruz COE.

By CBEDS date of each year, WPS shall also provide the Santa Cruz COE with electronic documentation of enrollment, including each student's name.

- b) Required Disclosures

WPS shall immediately notify Santa Cruz COE of any pending or actual litigation and/or claim from any party or notice of potential infraction, criminal or civil action against WPS, its officers or any employee, agent or volunteer that may involve or affect WPS. In addition, WPS shall immediately notify Santa Cruz COE of any request for information by any governmental agency about WPS. Santa Cruz COE shall immediately notify WPS of any pending or actual litigation and/or claim from any party or notice of any potential litigation and/or claim against Santa Cruz COE, the County Board, or WPS, that may involve or affect WPS. In addition, the Santa Cruz COE shall immediately notify WPS of any request for information by any governmental entity about the Charter School.

c) School Accountability Report Card (SARC)

On or before February 1st of Charter School year, WPS shall post its SARC on the WPS website (<http://www.navigatorschools.org>). WPS will use the template developed by the California Department of Education (CDE) as a guide which is available at <http://www.cde.ca.gov/ta/ac/sa>. WPS may add or delete elements of the SARC in accordance with applicable law.

d) Inquiries or Requests for Information

WPS shall promptly respond to all reasonable inquiries by the Santa Cruz COE, County Board, the Superintendent of Public Instruction, and their respective designees, including but not limited to the financial records of the Charter School and shall consult with the County Superintendent or his/her designee regarding any inquiries as per EC 47604.3 within 5 business days of inquiry.

e) Insurance and Risk Management

WPS shall procure from an insurance carrier licensed to do business in the State of California or a qualified JPA (joint powers authority) registered with the California Department of Industrial Relations, and keep in full force during the term of the Charter and will provide annually a copy of the certificate of coverage, at least the following insurance coverage concerning WPS:

1) Property Insurance

Covering damage, destruction or loss personal property owned by WPS or located at premises occupied by WPS, providing for replacement value and the loss of use of such property, which will include all assets listed in the applicable property inventory and consumables.

2) General Liability

At least \$1,000,000 per occurrence and \$2,000,000 aggregate, in addition no less than \$15,000,000 in total general liability insurance or excess as deemed appropriate per current insurer (NCR), providing coverage for negligence, errors and omissions/educators legal liability, abuse and molestation, and employment practices liability of WPS, its governing board, officers, agents, employees, or students of WPS. The deductible per occurrence for said

insurance shall not exceed \$20,000 for any and all losses resulting from negligence, errors and omissions of WPS, its governing board, officers, agents, employees, or students of WPS.

3) Workers' Compensation

In accordance with the provisions of the California Labor Code, insurance adequate to protect WPS from claims under Workers' Compensation Acts which may arise from its operation of WPS, with statutory limits.

4) Automobile Insurance

To the extent necessary and in amounts appropriate for the type and use of any automobile.

WPS shall provide evidence of all applicable insurance coverage to Santa Cruz COE prior to operation of WPS, but not later than June 30, 2019, and annually thereafter and will instruct the insurance carrier(s) to inform the Santa Cruz COE immediately if the coverage becomes inoperative for any reason. The County Board and the County Superintendent and his office shall be named as also insured on the above policies. If for any reason any of the above insurance becomes inoperative, WPS shall provide a written explanation within 2 calendar days and shall immediately cease operation unless otherwise agreed to by Santa Cruz COE. All parties agree that the absence of any insurance listed above shall be deemed sufficient reason for revocation of the Petition and immediate cessation of operation of the Charter School. WPS shall have 10 working days to provide the COE with proof of insurance.

WPS shall hold harmless, defend, and indemnify the County Board, Santa Cruz COE, its officers, agents and employees, from every liability, claim, or demand which may be made by reason of (1) any injury to volunteers; and (2) any injury to person or property sustained by any person, firm, or corporation caused by any intentional or negligent act or omission of WPS, its officers, employees or agents. In cases of such liabilities, claims, or demands, WPS, at its own expense and risk, shall with legal counsel satisfactory to Santa Cruz COE defend and indemnify the County Board, Santa Cruz COE, its officers and employees, with their full cooperation, and shall satisfy any resulting judgments up to the required amounts that may be rendered against any of them. This indemnity and hold harmless provision shall exclude actions brought by third persons against Santa Cruz COE or County Board arising solely out of the negligence or intentional acts, errors, or omissions of the Santa Cruz COE or the County Board, its directors, employees, officers and agents.

Santa Cruz COE and the County Board shall hold harmless, defend, and indemnify WPS, its officers, agents and employees, from every liability, claim, or demand which may be made by reason of (1) any injury to volunteers; and (2) any injury to person or property sustained by any person, firm, or corporation caused by any intentional or negligent act or omission of Santa Cruz COE or the County Board, its officers, employees or agents. In cases of such liabilities, claims, or demands, Santa Cruz COE and/or County Board, at its own expense and risk, shall with legal counsel satisfactory to WPS defend and indemnify WPS, its officers and employees, with their full cooperation, and shall satisfy any resulting judgments up to the required amounts that may be rendered against any of them. This indemnity and hold harmless provision shall exclude actions brought by third persons against WPS arising solely out of the negligence or intentional acts, errors, or omissions of WPS, its directors, employees, officers and agents.

1.5 Human Resources Management

Navigator Schools is deemed the exclusive employer of the employees of WPS for the purposes of the Educational Employee Relations Act (EERA) under Government Code Section 3540, et. seq. Navigator Schools will have sole responsibility for employment, management, dismissal, and discipline of its employees.

a) Employee Handbook

Prior to the effective date of the Charter, and at all times it is operational, WPS will have posted on the Internet (<http://www.navigatorschools.org>) (and will update the posting as quickly as possible whenever the information changes), a copy of the employee handbook that will be distributed to employees at WPS each year. At a minimum, the handbook shall include detailed expectations for employee performance and behavior, due process rights of employees related to disciplinary actions (including termination), compensation and benefit information, and a description of both informal and formal complaint procedures that employees may pursue in the event of disagreements. WPS may provide the Santa Cruz COE with an electronic copy of the document in lieu of posting it on the Internet.

b) Employee Agreements

Prior to the effective date of the Charter, WPS will provide Santa Cruz COE sample employee agreement(s) that, at a minimum, state that Navigator Schools is the exclusive employer of employees and has sole responsibility for employment, management, dismissal, and discipline of its employees. WPS will provide Santa Cruz COE with updated versions of the sample employee agreement(s) when any changes are made to them during the Term of the Charter.

c) Teacher Credentials and Requirements

By August 15th of each year thereafter, WPS shall provide the Santa Cruz COE proof that all WPS teachers hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which teachers in other public schools are required to hold, except as otherwise exempted by the Charter Schools Act. The certification will also cover the compliance with WPS will have documentation on file (for inspection upon request) of its teachers' credentials.

d) ESSA and Education Code 47605(l)

The Charter School will be responsible for ensuring its staff is compliant with all applicable provisions of the federal Every Student Succeeds Acts (ESSA) and Education Code section 47605(l).

e) STRS & PERS Reporting Requirements

WPS shall accept and assume sole financial responsibility for all STRS and PERS reporting fines and penalties resulting from incomplete, inaccurate, or late reports and/or inadequate or late deposits from any cause whatsoever, except the sole negligence of the Santa Cruz COE. Such responsibility shall include but not be limited to any and all reporting fines and/or penalties.

1.6 Facilities

It is understood and agreed that the County Board and/or the Santa Cruz COE have no obligation to provide facilities to WPS. If WPS seeks facilities from a school district in which it intends to locate under Proposition 39, it shall follow applicable statute and regulations regarding submission of such a request to a district. WPS shall provide a copy of each Proposition 39 request to Santa Cruz COE at the time of submitting its request to any school district.

- a) WPS shall provide the County Superintendent no later than October 1, 2018 with a Facility Plan which includes a description of desired facilities, related costs, and their intention to pursue or not a Prop 39 request. In accordance with Education Code section 47605(g), the Facility Plan shall provide a detailed description of the facility that WPS will use for the operation of its school.

- b) If WPS requests facilities pursuant to Prop 39, WPS shall provide the County Superintendent no later than July 15, 2019, with the copies of any signed Facility Use Agreements.
- c) To the extent that Charter School obtains its own site, Charter School shall be responsible for the costs of maintenance, operations and furnishing of its facilities. Such facilities shall meet all applicable health and fire code requirements and shall be of sufficient size to safely house anticipated enrollment.
- d) Charter School recognizes that its facilities and programs must conform with the Americans with Disabilities Act and any other federal requirement that may be applicable to charter schools. The cost of compliance is the sole responsibility of Charter School. If during the term of this MOU, Charter School were to occupy Pajaro Valley Unified School District buildings, the parties would address responsibility for ADA compliance related to the buildings.
- e) Prior to entering into any contract for land or buildings, Charter School shall review the proposed contract with the Santa Cruz COE. Review by the Santa Cruz COE does not constitute approval or liability for any debts incurred by Charter School under or pursuant to the contract. Such review has as its sole purpose monitoring information and ensuring compliance of the Charter Petition.
- f) The Charter School shall report any new or revised lease agreements or facility purchases within 5 business days of approval and will provide copies of any Facility Use Agreements.
- g) In August of each year WPS shall provide a report to the Santa Cruz COE on all of its current or revised facility lease agreements.
- h) Zoning and Occupancy: WPS shall provide Santa Cruz COE a certification that the Charter School's facility is located in an area that is properly zoned for operation of a school and that has been cleared for student occupancy by all appropriate local authorities. All facilities must meet all applicable health and fire code requirements and zoning laws in accordance with Education Code Section 47610. WPS will furnish the Santa Cruz COE, upon request, with all local approvals (EC § 47610(d)) including applicable fire marshal clearances, certificates of occupancy, signed building permit inspections and approved zoning variances. WPS cannot exempt itself from applicable local zoning or building code ordinances without prior approval of the Santa Cruz COE, which shall not be unreasonably withheld.

SECTION 2: EDUCATIONAL PERFORMANCE

2.1 Educational Program

By August 1st of each year and at all times it is operational, WPS will have the following information posted on the Internet (<http://www.navigatorschools.org>) and will update the posting as quickly as possible whenever the information changes:

- a) Scope and sequence for all subjects to be offered by WPS.
- b) The complete educational program for students to be served including, but not limited to: (1) a description of the curriculum and identification of the basic instructional materials to be used, (2) plans for professional development of instructional personnel to deliver the curriculum and use the instructional materials, (3) identification of specific assessments that will be used in addition to the results of the California Assessment of Student Performance and Progress (CAASPP) program in evaluation of student progress.
- c) Annual calendar for the WPS school year that includes the number of instructional days (must provide a minimum of 175 days or as otherwise required by law), annual instructional minutes offered, and the number of professional development days.
- d) Daily bell schedule for site based programs.

2.2 Evaluation of Educational Programs

a) Annual Report of Activities

By November 30 of each year, WPS shall post on the Internet (<http://www.navigatorschools.org>) and submit a report for WPS to the Santa Cruz COE for the prior year that examines the following (“Annual Report”):

- 1) CAASPP results both in aggregate and disaggregated by numerically significant subgroups.
- 2) Progress made toward meeting LCAP student achievement targets.
- 3) Progress made toward each of the educational goals and student outcomes identified in the Charter including but not limited to the statewide and local indicators in the California School Dashboard.

- 4) Results and analysis of any additional internal, interim assessments used by WPS including but not limited to STAR Reading and Math, NWEA MAP, and assessments of progress of English Learners in English Language Development.
 - 5) The fulfillment of the school's purposes and goals, including plans to address areas, if any, that WPS has identified as needing improvement by WPS.
 - 6) Culture and climate of the school including attendance patterns, parent satisfaction surveys, and community participation.
 - 7) Evidence that the Charter School is systematically examining student data and using it to drive decisions regarding curriculum and instruction.
- b) Annual Plan Regarding ELs and other Special Needs Students

A continuing plan for the support of students requiring academic assistance to meet school curriculum and assessment requirements, including English Learners and those with identified special education needs, as well as for students continuing to be unsuccessful even with additional support, shall also be submitted to the Santa Cruz COE in written form on or before **October 30** of each year. The plan shall include data regarding the number of English Learners in any grade level redesignated during the prior year in accordance with state and federal guidelines (EC §313[f][1]; 5 CCR §11302, 11303) as well as the academic standing of Redesignated Fluent English Proficient (RFEP) students for four years following redesignation. The plan shall be reassessed, at a minimum, on an annual basis to measure the effectiveness of the program to meet established goals and WPS shall make revisions as required.

The Annual Report shall be used as a central area of focus for site visits. WPS will provide specific evidence that the results, as shown in the Annual Report, are targeting improvement in student achievement and that WPS is financially sound. The report should target any state indicator that are below the blue/green performance levels on the **California School Dashboard** and describe plans for addressing the areas in need of improvement.

- c) The Transitional Kindergarten Program, whether operated by WPS or another school district, shall have a developmentally appropriate curriculum and assessment plan and such documents shall be submitted to the County Superintendent for approval no later than October 1, 2018 and once approved, shall become a part of the Charter Petition. The curriculum and assessment plans shall meet the requirements of EC Section 48000(g) and be aligned to the CA Preschool Learning Foundations and the CA Preschool Curriculum Frameworks per Senate Bill 858.

2.3 School Accountability. Annual LCAP

The Charter School shall comply with Education Code section 47606.5 and its implementing regulations, including any subsequent amendments. The Charter School's Local Control and Accountability Plan ("LCAP"), and annual updates thereto as required by law, shall be annually provided to the District by July 1, unless a different date is established by law. The Charter School may utilize the State Board of Education's template to submit its LCAP pursuant to this section. To the extent practicable, the Charter School shall report LCAP data in a manner consistent with how information is reported on a School Accountability Report Card.

2.4 Corrective Action

Charter School will not be required to submit a Corrective Action Plan should it meet all academic and fiscal goals. However, a Corrective Action Plan shall be required should Charter School fail to meet goals, including but not limited to insufficient academic progress in one or more major subgroups for two consecutive years as reported in the California School Dashboard; fail to generate sufficient reserves for economic uncertainty after one year of operation; or receive one or more significant independent audit findings. Should the Charter School require a Corrective Action Plan, the Charter School must comply with the terms and conditions specified in the Corrective Action Plan, as determined by the Santa Cruz COE. Corrective Action Plans submitted to the Santa Cruz COE shall be required to target goal, required actions, and anticipated outcomes toward improvement in desired area of growth using clearly defined objective measures.

- a) Student Achievement Plan

Should a Student Achievement Plan be required, the Charter School shall submit a draft plan to the Santa Cruz COE by October 1 and submit a final plan by December 1.

- b) Fiscal Performance Improvement Plan: Should a Fiscal Performance Improvement Plan be required, the Charter School shall submit a draft plan to the Santa Cruz COE by October 1 and submit a final plan by December 1.

2.5 Updates to Santa Cruz County Board of Education

At the request of Santa Cruz COE, WPS shall present updates and or reports to the Santa Cruz County Board of Education during the year.

2.6 Services for Students with Disabilities

- a) It is recognized that WPS is a member of the El Dorado County Charters SELPA, that WPS shall be categorized as a local education agency (LEA) for the purpose of providing special education services to students of WPS. As set forth in Education Code sections 47640, 47641 and 47644, WPS, serving as an LEA, shall be responsible for complying with all provisions of 20 U.S.C., Chapter 33 and its implementing regulations as they relate to LEAs. WPS shall provide a copy of the Local Plan and approval of WPS as an LEA member of the El Dorado County Charters SELPA if requested.
- b) WPS shall assume all responsibility, including but not limited to full financial responsibility, for the implementation and continuing operation of all items identified in this Section, specifically any and all costs associated with the provision of special education and related services and accommodations under Section 504 of the Rehabilitation Act, for all students who are enrolled in WPS, over and above any state or federal funding received for such purposes.
- c) Special Education Staffing

WPS shall provide its own properly credentialed and fully qualified coordinator for special education and shall be responsible for referrals, identification, assessments, IEP and Section 504 team meetings, implementation of Section 504 Plans and IEPs, complaints, mediations, and due process hearings. WPS may contract with any other school district for other services on behalf of WPS, provided that such are available and are at no cost to the County Board and/or Santa Cruz COE. Written agreements shall be authored to specify such services and costs. It is further recognized that WPS may contract with a SELPA, employ its own staff and/or contract with other vendors to deliver services required by the IEPs and/or Section 504 Plans of students enrolled in WPS and as otherwise required by applicable state and federal laws.

d) To the extent that the delivery of Section 504 and/or special education services and adherence to Section 504 and special education laws have costs in excess of revenue allocated to WPS for such purposes, WPS shall be responsible for any and all such costs related to students of WPS.

e) Requests For Information

WPS agrees to fully and promptly comply with any requests for information made by the Santa Cruz COE with regard to special education services and individual students within 2 business days of the request. The Santa Cruz COE may establish regular meetings with the Charter School's coordinator for purposes of reviewing special education and/or Section 504 compliance. The Santa Cruz COE may also take action to monitor WPS to ensure that special education and/or Section 504 services are being provided as required by law and applicable SELPA policy.

f) Certification Requirements

WPS agrees to defend with legal counsel satisfactory to Santa Cruz COE, approval of which will not be unreasonably withheld and to hold harmless the County Board, the County Superintendent, the Santa Cruz County Office of Education, and each of their officers, directors, agents and employees, from and against any and all costs, including attorney's fees, and/or awards related to complaints, due process hearings, mediations or any and all forms of litigation relating to special education and/or Section 504 matters for WPS students. WPS shall provide the Santa Cruz COE with annual written certification that WPS has complied with its Section 504 and special education obligations as part of the Charter School's Annual Update Report. WPS acknowledges that its failure to provide all Section 504 and/or special education services required in student Section 504 Plans and IEPs may constitute a material violation of the conditions, standards and procedures set forth in the Charter, this MOU, as well as violation of applicable law sufficient to support the County Board's revocation of WPS's Charter pursuant to Education Code Section 47607.

g) Communication

WPS will develop a process for notifying a district of residence when a special education student enrolls, becomes eligible, ineligible, and/or leaves the school.

SECTION 3: FISCAL OPERATIONS

3.1 Funding

WPS will be directly funded in accordance with EC Section 47651. The Charter School's general purpose entitlement will be calculated in accordance with applicable provisions of The Act including EC Section 47633 et seq. The parties recognize the authority of WPS to pursue additional sources of funding.

- a) The parties agree that the Charter School's funding per ADA shall not exceed enrollment capacity. The parties agree that the maximum enrollment capacity of current Charter School facilities shall be 420 (current estimated enrollment growth). Enrollment capacity shall be revised, as necessary, once WPS identifies its facilities as required by this MOU.
- b) The parties specifically agree that it is not the responsibility of the Santa Cruz COE (except as a distributing agent) to provide funding in lieu of property taxes to WPS.
- c) WPS shall establish a fiscal plan for repayment of any loans received by WPS for the Charter School in advance of receipt of such loans. It is agreed that all loans sought by WPS for the Charter School shall be authorized in writing in advance by WPS and shall be the sole responsibility of WPS. In no event shall the County Board and/or the Santa Cruz COE have any obligation for repayment of such loans. WPS shall provide advance written notice to the County Board and the Santa Cruz COE specifying its intent to apply for a loan for Charter School. WPS shall also provide advance written notice of deposit of any sums which are loans for the Charter School and the plan for repayment.
- d) In general, the Santa Cruz COE shall not advance any funds to WPS, except as a distributing agent and not from its own account. In addition, the Santa Cruz COE shall not act or provide a line of credit to WPS.
- e) Navigator Schools shall utilize the Standardized Account Code Structure (SACS) account codes school identifier to maintain separate accounting of all budget allocations and Actuals including revenues, encumbrances, and expenditures. Navigator Schools shall not commingle funds between WPS and other charter schools operated by Navigator Schools for any purpose whatsoever.

3.2 Fiscal Agent

- a) The parties agree that neither the Santa Cruz COE nor the County Board shall act as fiscal agent for Navigator Schools. It is agreed that Navigator Schools shall be solely responsible for all fiscal services for the Charter School such as payroll, purchasing, attendance reporting, and completion and submission of state budget forms, but may contract with the Santa Cruz COE for such services to WPS by way of mutual agreement.
- b) To the extent that WPS wishes to contract with the Santa Cruz COE for any services to WPS beyond those specified in this agreement, if any, a prior separate written contract with the Santa Cruz COE shall be required and the costs of such services paid in full by WPS.

3.3 Student Attendance Accounting and Reporting

- a) WPS shall use commercially available attendance accounting software (such as Power School, Illuminate, etc.) for student attendance accounting at WPS. WPS shall submit enrollment and attendance data as required to receive apportionment of funding according to the following schedule:
 - 1) First Principal Apportionment (attendance for all full school months between July 1 and December 31) due one week prior to the January date indicated by CDE.
 - 2) Second Principal Apportionment (attendance for all full school months between July 1 and April 15) due one week prior to the May date indicated by CDE.
 - 3) Annual Apportionment (attendance for school year) due one week prior to the July date indicated by CDE.
- b) In addition to submission of the electronic data files, WPS shall make available for review to Santa Cruz COE upon request all back up attendance documents that support the reported average daily attendance (ADA). Santa Cruz COE staff will review and certify the accuracy of WPS attendance data submitted by WPS only when all documentation has been submitted and is accurate. Attendance data submitted without the requisite detail will not be processed and may result in a delay of funding to WPS. WPS is responsible to assure that all reports are accurate and timely in order to receive regular and timely apportionment payments. Santa Cruz COE shall process and transfer to WPS all payments received by the Santa Cruz COE for WPS in a timely fashion.

- c) Weekly site-based attendance sheets, signed and dated by teachers, and evidence of contact made with parents when students are absent from School (e.g. parent contact log, absence log. etc.) shall be maintained by WPS, and will be provided to and reviewed by Santa Cruz COE during site visitations.

3.4 Financial Reporting

- a) WPS is required by EC Section 47604.33 to submit periodic financial reports of revenues, expenditures, and reserves. In order to meet statutory timelines for financial reporting, WPS shall submit such reports to Santa Cruz COE for review, using the state software (SACS 20__ALL) or the Charter School Alternative Reporting form, according to the following schedule:
 - 1) Preliminary budget due one week prior to the July 1 deadline indicated by CDE.

(Note: Santa Cruz COE may request a revised budget to address any concerns identified during the review of the preliminary budget.)
 - 2) Unaudited Actuals Report for the prior fiscal year due one week prior to the September 15 deadline indicated by CDE.
 - 3) First Interim Report (expenditures through 10/31) due one week prior to the December 15 deadline indicated by CDE.
 - 4) Second Interim Report (expenditures through 1/31) due one week prior to the March 15 deadline indicated by CDE.
- b) Any significant changes in the budget or interim reports from one reporting period to the next must be explained in writing. The following back up information shall be consistently provided for each reporting period:
 - 1) Multi-Year Projection (MYP) for current and two subsequent years.
 - 2) Assumptions used for budget year and two subsequent years.
 - 3) A written summary of any significant changes in the budget or interim reports, by category, from one reporting period to the next period.

- 4) Enrollment projections/growth in average daily attendance (ADA) by grade level for current and subsequent two fiscal years, and the impact of the growth on liabilities, facilities, etc.
 - 5) Cost of Living Allowance (COLA), if applicable, and deficit percentage, if any.
 - 6) Calculation used for determining general purpose funding and the calculation itself (in native format such as Excel).
 - 7) Number of Full Time Equivalent (FTE) for certificated and classified employees for each year including an organizational chart identifying all charter school positions and respective salary information for each position.
 - 8) Supplemental financial report showing the Charter School's budget to date and financial transactions and reconciliations, i.e. Statement of Activities (Income & Expenditure Account) and Statement of Financial Position (Balance Sheet).
 - 9) Statement of cash flow for the current and subsequent fiscal year.
 - 10) Bank statements provided monthly.
- c) The parties agree that maintenance of a sufficient level of funding reserve is in the best interest of WPS and its successful operation. Accordingly, WPS shall maintain reserves of no less than three percent (3 %) for WPS based upon the total expenditures and other uses of the Charter School's Adopted Budget for the fiscal year. An explanation of any projected drop in reserves below the three percent level must be included in the assumptions.
 - d) The Santa Cruz COE may request additional information, as necessary, to evaluate the fiscal condition of WPS.
 - e) Required notification: WPS will notify Santa Cruz COE of any material budget changes including but not limited to any proposed changes in enrollment that decrease the enrollment projected in the charter petition by more than 20 percent in any given year.

3.5 Annual Audit

WPS shall submit an annual independent financial audit in accordance with EC Section 47605(m), to the State Controller's Office, the Santa Cruz COE, and the California Department of Education no later than December 15 of each year. In order for WPS to receive a favorable recommendation for renewal, corrective action plans shall have been implemented in a timely manner to the satisfaction of the Santa Cruz COE for any findings or exceptions identified in each annual audit, such that there are no continuing prior year findings or deficiencies identified in the following year. The audit shall be conducted by an auditor from the list approved by the State Controller's Office.

In addition to the Charter School's financial statements, the audit shall include, as applicable, but not be limited to contemporaneous records of attendance and annual instructional minutes as required by the law for the audit of charter schools.

3.6 Monitoring and Oversight

- a) The County Board, by agreement with the Santa Cruz County Superintendent, designates the Santa Cruz County Superintendent and staff as the third party oversight agency to provide oversight and monitoring of WPS on behalf of the County Board.
- b) WPS shall be charged an annual oversight fee by Santa Cruz COE for the cost of oversight, monitoring, and reporting concerning WPS in accordance with EC Section 47613, with such fees capped at 1% of Local Control Funding Formula revenue by WPS, in accordance with EC 47613(f) ("CBG Revenue"). The oversight fees shall be used to offset consultant and administrative costs required for comprehensive oversight, which includes but is not limited to the following categories:
 - 1) Curriculum and instruction
 - 2) Assessment and accountability
 - 3) Teacher qualifications and credentials
 - 4) School fiscal review
 - 5) Governance and management operations review
 - 6) Site visitations

- 7) Renewal evaluations
 - 8) Attendance accounting certification
 - 9) Communication & research & issue resolutions relative to WPS
- c) The oversight fees shall be invoiced quarterly by Santa Cruz COE, with payment due and payable within 30 days of receipt.

3.7 State Teachers Retirement System (STRS)/Public Employees Retirement System (PERS) Reporting

If Navigator Schools offers employees of WPS the opportunity to participate in STRS or PERS, WPS shall be responsible for contracting with Santa Cruz COE for reporting purposes and for payment of costs to Santa Cruz COE that are associated with such reporting. WPS may be asked to submit preliminary reports to STRS for the purpose of clearing errors prior to submission (i.e. F496 into S.E.W.).

SECTION 4: FULFILLING CHARTER TERMS
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4.1 Material Revisions to Charter

Changes to the Charter deemed to be material revisions may not be made without prior approval from the County Board per EC 47607. Amendments to the Charter considered to be material revisions include, but are not limited to, the following:

- a) Changes to the educational program (including the addition or deletion of an educational program), mission, or vision of the Charter School.
- b) Adding a classroom-based program/facility.
- c) Proposed changes in enrollment that increase or decrease the enrollment originally projected in the Charter Petition by more than 20 percent in any given year.
- d) Addition or deletion of grades or grade levels to be served.
- e) Changes to location of facilities, including school sites, resource centers, library/computer labs, meeting space, or other satellite facility including the opening of a new facility. Temporary locations rented for annual student testing purposes shall be exempt from this provision.

- f) Changes to admission requirements, lottery preferences, and procedures.
- g) Changes to the governance structure, including but not limited to: the dissolution of the corporation holding the charter.

4.2 State Assessments

WPS shall comply with and adhere to the state requirements for participation and administration of all state mandated tests for charter schools, and shall include but not be limited to:

- a) Smarter Balanced Assessments (SBAC)
- b) California Alternate Assessments (CAA)
- c) Standards-based Tests in Spanish (STS)
- d) California Physical Fitness Test (PFT)
- e) California Science Tests (CAST)
- f) English Language Proficiency Assessments for California Test (ELPAC)

4.3 Site Visits

The Santa Cruz COE will conduct at least one visit to WPS annually in accordance with the Act. The information gathered will be used to assess the Charter School's progress in governance and organizational management, educational performance, fiscal operations and fulfillment of the terms of the Charter and this MOU. A school site visit may include review of the facility, review of records maintained by WPS, interviews with the Principal of WPS, employees working at WPS including the site principal, and WPS students/parents, as well as observation of instruction in the classroom(s). Any deficiencies will be reviewed with the Charter School's Principal and an opportunity provided for comment, explanation and/or correction. The evaluations for each year will be used, in addition to other information and reports, to determine a renewal decision. The Santa Cruz COE reserves the right to make unannounced visits to WPS.

4.4 Renewals

- a) WPS may seek renewal of the Charter School's Charter prior to expiration of the term of the Charter in accordance with statutory provisions. WPS shall submit its renewal petition for the next charter term along with a copy of the most recent Annual Report and Student Achievement Plan (if applicable) to Santa Cruz COE, no sooner than October 15 of the fiscal year in which WPS would cease operations without renewal.
- b) Santa Cruz COE shall review the charter petition, academic and financial performance, audit reports, annual visitation reports, and may conduct a renewal site visit prior to scheduling the renewal request for consideration by the County Board. To the extent required, the charter renewal petition shall be revised in accordance with current statutes and regulations.
- c) WPS may seek earlier renewal of the Charter School's Charter if it meets all of the following conditions:
 - 1) Has been in existence for at least three years, or has completed three years of a subsequent term of renewal.
 - 2) Has not qualified for Differentiated Assistance based on results of state and local indicators on the CA School Dashboard.
 - 3) Has submitted accurate and timely budgets, interim fiscal reports, and student attendance data to Santa Cruz COE.
 - 4) Independent financial audits for all three years have been free of audit exceptions and/or deficiencies (minor findings corrected in the year of the audit through a corrective action plan are allowable under this provision).
 - 5) Has received no health and safety code violations from local authorities.
 - 6) Has demonstrated that a majority of parents, students, and staff are satisfied with performance of WPS.
 - 7) Has met the requirements for any then pending correction action set by Santa Cruz COE in a written correspondence (see 4.5 a below), if any; and
 - 8) Has met applicable additional requirements for such renewal, if any, in the law.

4.5 Notice to Cure and Revocation

- a) The County Board shall have the right to revoke the Charter in accordance with EC 47607 or other statute or regulations expressly applicable to the revocation of a charter thereunder. The County Board may consider the following progression of corrective action as a result of violation(s) of EC 47607(c):
 - 1) Direct contact with WPS specifying the concerns with WPS, followed by written Correspondence #1.
 - 2) Written Correspondence #2 – (Restatement of Concerns) If there has been little or no response by WPS to Correspondence #1, and a request for a response from WPS informing the Santa Cruz COE about steps WPS is taking to address the concerns noted in Correspondence #1; the Santa Cruz COE may conduct a site visit.
 - 3) Written Correspondence #3 (Notice of Concern) – restatement of concerns and direction to WPS to take corrective action by a specified reasonable date.
 - 4) Written Correspondence #4 (Notice to Cure or Face Revocation) – letter, approved by the County Board, identifying history of failure to correct or address the concerns and directing WPS to take specific enumerated actions or submit documentation by a specified date. Failure to do so will result in the institution of revocation proceedings in accordance with EC 47607 and applicable regulations, if any.
 - 5) Revocation – schedule an agenda item for the County Board to hold a public hearing and consider revocation of the Charter in accordance with EC 47607 and applicable regulations, if any.
- b) The exception to the above process is under circumstances where the County Board determines in writing that there is a severe and imminent threat to the health or safety of students and/or staff of WPS per EC 47607(d). The County Board will be apprised in writing of the situation by Santa Cruz COE and immediate action may be taken by the County Board to assure the safety and well-being of the students, staff, and community. Such immediate action as deemed appropriate by the County Board in its reasonable discretion, may include but is not limited to closure of WPS and/or revocation of its Charter in accordance with EC 47607(d) and/or (e)

and shall be in accordance with Title 5, California Code of Regulation Section 11968.5.3. Should WPS cease to be operated by a non-profit public corporate, the parties agree that such condition may constitute cause for the revocation of the Petition.

- c) During the period prior to revocation, WPS shall have the opportunity to work collaboratively with the Santa Cruz COE or its designee to address the concerns and develop a plan to remediate all areas to the reasonable satisfaction of the Santa Cruz COE. During this period WPS shall attempt to resolve the concerns and complete remediation. This provision may also require a charter amendment to be discussed.

4.6 Closure Procedures

- a) WPS shall provide Santa Cruz COE updates as are reasonably necessary from time to time to the description of the procedures to be used in the event WPS closes as described in the Charter. The categories that must be addressed in such procedures are each of the following:
 - 1) Identification of a responsible person(s) –This provision shall include a process to ensure that it is updated no less than annually or when any change is made.
 - 2) Notification of students and families of school closure.
 - 3) Security of student and business records.
 - 4) Processing of final employee payroll and benefits.
 - 5) Identification of all assets and liabilities and plan for transfer as detailed in the Charter.
 - 6) Final WPS close-out audit to be paid for by WPS.
 - 7) Identification of a source of funding to be used for closeout expenses including the final audit.
 - 8) If applicable, dissolution of the nonprofit corporation for WPS.

- b) If WPS is to close for any reason (i.e., voluntary surrender, non-renewal, or revocation), the Santa Cruz COE on behalf of the County Board shall serve written notice on WPS that the closure procedures have been invoked. WPS will immediately identify to the Santa Cruz COE the specific individual who is responsible for coordinating the close out activities for WPS. Santa Cruz COE will identify a staff person WPS can report to regarding the close out activities concerning WPS. WPS expressly acknowledges the right of the Santa Cruz COE, on behalf of the County Superintendent of Schools (pursuant to EC Section 47604.4), to gain full access and copies of all WPS student and business records at any time after the County Board gives written notice that it is invoking the closure procedures of WPS.

SECTION 5: MEDIATION

In the event that a dispute between WPS and the Santa Cruz COE and/or the County Board relating to the Charter or this MOU, which does not involve revocation, and is not resolved through the procedures contained in the Charter's "Dispute Resolution" section within 90 calendar days of the date notice is given by the complaining party to the other parties, prior to commencing legal action or arbitration, the parties shall undertake a process of non-binding mediation, according to the following timeline:

- a) No later than ten calendar days from and after the request for mediation unless agreed otherwise by the parties in writing, the parties shall choose a mutually acceptable mediator from a list obtained from the State Mediation and Conciliation Service.
- b) Within ten calendar days after the mediator is selected, the parties shall choose a mutually agreeable date and site for the mediation.
- c) The costs of the mediator shall be borne 50-50 by Santa Cruz COE and WPS.

SECTION 6: SEVERABILITY

If any provision or any part of this MOU is for any reason held to be invalid and or unenforceable or contrary to public policy, or statute, the remainder of this MOU shall not be affected thereby and shall remain valid and fully enforceable.

SECTION 7: NON-ASSIGNMENT

No portion of this MOU or the Charter Petition approved by the County Board may be assigned to another entity without the prior written approval of the County Board and WPS.

SECTION 8: WAIVER

A waiver of any provision or term of this MOU must be in writing and signed by all parties. Any such waiver shall not constitute a waiver of any other provision of this MOU. All parties agree that no party to this MOU waives any of the rights, responsibilities, and privileges established by the Charter Schools Act of 1992 as may be amended from time to time.

SECTION 9: PUPIL TRANSPORTATION

WPS shall be responsible for any and all transportation offered to students who enroll in WPS, including but not limited to any and all transportation required in any student IEP or otherwise required by state and/or federal law.

SECTION 10: NOTIFICATION

All notices, requests, and other communications under this MOU shall be in writing and mailed to the proper addresses as follows:

To the County Board at:

Santa Cruz County Board of Education
400 Encinal Street
Santa Cruz CA, 95060
Attn: Bruce Van Allen, Board President

To the Santa Cruz COE at:

Charter Schools Office
Santa Cruz County Office of Education
400 Encinal Street
Santa Cruz, CA 95060
Attn: Michael Watkins, County Superintendent of Schools

To Charter School at:

Watsonville Prep School
Navigator Schools
650 San Benito St. Suite 230
Hollister, CA 95023
Attn: Kevin Sved, Chief Executive Officer

Attachment A: Additional Services

In accordance with Section 3.2 of the Memorandum of Understanding, WPS may opt to contract with SANTA CRUZ COE for specified services, at a mutually agreed-upon method of compensation to SANTA CRUZ COE.

A. Fee Determination

WPS agrees to reimburse the SANTA CRUZ COE for all costs associated with providing required services under this Memorandum of Understanding. The SANTA CRUZ COE shall notify WPS of the expected fees for the next fiscal year on or before June 1. The SANTA CRUZ COE may opt to charge WPS a fixed percentage of the estimated WPS gross revenues from public sources, or on a time and materials basis.

In the case that the SANTA CRUZ COE sets a percentage reimbursement fee schedule, the fee shall be paid on a quarterly basis, with adjustments due to reconciling to actual revenues from public sources no later than September 30 following the close of the most recent fiscal year.

In the case that the SANTA CRUZ COE requires WPS to pay for services on a time and material basis, the SANTA CRUZ COE shall provide WPS with a fee schedule in advance of the fiscal year, and submit monthly billings to WPS. All billings shall be paid within thirty (30) days. Any disputes in billing will be resolved via the Dispute Resolution Process as prescribed in the charter.

B. Optional Services Provided

Annual Minimal Requirements. Minimal Service Requirements shall include but not be limited to the following, except as otherwise agreed to by the SANTA CRUZ COE during the term of this agreement.

1. Credential Processing
2. Payroll Services
 - a) Payroll Processing/Retirement Reporting (PERS/STRS/Social Security)
 - b) Wage Garnishments
 - c) TSA Processing
 - d) Deferred Compensation
 - e) Payroll Tax Report Preparation of W-2's

3. Accounting and Financial Monitoring Services
 - a) Review Annual Budget
 - b) Review Annual Audit
 - c) Review year-to-date Budget/expenses with Treasurer (monthly)
 - d) Apportion funds to WPS accounts
 - e) Provide Accounts Payable Services

4. General Services
 - a) Assist WPS in procuring insurance (liability, property), etc. as needed.
 - b) Consult with legal counsel on an as-needed and available basis to provide guidelines to WPS in matters related to the operations of the school, except in such cases that doing so would put the SANTA CRUZ COE and/or the County Board of Education in conflict with other required duties.
 - c) Assist WPS in issues relative to facility needs.
 - d) Permit Staff of WPS to attend SANTA CRUZ COE workshops/meetings on the same basis as staff from any other school and/or district in the county.
 - e) Make available SANTA CRUZ COE staff person to be direct point of contact to assist WPS in coordinating requests for services to be provided by the SANTA CRUZ COE.
 - f) Assist WPS in preparation of required reports.

WPS agrees to not terminate such services during the fiscal year. WPS may agree to terminate any optional service agreements with the SANTA CRUZ COE by giving notice prior to May 1 that the optional services provided will not be requested for the next fiscal year.

Discontinuing payroll services would require a separate negotiation with the SANTA CRUZ COE due to the STRS and PERS reporting requirements and additional costs associated with those processes.

Attachment B: Special Education Local Plan Assurances

- Provide assurances that all eligible individuals with disabilities (ages birth to 22) shall have access to appropriate special education programs and services, including transportation.
- Provide assurances of an understanding and knowledge of applicable special education laws and regulations.
- Provide assurances that each certificated employee is appropriately credentialed to serve in his/her assignment.
- Provide necessary staff required to meet state and federal mandates.
- Follow all requirements of the SELPA Local Plan.
- Utilize SELPA forms.
- Provide all required SELPA required information/data including Maintenance of Effort (MOE) data required by the Federal Government.
- Provide transportation as indicated in students' IEPs.
- Provide assurances that the charter school has the sole legal and financial responsibility to provide appropriate services to eligible students and will provide search and serve to identify students who may qualify for and require special education and related services.
- Provide assurance that the charter will comply with all requirements of the Every Student Succeeds Act.
- Provide assurance that the charter will be responsible for all costs incurred in the provision of special education services to students enrolled in the charter school. These costs may include, but are not limited to, instruction, related services, transportation, nonpublic school/agency placements, inter/intra SELPA placements, due process proceedings, complaints and attorney fees.
- Provide assurance that the charter will document that all state and federal special education funds apportioned to the charter school are used for the sole purpose of providing special education instruction and/or related services for students with eligible disabilities.

Attachment C: Timeline for 2018-2019

Date	Documentation	Means
August 16, 2018	<ul style="list-style-type: none"> ● Memorandum of Understanding 	Send via email
October 1, 2018	<ul style="list-style-type: none"> ● Governance Board Bylaws that identify a designated slot for a WPS parent Plan to serve Transitional Kinder students ● Modified Redesignation criteria for English Learner students ● Facilities Plan 	Send via email
July 15, 2019	<ul style="list-style-type: none"> ● Facilities Use Plan 	Send via email

Annual Timeline commencing 2019

Date	Documentation	Means
August 1	<ul style="list-style-type: none"> ● Annual calendar of regular board meetings ● Annual calendar of emergency drills ● Verification that all teachers hold a CTC certificate, permit or equivalent documentation. ● Verification that all teachers hold required EL certification ● Calendar of instructional days ● New Board of Director members & confirmation of Brown Act and Conflict of Interest Training ● Report on any new or revised lease agreements or facility purchase 	Send via email
September 15	<ul style="list-style-type: none"> ● Unaudited Actual Budget 	Electronic/hard copy of certification
October 2 CBEDS	<ul style="list-style-type: none"> ● Provide electronic documentation of enrollment, including student names 	Electronic
October 30	<ul style="list-style-type: none"> ● Submit Annual Plan of Support for EL and Other Special Needs Students 	Send via email

November 30	<ul style="list-style-type: none"> ● Submit Annual Report 	Written Report Board Presentation
December 15	<ul style="list-style-type: none"> ● First Interim Budget 	Electronic
February 1	<ul style="list-style-type: none"> ● Post SARC on website 	Email
March 15	<ul style="list-style-type: none"> ● Second Interim Budget 	Electronic
July 1	<ul style="list-style-type: none"> ● Submit Local Control Accountability Plan for review ● Preliminary Annual Budget ● Deadline for proposed MOU revisions by either party 	Electronic Submission