



TO: Board of Education

FROM: Anthony Smith, Ph.D., Superintendent  
 Gail Greely, Coordinator; Office of Charter Schools

DATE: April 4, 2012

RE: American Indian Public Charter School II  
 Charter Renewal Request

Legislative File  
 File ID No.: 12-0444  
 Introduction Date: 01/25/12  
 Enactment No.: \_\_\_\_\_  
 Enactment Date: \_\_\_\_\_  
 By: \_\_\_\_\_

**ACTION REQUESTED:**

**Deny** the American Indian Public Charter School II charter renewal because the charter school **has not met** the standards and expectations set forth in the OUSD Charter Renewal Standards, which are based on the standards and criteria set forth in the Charter Schools Act, Education Code §47605(b)(5), which governs charter school renewals. The findings outlined in this report provide evidence that petitioners **have not met** the standards and expectations for charter renewal, and that the petitioners are therefore demonstrably unlikely to successfully implement the program as set forth in the petition.

**BACKGROUND:**

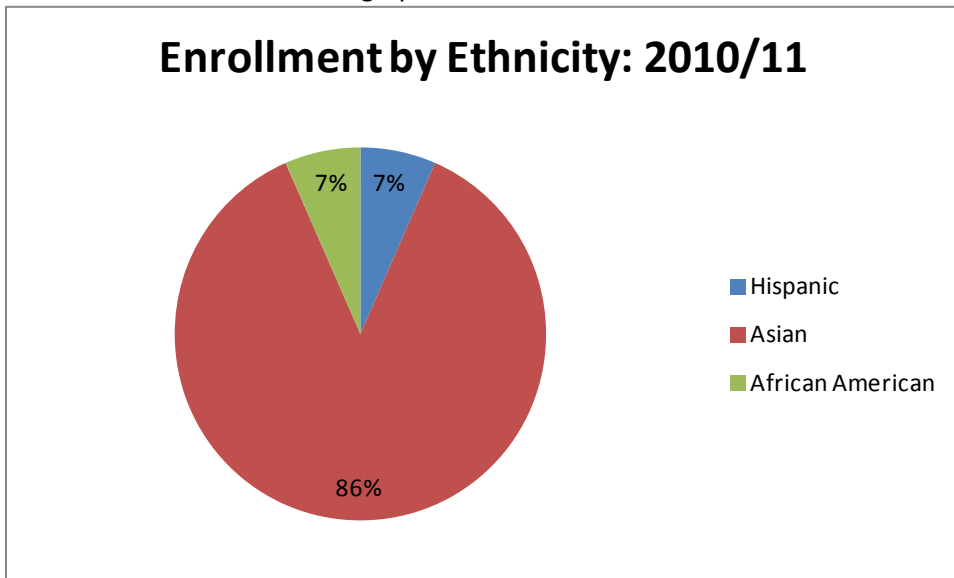
**I. School Description and Key Program Elements:**

<b>Opening Year</b>	7/1/2007	<b>Grades</b>	6-8
<b>Term Approval</b>	3/14/2007	<b>Attendance Area</b>	Oakland Tech
<b>Renewal Date</b>	6/30/2012	<b>Board District</b>	2
<b>Term</b>	First	<b>Funding</b>	Direct Funded
<b>CMO School</b>	Yes (American Indian Model Schools)	<b>Program Improvement</b>	N/A

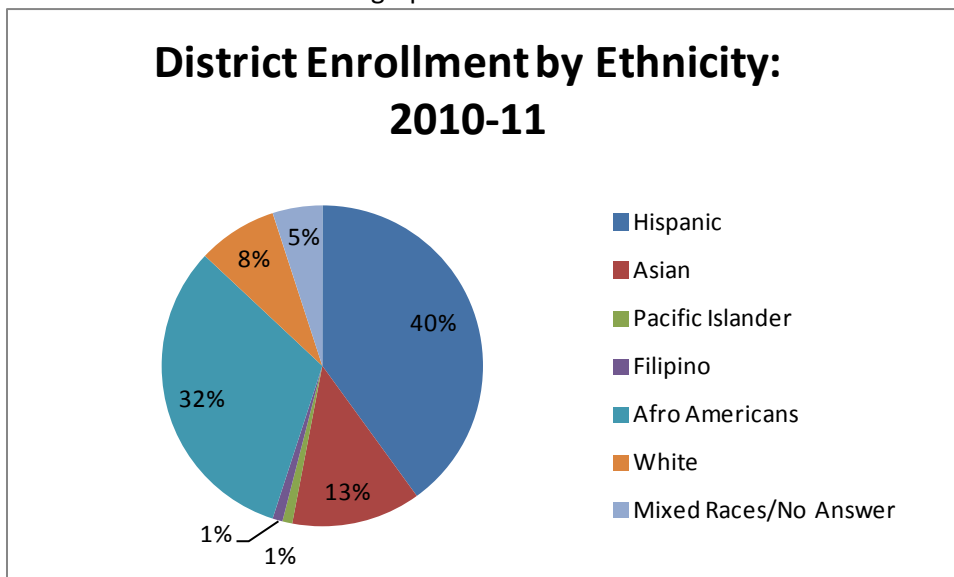
The following table describes the school's enrollment growth and projection:

<b>YEAR</b>	<b>2007-08 (CDE data)</b>	<b>2008-09 (CDE data)</b>	<b>2009-10 (CDE data)</b>	<b>2010-11 (CDE data)</b>	<b>2011-12 (school reported, as of 10/14/12)</b>	<b>2011-2012 (school reported, as of 3/2/12)</b>
<b>GRADES</b>	6-7	6-8	6-8	6-8	6-8	5-8
<b>ENROLLED</b>	<b>70</b>	<b>157</b>	<b>172</b>	<b>169</b>	<b>234</b>	<b>302</b>

The school's enrollment demographics are as follows:



The district's enrollment demographics are as follows:



	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Free &amp; Reduced Lunch *</b>	89%	93%	90%	87%	77%
<b>Special Education</b>	3	4	7	10	4/9**
<b>English Language Learners</b>	9%	10%	7%	6%	4%

\*NOTE: Schools have reported the free and reduced lunch percentages upon request, which are reproduced here. Charter schools are not required to report free and reduced lunch status, but are required to report poverty levels, which involves a slightly different measure. Schools have also reported Special Education and English Language Learners as part of the Renewal Performance Report.

\*\* AIPCS II is a school within the District for purposes of special education and its students are therefore served by OUSD's Programs for Exceptional Children. Although the school reported 4 students in special education, PEC states that there are currently 9 students with IEPs enrolled and being served at AIPCS II.

The District's current special populations as a percent of enrollment are approximately (District and CDE data):

Oakland Unified School District	2011-12
Free & Reduced Lunch	70%
Special Education	13%
English Language Learners	29%

**Program Summary:**

**School Mission: (Excerpt from the EXISTING, approved charter petition)**

The AIPCS II will eventually serve 200 inner-city students in 5<sup>th</sup> through 8<sup>th</sup> grade. The focus of AIPCS II is excellent student attendance (99%) that helps to ensure that the academic needs of students interested in attending our school are met. We will provide them with an education to enhance their academic skills in reading, writing, spelling, mathematics, science, social science, business, and humanities so they may compete and be productive members in a capitalistic society. This will be a collaborative effort between school, family, and community.

**Program's Distinguishing Features: (Excerpt from the EXISTING, approved charter petition)**

AIPCS II will be a site-based school for 200 students in fifth through eighth grade. The student per teacher ratio will be 25:1. This will allow students and teachers to develop a productive working relationship in a small school setting.

The students who enroll at AIPCS II will be provided a structured learning environment to enhance their academic skills. The school will provide a structured curriculum aligned with state academic standards. Students with special learning needs will be mainstreamed into the classrooms, while also receiving individual attention as required by law.

State-approved textbooks aligned with state standards provide the content basis for courses of study. AIPCS II believes that investing in exceptional textbooks will provide an outstanding framework for standards-based instruction. The textbooks, in addition to the highly qualified staff, will be the driving force of the AIPCS II curriculum. We will implement a structured daily schedule, which focuses on the core academic subjects. These subjects include English, mathematics, science, social studies, foreign language, and the arts. Electives will be offered in addition to the core subjects. At AIPCS II, we also believe that homework is a crucial part of the learning process for our students. The school will also provide after-school tutoring and assistance with homework. AIPCS II will work closely with American Indian Public Charter School, Consortium of High Excelling Successful Schools (CHESS) and other Bay Area community organizations to provide services for AIPCS II students.

The teaching methodology is lecture, and teacher-directed. Tutorial services are mandatory for all students who score at the basic or below grade level on the California Standards Test.

## GOVERNING LAW:

Under the California Charter Schools Act, authorizers are required to apply the “standards and criteria” set forth for the review and approval or denial of a charter school petition. The following excerpt is taken from section 47605 of the California Education Code: Charter Schools Act (**bold emphasis added**);

A school district governing board **shall grant** a charter for the operation of a school under this part **if it is satisfied that granting the charter is consistent with sound educational practice.**

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

- (1) The charter school presents an **unsound educational program** for the 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 by subdivision (a).
- (4) The petition does not contain an affirmation of each of the conditions described in subdivision (d).
- (5) The petition does not contain **reasonably comprehensive descriptions** of all of the [required charter elements.]

## CHARTER RENEWAL REGULATIONS:

In addition to the requirements in the Act, the State Board of Education has adopted regulations governing charter renewal (effective November 23, 2011), as follows (emphasis added):

### **5 CCR §11966.4. Submission of a Charter School Renewal Petition to the Governing Board of a School District.**

(a) A petition for renewal submitted pursuant to Education Code section 47607 shall be considered by the district governing board upon receipt of the petition with all of the requirements set forth in this subdivision:

(1) Documentation that the charter school meets at least one of the criteria specified in Education Code section 47607(b).

(2) A copy of the renewal charter petition including a reasonably comprehensive description of how the charter school has met all new charter school requirements enacted into law after the charter was originally granted or last renewed.

(A) The signature requirement set forth in Education Code section 47605(a) is not applicable to a petition for renewal.

**(b)(1) When considering a petition for renewal, the district governing board shall consider the past performance of the school's academics, finances, and operation in evaluating the likelihood of future success, along with future plans for improvement if any.**

(2) The district governing board may deny a petition for renewal of a charter school only if the district governing board makes written factual findings, specific to the particular petition, setting forth specific facts to support one or more of the grounds for denial set forth in Education Code section 47605(b) or facts to support a failure to meet one of the criteria set forth in Education Code section 47607(b).

(c) If within 60 days of its receipt of a petition for renewal, a district governing board has not made a written factual finding as mandated by Education Code section 47605(b), the absence of written factual findings shall be deemed an approval of the petition for renewal.

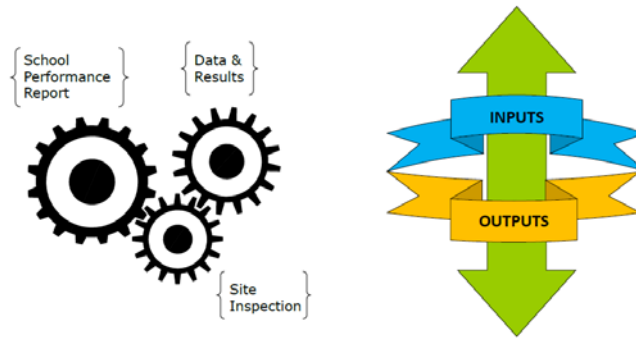
(1) The district governing board and charter petitioner may extend this date by an additional 30 days only by written mutual agreement.

**PREREQUISITE FOR CHARTER RENEWAL (AB 1137)**

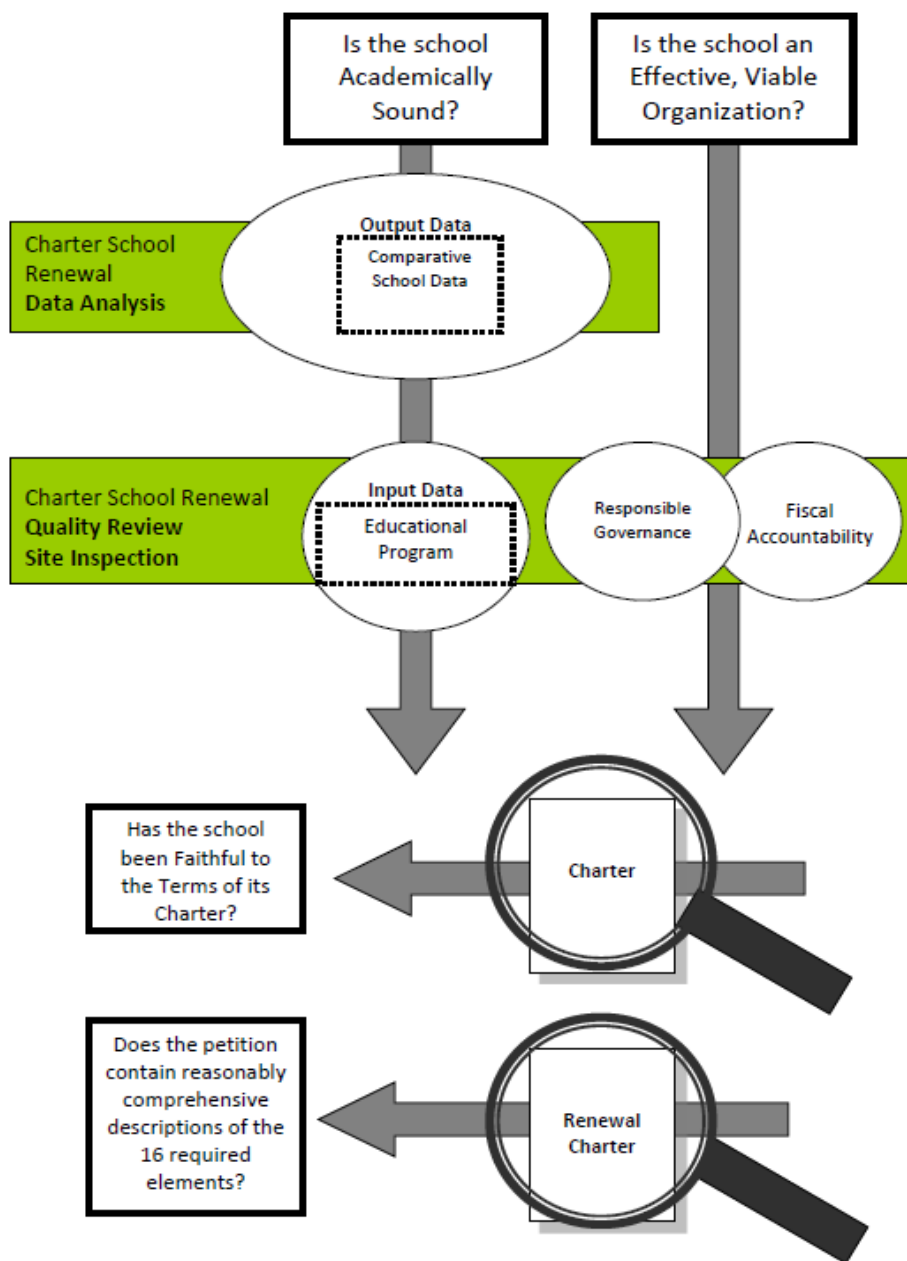
The Charter Schools Act establishes a prerequisite for charter renewal (AB1137) in which a charter school must meet **AT LEAST ONE CRITERIA** so that charter renewal **may be considered**.

SB 1137 CRITERIA FOR RENEWAL	Y/N
<b>1. API Growth Target:</b>	
Did school attain API Growth Target in prior year?	Y
Did school attain API Growth Target in two of last three years?	Y
Did school attain API Growth Target in the aggregate of the prior three years?	Y
<b>2. API Rank:</b>	
Is the school ranked 4 or higher on API in prior year?	Y
Is the school ranked 4 or higher on API in two of last three years?	Y
<b>3. API Similar Schools<sup>1</sup> Rank:</b>	
Is the school ranked 4 or higher on API Similar Schools in prior year?	Y
Is the school ranked 4 or higher on API Similar Schools in two of last three years?	Y
<b>4. Is the school at least equal to the academic performance of schools students would have attended, including District as a whole?</b>	Y
<b>5. Has the school qualified for an alternative accountability system pursuant to subdivision (h) of Section 52052 (Alternative School Accountability System – ASAM)?</b>	n/a

Staff evaluation of charter schools for purposes of renewal involves the following effort to triangulate the evidence base in support of a recommendation of approval or denial of the charter renewal request:



**ANALYZING A CHARTER SCHOOL'S PERFORMANCE FOR THE PURPOSES OF RENEWAL:**



\*See analysis of the school's renewal petition.  
 American Indian Public Charter School II– Charter Renewal  
 April 4, 2012

In addition to the charter renewal process illustrated above, this report is informed by the progress to date of an AB 139 extraordinary audit initiated by the Alameda County Office of Education Superintendent at the request of OUSD's Superintendent. The extraordinary audit, being conducted by the Fiscal Crisis Management and Assistance Team, is not yet final, but a progress report with preliminary findings has been provided to ACOE. Documentation related to this extraordinary audit, and the progress report, are included as Attachment III to this report. Preliminary findings from the progress report are also referenced here.

## RECOMMENDATION FOR DENIAL

The recommendation for denial of charter renewal of AIPCS II is applied here with great consideration and deliberation.

Charter law provides for the non-renewal of a charter school if:

- The school presents an “unsound educational program”: Staff has not concluded that the school presents an unsound educational program, although the report expresses concerns about the ability of the program to serve a broad range of students.
- The school operators are “demonstrably unlikely” to successfully implement their program: **Staff has concluded that the school operators are demonstrably unlikely to successfully implement their program because:**
  - practices in violation of the charter and applicable law undermine the effectiveness of implementation, placing students at risk and denying them services and resources to which they are entitled.
  - These violations are identified both in this report and in an extraordinary audit conducted at the direction of the Alameda County Office of Education.
- The school program set forth in the charter petition does not contain “reasonably comprehensive” descriptions of the program: **Staff has concluded that the program set forth by the school in its charter does not contain reasonably comprehensive descriptions of the educational program, with respect to**
  - target population,
  - alignment with identified educational needs,
  - description of the curriculum and instructional strategies,
  - and implementation planning and assessment.

A conditional renewal of the charter has been considered, but is not recommended for the following reasons:

- The violations of the charter and applicable law and regulation identified by the staff and the extraordinary audit are serious and wide-ranging. (See pages 8, 21-22 and Attachment III to this report.) They involve the safety of students and staff, as well as millions of dollars of public funds. To authorize a conditional renewal would undermine the ability of the District to hold charter schools accountable to their legal and ethical obligations.
- American Indian Model Schools’ governing board does not exhibit the willingness or capacity to address the failings identified in this report and in the preliminary findings of the extraordinary audit.
  - The school’s Charter Petition and Charter Renewal Performance Report acknowledge no shortcomings in the school’s compliance and thus identify no plans for improvement.
  - To date, AIMS changes to date to its procedures and organization are inadequate. This reinforces that the school is demonstrably unlikely to succeed in rectifying these serious short-comings.
  - Current school leaders and staff were involved, to varying degrees, in mismanagement and financial improprieties identified by OCS and the extraordinary audit.
  - Members of the current governing board do not have the independence and expertise necessary to make the needed changes in the organization’s structure, practices and culture.
- The school has not sustained compliant management in the face of historical violations, including:
  - Violation of an agreement to remove the former director
  - Failure to obtain an occupancy permit
  - Failure to ensure compliance with teacher credential requirements
  - Failure to provide timely and accurate financial and attendance reports

- Alameda County Office of Education addressed the similar failings of another charter school (FAME) using a conditional renewal. However, because the California Charter Law requires that charters be renewed for a period of five (5) years and provides for revocation during the term only following a lengthy multi-stage process, that approach proved to be an ineffective remedy. As described by the charter school coordinator for ACOE, the ACOE and Alameda County Board of Education are now engaged in a disruptive and protracted proceeding to revoke the FAME charter.

## SUMMARY OF KEY EVIDENCE IN SUPPORT OF DENIAL

### Lack of Responsible Governance

- The governing board is not well-informed about the school, the charter, or its legal responsibilities. Based on recent actions, it is not exercising effective and responsible control over the charter school
- The school is out of compliance with numerous requirements under its charter and applicable law, including the Brown Act, the Political Reform Act, and non-profit law requirements.
- The governing board has made plans and taken action without appropriate research and preparation, including late expansion into 5<sup>th</sup> grade and attempting to open elementary grades. There are ongoing financial repercussions to this expansion that, according to CDE, will result in a reduction in general purpose revenue.
- Existing policies are inadequate and inconsistently implemented, especially with respect to special populations of students, such as English learners and students with disabilities.
- The school and governing board have no structures and processes for involvement of parents and community in decision-making, as required by law.

### Poor Financial Accountability

- Financial controls are ineffective, resulting in an extraordinary audit that has made preliminary findings of significant misappropriation of funds, gifts of public funds and transactions involving conflicts of interest.
- Financial reporting is often late and incorrect; audits are not thoroughly reviewed by the board and are clearly inadequate.

### Consequences of the Lack of Responsible Governance and Poor Financial Accountability

The preliminary findings in the progress report on the extraordinary audit identify the serious consequences of the failure of the charter management organization to comply with the terms of its charter and with applicable law. The report summarizes the impact:

***“When an organization lacks internal controls and governing board oversight is minimal, the likelihood of fraud greatly increases. The governing board has no involvement in the fiscal aspects of the organization including proper authorization of transactions. Both the founder and his spouse have unrestricted access and authority to assets. Large contracts for construction and other outside services have cursory board approval requiring little if any discussion or oversight. Several companies that conduct business with the charter schools are owned by the founder and/or his spouse, and payment for these services are signed by one or both of these individuals. Under the terms and conditions of the petition, the AIMS charter school is subject to Government Code Sections 1090, 1091.5, 81000-87000 and the Political Reform Act.***

***Although these are preliminary findings, under Education Code Sections 1241.5 and 42638(b), if fraud or the perception of fraud, misappropriation of funds or other illegal activities exists, the county superintendent will be required to forward a copy of the final report to the state superintendent of public instruction and the local district attorney.”***

A list of specific financial improprieties and suspect transactions from the FCMAT progress report is included at page 21 .



### **Insufficient Focus on Improving Student Achievement**

- The school does not exhibit a willingness or capacity to serve students with special needs, including students with IEPs, students with disabilities qualifying for Section 504, or English learners.

### **Lack of Strong Leadership**

- The school's leadership structures are inadequate. The organizational chart has been revised at least 3 times in the past 9 months; the former director has been variously identified as director, chief and "chief emeritus" with no job description; and the site coordinator has no background in or responsibility for instructional leadership.
- There is no effort to examine and improve the quality of instruction for students, or to broaden the range of learning experiences or outcomes. This is despite the clear failure to meet the needs of students with disabilities and English learners, and the requests of students and staff for more technology and electives.
- The charter renewal quality standards define strong leadership as effort that, "Generates and sustains a school culture conducive to staff professional growth." Professional development at AIPCS II is limited to learning the specific strategies of the model: teacher-directed, lecture-based instruction from standardized texts. Professional growth is measured predominantly by results on standardized tests.
- The charter renewal quality standards also define strong leadership as effort that, "Engages community involvement in the school." The school leaders make no effort to engage parents and other community groups in school decisions. No family support services are provided.

### **Continuous Improvement**

- The charter renewal standards describe a quality school as one which, "Uses information sources, data collection and data analysis strategies for self-examination and improvement" and "Establishes both long and short term goals and plans for accomplishing the school's mission as stated in its charter". AIPCS II has no data inquiry or school improvement process to evaluate and enhance the educational program or school operations.

### **Impact of Shortcomings on AIPCS II Students and Families**

The charter school's failure to meet its responsibilities under charter law has negative consequences for the students, families and staff of the school, including:

- Funds diverted from the educational program were not available to meet student needs.
  - Students specifically identified the need for technology, arts, sports programs, playing fields, and more electives.
  - Students and staff members said they would have benefitted from additional professional development and a greater variety of instructional materials and technology.
- Community partnerships to meet needs of the school's families outside the school day were not pursued.
- Students with disabilities and English learners were not supported in their learning.
- Parent concerns were not addressed; families were disempowered by the school's culture and governance structure.

**PLEASE NOTE:**

This report is not exhaustive. Many areas would benefit from greater depth of coverage and many aspects of the evaluation set forth here warrant further discussion and elaboration. The intent is to provide adequate evidence upon which to base a charter renewal decision, while lending credence to the overall staff recommendation.

**Renewal Standard 1: Is the school Academically Sound?**

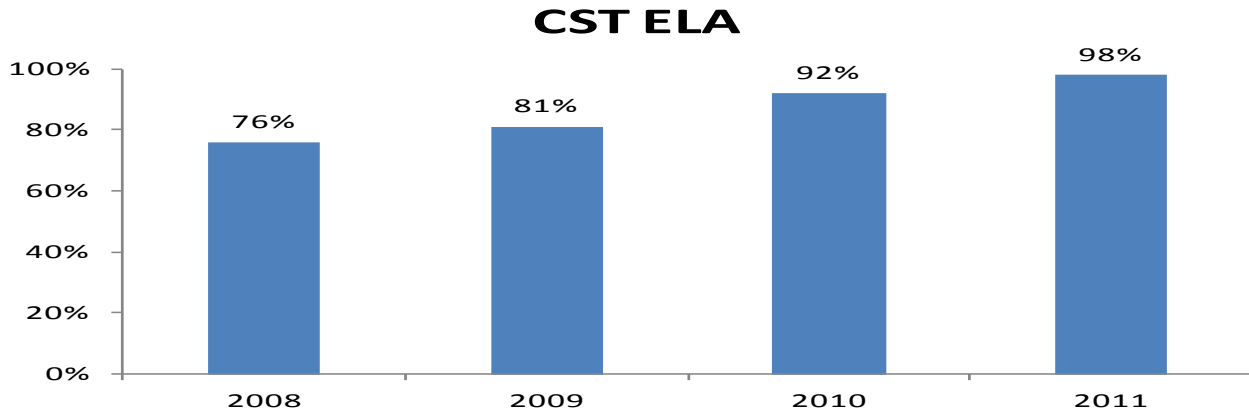
The following is an analysis of the extent to which the school has met its measurable pupil outcomes as stated in its charter. (Data provided by the charter school.)

<i>Measurable Pupil Outcomes</i>								
Measurable Pupil Outcome	Instrument	Target	2007-08 Results	2008-09 Results	2009-10 Results	2010-11 Results	2011-12 Results	Status
Meet or exceed the expectation of attaining scores in at least the 50 <sup>th</sup> percentile on the total reading, total math and total language batteries of the STAR Tests or any test used to measure growth against the CA Content Standards.	STAR Test	At least 50 <sup>th</sup> percentile	6 <sup>th</sup> grade: 75% tested proficient or advanced in ELA and 79% tested proficient or advanced in Math.  7 <sup>th</sup> grade: 75% tested proficient or advanced in ELA and 75% tested proficient or advanced in Math.	6 <sup>th</sup> grade: 77% tested proficient or advanced in ELA and 78% tested proficient or advanced in Math.  7 <sup>th</sup> grade: 92% tested proficient or advanced in ELA and 94% tested proficient or advanced in Math.  8 <sup>th</sup> grade: 62% tested proficient or advanced in ELA and 76% tested proficient or advanced in Math	6 <sup>th</sup> grade: 87% tested proficient or advanced in ELA and 94% tested proficient or advanced in Math.  7 <sup>th</sup> grade: 95% tested proficient or advanced in ELA and 100% tested proficient or advanced in Math.  8 <sup>th</sup> grade: 98% tested proficient or advanced in ELA and 98% tested proficient or advanced in Math.	6 <sup>th</sup> grade: 96% tested proficient or advanced in ELA and 100% tested proficient or advanced in Math.  7 <sup>th</sup> grade: 100% tested proficient or advanced in ELA and 100% tested proficient or advanced in Math.  8 <sup>th</sup> grade: 98% tested proficient or advanced in ELA and 100% tested proficient or advanced in Math.	N/A	MET
Exceeding the 97% attendance rate during each of the next 5 years.	Attendance rate	Exceed 97%	Based on OUSD Charter School Monthly Attendance Summary Reports, our average daily attendance rate exceeded 99%.	Based on OUSD Charter School Monthly Attendance Summary Reports, our average daily attendance rate exceeded 99%.	Based on OUSD Charter School Monthly Attendance Summary Reports, our average daily attendance rate exceeded 99%.	Based on OUSD Charter School Monthly Attendance Summary Reports, our average daily attendance rate exceeded 99%.	N/A	MET
Maintaining an API of 700 or higher after the 1 <sup>st</sup> year.	API	700 or higher	In 2008, AIPCS II received an API of 919 out of 1000.	In 2009, AIPCS II received an API of 932 out of 1000.	In 2010, AIPCS II received an API of 974 out of 1000.	In 2011, AIPCS II received an API of 990 out of 1000.	N/A	MET

## STAR Testing Performance, API Results, & AYP Results

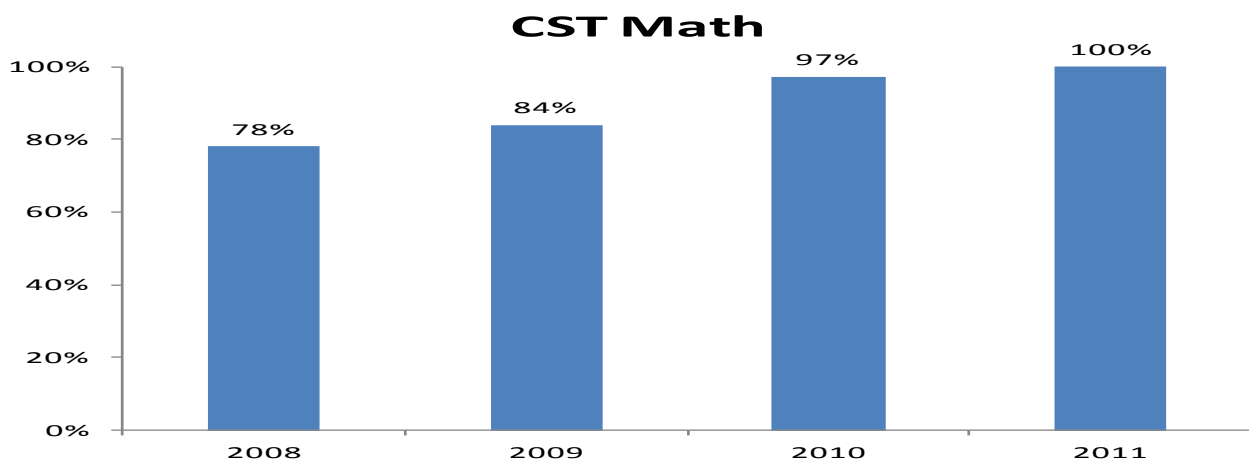
### CST English Language Arts (Performance Over Time)

YEAR	Prof./Adv.
2008	76%
2009	81%
2010	92%
2011	98%



### CST Mathematics (Performance Over Time)

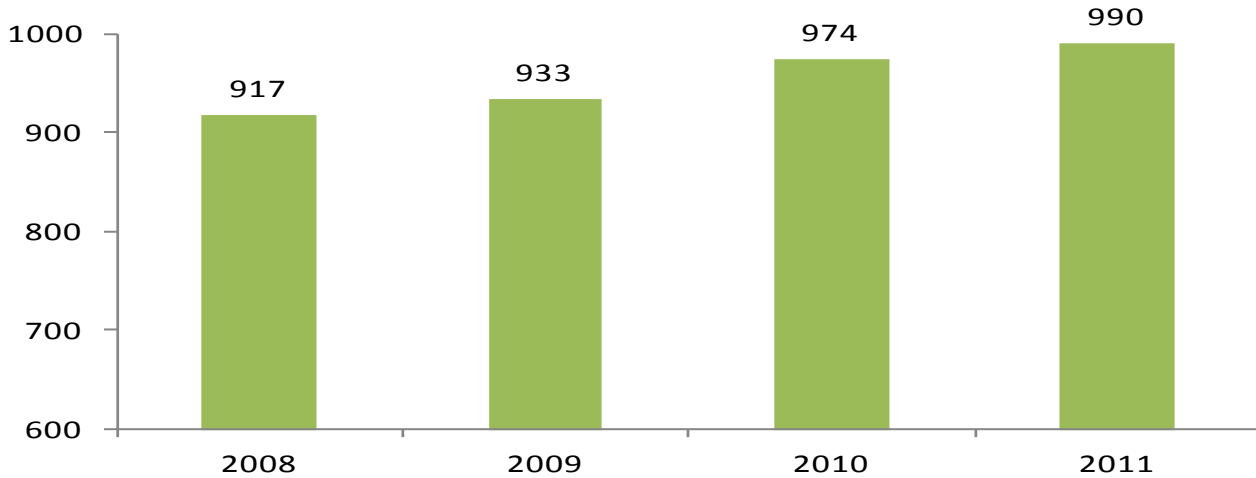
YEAR	Prof./Adv.
2008	78%
2009	84%
2010	97%
2011	100%



## API (Performance Over Time)

YEAR	API	RANK	SIMILAR
2008	917	10	
2009	933	10	10
2010	974	10	10
2011	990		
GROWTH	73 pts		

## API



## 2010-2011 API SUBGROUP DATA

	<u>API Score</u>
<b>Schoolwide</b>	990
Black or African American	-
Asian	994
Hispanic or Latino	-
Socioeconomically Disadvantaged	992
English Learners	-

**AYP (Performance Over Time)**

	2008	2009	2010	2011
AYP Met?	YES	YES	YES	YES
AMO's	100%	100%	100%	100%

**2010-2011 Percent Proficient-Annual Measurable Objectives (AMOs)**

GROUPS	English-Language Arts			Mathematics		
	Valid Scores	Number At or Above Proficient	Percent At or Above Proficient	Valid Scores	Number At or Above Proficient	Percent At or Above Proficient
<b>Schoolwide</b>	161	155	96.3	161	160	99.4
Black or African American	0	--	--	0	--	--
Asian	137	137	100	137	137	100
Hispanic or Latino	10	10	100	10	10	100
Socioeconomically Disadvantaged	141	141	100	141	141	100
English Learners	10	10	100	10	10	100

- American Indian Public Charter School II has demonstrated **growth in student CST performance** in English Language Arts or Math over the past three years;
- American Indian Public Charter School II opened in 2007. In **2008** the school API performance score was **919** (base). As of **2011**, the school API performance score was **990** . Over the prior four years, the school's API increased by **69** points.
- From **2008 to 2011** the number of students performing at proficient and advanced levels has increased by **22%** in ELA.
- From **2008 to 2011** the number of students performing at proficient and advanced levels has increased by **22%** in Math.

## COMPARISON ANALYSIS

Comparison Measure: **API**

➤ **Similar Grades Served: 6-8**



### OAKLAND CHARTER SCHOOLS

Order rank based on 2011 API Score

School	Grades	2008	2009	2010	2011
American Indian Public Charter	6-8	967	977	988	990
American Indian Public Charter School II	6-8	917	933	974	990
Oakland Charter Academy	6-8	902	943	953	933
KIPP Bridge	6-8	760	789	844	911

### OUSD DISTRICT SCHOOLS

Order rank based on 2011 API Score

School	Grades	2008	2009	2010	2011
American Indian Public Charter School II	6-8	917	933	974	990
Edna Brewer Middle	6-8	782	822	824	812
Montera Middle	6-8	794	814	830	809
Urban Promise Academy	6-8	645	694	734	748
Madison Middle	6-8	619	674	728	722
Claremont Middle	6-8	619	703	704	720
Westlake Middle	6-8	680	716	694	711
Alliance Academy	6-8	630	629	704	688
Elmhurst Community Prep	6-8	641	647	685	680
Bret Harte Middle	6-8	670	670	-	662
Frick Middle	6-8	557	597	637	656
Roosevelt Middle	6-8	651	642	630	638
ROOTS International Academy	6-8	570	575	593	631
Coliseum College Prep Academy	6-8	559	591	605	615
United for Success Academy	6-8	-	570	608	597
West Oakland Middle	6-8	576	698	617	574

Comparison Measure: **CST ELA**

➤ **Similar Grades Served: 6-8**

**CST-ELA**

**OAKLAND CHARTER SCHOOLS**

**Order rank based on 2011 CST % Proficient/Advanced**

School	Grades	ELA 08	ELA 09	ELA 10	ELA 11
American Indian Public Charter School II	6-8	76%	81%	92%	98%
American Indian Public Charter	6-8	87%	91%	94%	94%
Oakland Charter Academy	6-8	76%	79%	83%	79%
KIPP Bridge	6-8	45%	58%	67%	76%

**OUSD DISTRICT SCHOOLS**

**Order rank based on 2011 CST % Proficient/Advanced**

School	Grades	ELA 08	ELA 09	ELA 10	ELA 11
American Indian Public Charter School II	6-8	76%	81%	92%	98%
Edna Brewer Middle	6-8	50%	59%	65%	64%
Montera Middle	6-8	58%	60%	65%	63%
Urban Promise Academy	6-8	25%	39%	43%	46%
Claremont Middle	6-8	26%	36%	42%	45%
Westlake Middle	6-8	30%	33%	35%	39%
Madison Middle	6-8	17%	22%	36%	36%
Bret Harte Middle	6-8	32%	36%	34%	35%
Elmhurst Community Prep	6-8	13%	19%	30%	30%
Alliance Academy	6-8	18%	23%	29%	28%
Frick Middle	6-8	14%	17%	22%	27%
Roosevelt Middle	6-8	25%	24%	26%	27%
ROOTS International Academy	6-8	13%	15%	14%	24%
United for Success Academy	6-8	15%	16%	20%	20%
West Oakland Middle	6-8	9%	27%	22%	18%
Coliseum College Prep Academy	6-8	13%	18%	22%	17%

Comparison Measure: **CST MATH**

➤ **Similar Grades Served: 6-8**

**CST-MATH**

**OAKLAND CHARTER SCHOOLS**

**Order rank based on 2011 CST % Proficient/Advanced**

School	Grades	Math 08	Math 09	Math 10	Math 11
American Indian Public Charter School II	6-8	78%	84%	97%	100%
American Indian Public Charter	6-8	93%	93%	98%	98%
Oakland Charter Academy	6-8	78%	88%	95%	89%
KIPP Bridge	6-8	36%	42%	68%	82%

**OUSD DISTRICT SCHOOLS**

**Order rank based on 2011 CST % Proficient/Advanced**

School	Grades	Math 08	Math 09	Math 10	Math 11
American Indian Public Charter School II	6-8	78%	84%	97%	100%
Edna Brewer Middle	6-8	52%	60%	68%	59%
Montera Middle	6-8	49%	54%	59%	51%
Madison Middle	6-8	25%	32%	42%	49%
Urban Promise Academy	6-8	17%	28%	40%	44%
Alliance Academy	6-8	19%	16%	31%	42%
Westlake Middle	6-8	34%	36%	35%	38%
Claremont Middle	6-8	16%	31%	36%	31%
Elmhurst Community Prep	6-8	21%	21%	34%	31%
Frick Middle	6-8	10%	14%	22%	28%
Bret Harte Middle	6-8	21%	26%	25%	26%
Roosevelt Middle	6-8	25%	25%	26%	25%
ROOTS International Academy	6-8	5%	7%	10%	17%
Coliseum College Prep Academy	6-8	10%	10%	16%	14%
United for Success Academy	6-8	8%	17%	22%	13%
West Oakland Middle	6-8	11%	43%	17%	10%



**ADDITIONAL DATA:**

**STUDENT DEMOGRAPHICS OVER TIME**

AIPCS II	Hispanic	Asian	African-American
2007/08	13%	61%	24%
2008/09	14%	68%	13%
2009/10	9%	80%	9%
2010/11	6%	87%	6%

OUSD	Hispanic	Asians	African-American
2007/08	37%	14%	36%
2008/09	37%	13%	35%
2009/10	39%	13%	33%
2010/11	40%	13%	32%

**STUDENT RETENTION OVER TIME**

**CDE Data**

AIPCSII	6th	7th	8rd	Total Students
2007/08	57	13		70
2008/09	87	54	15	156
2009/10	76	54	42	172
2010/11	62	59	48	169

**Charter School Data**

As part of the charter renewal process, the charter school was asked to provide additional, more detailed information on student retention in a template spreadsheet provided to the school. Data regarding the retention of students from the mandatory summer school program into the regular school year was specifically requested because of concerns regarding a large number of students leaving the school prior to its start that were raised during the renewal of AIPCS in the previous year. *The data provided by AIPCS II (excerpted below) was not internally consistent, did not match CDE data, and did not align with student exit reports collected by the Office of Charter Schools. No findings in this report were made in reliance on this data.*

	2007-2008			2008-2009			2009-2010			2010-2011			2011-2012 (to date)			
	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	5th	6 <sup>th</sup>	7th	8th
Total # enrolled at start of AIPCS II summer school	61	17	0	86	61	15	81	57	15	63	61	57	0	93	53	52
# of summer school students departing before start of regular academic year	0	0	0	0	0	0	1	2	2	0	4	4	0	0	8	8
# of students departing during the school year	0	5	0	1	2	2	4	2	5	6	8					
# of students departing at end of school year and not returning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## **EDUCATIONAL PROGRAM: CHARTER SCHOOL RENEWAL QUALITY REVIEW**

The quality of the school's educational program and operations has been evaluated, in part, through a two-day Site Inspection conducted on **December 14 and 15, 2011** by District staff. See Attachment I for the school's comprehensive ratings on the Charter School Renewal Quality Standards Criteria.

### **Strengths:**

- The school's results on standardized measures are very high.
- The school's student behavior norms are consistently applied, creating a calm and orderly environment.
- Teachers have guidance on the instructional strategy and classroom management expectations of the American Indian model and support one another to implement.
- The school provides tutoring by classroom teachers to many students after-school.
- Students struggling in their classes receive progress reports every three weeks and through this structure, the school is monitoring student performance and keeping parents apprised.
- Students appreciate their teachers' passion and their commitment to helping students succeed.

### **Challenges:**

- The school uses tracked classrooms, based on early diagnostic testing only in math, and does not employ strategies for differentiated instruction within the classroom. There is no evidence that this is an effective strategy for meeting the needs of individual students. Teachers acknowledge that students have different levels of proficiency in various subjects and that the practice has caused class groupings to be changed during the school year as students move to higher levels.
- With a teacher-directed approach relying heavily on lecture from textbooks, the level of student engagement in learning is difficult to gauge. Teachers were not observed checking for understanding in the classroom.
- The school has had significant teacher turnover and reassignment since the start of 2011-2012 (more than 17 teachers hired for 11 positions). One 8<sup>th</sup> grade class had 8 different teachers between August and mid-December; a 6<sup>th</sup> grade class had 6 different teachers between August and mid-January.
- A substantial majority of new teachers hired have not had teaching experience and lack the required teaching credentials.
- Professional development opportunities for teachers are limited, consisting of a summer orientation and informal mentoring. The school relies on intern credential programs to provide support for its many new teachers.
- Teachers and other staff are unfamiliar with their special education "child find" responsibilities. Neither the charter, the AIMS special education policy, nor the staff handbook contain a description of how a student is identified and referred for special education. Of the nine (9) students with IEPs currently enrolled at AIPCS II, none were identified by AIPCS II.
- Teachers and other staff are unfamiliar with their responsibilities under the McKinney-Vento Act, which requires schools to provide certain, specific accommodations for students designated as homeless.

### **Renewal Standard I:**

Based on an analysis of AIPCS II's performance outcomes and an evaluation of its educational program over the past four years, the school is deemed **academically sound** for the purposes of renewal, although the program is not designed to meet the needs of all students.

The school has met or made substantial progress towards meeting the Measurable Pupil Outcomes identified in its charter.

## Renewal Standard II: Is the school an Effective, Viable Organization?

The effectiveness and viability of the school has been evaluated, in part, through a two-day Site Inspection conducted on **December 14 and 15, 2010** by District staff. The strengths and challenges below summarize information obtained during the inspection. Findings based on additional analysis are below. See Attachment I for the school's comprehensive ratings on the Charter School Renewal Quality Standards Criteria. **It is important to recognize that although AIPCS II is completing its first charter term, the CMO that holds the charter, American Indian Model Schools, has been in operation for over 10 years and currently holds three (3) charters.**

### Strengths:

- The school is clean and orderly.
- The organization's annual audit shows substantial financial reserves.

In response to comments received from the FCMAT team conducting the extraordinary audit, the governing board has recently (February 2012) replaced its financial administrator and clarified the new role of "chief emeritus".

### Challenges:

- The governing board is unfamiliar with and does not regularly follow Brown Act requirements for agenda content, teleconferencing and meeting on a regular schedule.
- The governing board has violated its own requirements for monitoring conflicts of interest.
- The leadership and governing board are unfamiliar with the content of their charter and with Education Code requirements for charter schools.
- The leadership and governing board are unfamiliar with and non-compliant with federal civil rights requirements such as the McKinney- Vento Act and Section 504 of the Rehabilitation Act.
- The school has made very limited effort to involve parents in school decision-making. The Family Advisory Council consists of only 5 people; only one of whom is the parent of a student enrolled at the school. The members were chosen by the school's former director. The school does not have regular parent meetings or events.

## IS THE SCHOOL AN EFFECTIVE, VIABLE ORGANIZATION

An evaluation by staff of AIPCS II's Fiscal Accountability and Governance over the charter term additionally included the following areas of review, with the following findings:

- Evaluation of annual financial audits
  - Audits are prepared by an auditor on the CDE-approved list, however, the audits have been determined to be unreliable.
    - AIMS Financial Administrator has altered the accounts after closure of the audit.
    - Auditor did not note potential significant liabilities for unpaid payroll taxes and pending litigation.
    - Auditor did not verify teacher credentials or federal program compliance.
  - Governing board review of audits appears to have been superficial. Board members knew of potential liabilities that were not reported in the audit.
- Resolution of parent/community complaints
  - The Office of Charter Schools received several anonymous complaints (10) from parents and students regarding student discipline practices and teacher turnover in the fall and winter. Although it is the practice of OCS to not investigate, but to refer the complaints to the school for resolution, it was of concern that the complaints were anonymous because the complainant was afraid that students would be punished for complaining. Students participating in the site inspection also told staff that they feared they would be punished if they said the wrong thing during the focus group discussion.

- Timeliness of mandated reporting requirements
  - The OCS Financial Accountant reported that financial reports from AIMS are routinely late and incomplete or erroneous.
- Financial controls and budgeting process
  - Staff's review of the financial management policy of AIMS show few internal controls. Checks are issued by the same person who records the transactions and reconciles the bank statements.
  - As noted above, the books have not been closed following audit and transactions have been changed after the fact.
- Effective use of resources
  - See extraordinary audit preliminary findings for information on misappropriation of funds and gifts of public funds for private purposes. These actions denied students the benefit of public funds intended for their education.
- Financial and governance improprieties resulting from poor governance and financial controls, as identified in the progress report on the on-going extraordinary audit (*additional information in italics from OCS review*):
  - Facilities lease agreements signed by the founder that document various roles as lessee and lessor with no verifiable authorization from the governing board. (*Annual lease for AIPCS II facility is currently \$280,350; amounts for the other AIMS schools are about the same.*)
  - Large expenditures for construction projects that lack any support documentation or authorization by the governing board and corresponding checks signed by the founder to his personal business for these construction expenditures. (*AIMS board minutes report construction expenditures of \$500,000 to date.*)
  - Entries for the founder's life insurance, payroll and additional CalPERS paid to on behalf of the founder during a time when former employees and the founder indicate that the founder was not affiliated with the day-to-day business and was instead only the landlord. (*Salary of \$100,000 per year reported to OCS.*)
  - The founder's wife has a separate outside services contract with the organization to perform back-office bookkeeping and exists as an employee on the charter schools payroll records during the same time frame. (*Service contract reportedly \$150,000 per year.*)
  - Department of Motor Vehicle fees paid with school funds when the school has no vehicles.
  - A check payable to the Arizona Commission for expedition services related to a charter petition unrelated to AIMS Charter Schools in Oakland, CA.
  - Multiple checks to a former board member for various services.
  - Individual checks exceeding \$100,000 to the Stanford Academic Institute of Learning summer program that requires summer school attendance by charter school students (checks were subsequently cashed by the founder).
  - Excess administrative charges for the ASES after-school grant exceeding the indirect cost rates allowed under the grant. (*Administrative charges were reported as 15% of the \$450,000 per year grant.*)
  - Lack of documentation to support ASES compliance in local match, operational hours, and nutrition requirements.
  - An entry in the general ledger for "pre-paid escrow" amounts.
  - Questionable credit card expenditures.
  - Bank accounts opened and closed without verifiable authorization from the board.
  - Lack of verifiable adherence to purchasing policies and procedures.

- Consistency and strength of Governing Board oversight
  - During the 2011-2012 school year, board membership changed so that the current board consists of only four (4) individuals with limited educational and school operating experience. The longest serving two members have less than two years' board experience (according to board rosters provided by the school). The other two have six months and one month, respectively.
  - In the three board meetings observed by OCS staff, discussion was limited, despite the seriousness of the topics. (As an example: A videotape of the January 2012 AIMS governing board meeting was posted to YouTube and can be viewed at: <http://www.youtube.com/watch?v=qFHZGKVit3o>. The board reviewed the audit report, approved an application to start an AIMS program in Arizona, and approved the charter renewal petition for AIPCS II in approximately 10 minutes. A parent and staff member raising issues of concern were each limited to 2 minutes.)
  - The governing board was unaware of teacher credential requirements and the school's violation of these requirements. (See Notice of Concern in Attachment II.)
  - The governing board was unaware of serious allegations of sexual harassment and has no policy or procedure in place for reporting. (See Notice of Concern in Attachment II.)
  - The governing board was unaware of the content of its charter (authorizing grades 5 through 8 only) and the financial implications of its decision to expand the school in October. (See Notice of Concern in Attachment II.)
  - During the governing board focus group component of the site inspection, the governing board demonstrated a lack of knowledge and understanding of numerous compliance obligations, including the Political Reform Act, McKinney-Vento, Section 504, special education, federal program requirements, and several aspects of the Brown Act.
  - According to the preliminary findings in the progress report on the extraordinary audit (Attachment III), the governing board was either unaware of, or complicit in, multiple financial improprieties involving millions public dollars.
  
- Standing with parents and within the community
  - AIPCS II does not have a structured parent organization to receive parent input and did not provide any parent survey results other than evidence of using current families to recruit students for its proposed elementary school.

**Renewal Standard II:**

Based on this analysis, the school is deemed **not an effective, viable organization** for the purposes of charter renewal.

## Renewal Standard III: Has the school been faithful to the terms of its charter?

Through the Charter School Renewal Quality Review (CSRQR) process, as well as a review of the school's performance and operations throughout the term of its charter, an evaluation of the extent to which the school has been faithful to the terms of its charter has been assessed in the following areas. Key findings are listed below:

### STRENGTHS

- Pursuit of Measurable Pupil Outcomes
  - The school has pursued the Measurable Pupil Outcomes in its current charter.

### CHALLENGES

- Adherence to Proposed Educational Program
  - Current size of the school (300) exceeds the small school design (200) described in the charter
  - No evidence of visual and performing arts curriculum as described in the charter
  - Foreign language is only taught at 8<sup>th</sup> grade
  - The school "tracks" students into classes based on a math diagnostic upon enrollment. Tracking is not part of the instructional design described in the charter.
- Compliance with Regulatory Elements
  - The school has been substantially **non-compliant** with the terms of its charter in several areas.
    - Building standards compliance
      - AIPCS II has not yet obtained an E Occupancy permit for its current building, although requests have been made regularly since 2009.
    - Teacher credentials (see Notice of Concern in Attachment II)
      - Teaching assignments not aligned with credentials
      - Teachers lacking CLAD certification
      - Excessive use of emergency and intern credentials
      - Administrators have been hired without the required level of experience stated in the charter
    - Federal and state program conditions
      - Non-compliant with ASES after-school grant: offered insufficient hours of service, denied access to groups of students contrary to grant terms, withheld funding from other participating schools contrary to grant terms
      - Non-compliant with Title I requirements: improperly allocated funds to all teacher salaries
    - Financial audits
      - The school does not follow Generally Accepted Accounting Principles as required by its charter.
      - Audits are not thorough; there has been insufficient field testing of attendance, credentials and documentary support for financial transactions; the same auditor has been used for over seven years, contrary to best practice.
      - 2010-2011 audit was not provided to or reviewed by the governing board until after it was submitted to the District
    - Financial reporting
      - Reports are frequently late, incomplete and contain errors
      - IRS Form 990 reports do not include required disclosure of transactions with interested parties
    - Recruitment, enrollment, admissions
      - AIPCS II's student population has become less diverse over time, and less aligned with the overall diversity of the District

- The school has not implemented any strategies designed to ensure that the student population is reflective of that of the District, as required by charter law
- AIPCS II's use of referrals from current families to recruit new students is contrary to the charter and has a tendency to reduce diversity
- Despite a high percentage of low income students, AIPCS II does not offer a school lunch program, which may discourage some families from enrolling
- Enrollment in 2011-2012 for 5<sup>th</sup> grade and expanded 6<sup>th</sup> grade was done on a first-come, first-served basis, contrary to the charter's legal obligation to conduct random public drawings
- Brown Act
  - Teleconferenced meetings are improperly posted and conducted
  - Agendas do not contain required information on closed session items
  - Governing board has not met on the schedule established in the annual organizational meeting or as identified in the charter
  - Governing board has taken action by unanimous written consent without a meeting (provided in its bylaws), contrary to Brown Act requirements
- Political Reform Act and other conflict of interest
  - Governing board members are unfamiliar with conflict of interest requirements
  - Governing board members are unfamiliar with Political Reform Act requirements and did not file complete and timely Form 700
  - Conflict of interest policy is not consistent with the Political Reform Act; it does not identify staff subject to its requirements and who must submit financial disclosure Form 700
  - Financial interests of governing board members and staff are not when transactions with interested parties are discussed, as provided in the AIMS conflict policy and Political Reform Act

As described above, staff has reviewed the school's records on file with the District and deemed that the school has not sufficiently adhered to its proposed educational program, has sufficiently pursued its measurable pupil outcomes as stated in its charter, but has been substantially non-compliant with material aspects of the regulatory elements under its charter term.

**Renewal Standard III:**

Based on review of the school's records and performance, the school is deemed to have **not been faithful to the terms of its charter.**

**Renewal Standard IV: Does the charter petition contain reasonably comprehensive descriptions of the required elements?**

The Charter Schools Act requires authorizers to evaluate whether the petitioners have presented a “reasonably comprehensive” description of 16 elements related to a school’s operation, plus specific supplementary information on operations and finance. The following table summarizes the results of the Staff’s review of the charter petition’s content.

Element	Inadequate	Reasonably Comprehensive	Statutory Reference	Comments
Required signatures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(a)(1)	
Affirmations and assurances	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(d)	
Description of the educational program of the school, including what it means to be an “educated person” in the 21 <sup>st</sup> century and how learning best occurs.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.C. § 47605(b)(5)(A)	<p>Description of the educational program for the proposed additional grades K through 4 is not reasonably comprehensive.</p> <ul style="list-style-type: none"> <li>• Fails to include information about the educational needs of the elementary school students it seeks to serve</li> <li>• Provides no rationale or research supporting the alignment of the AIPCS II middle school model with the needs of elementary students</li> <li>• Does not describe how the teacher-directed, textbook-based middle school model would be adapted to meet the educational needs of young children</li> <li>• Includes only a list of textbooks to describe the elementary curriculum</li> <li>• Includes no implementation plan for the addition of five (5) new grades to the school; no plan to address the necessary preparation or impacts on the rest of the school community</li> <li>• No discussion of the impact of elementary students on services to students with special needs or English learners</li> <li>• No inclusion or discussion of measures of student learning appropriate to lower grades</li> </ul>
Measurable pupil outcomes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C.	



			§ 47605(b)(5)(B)	
Method by which pupil progress is to be measured	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(C)	
Governance structure	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(D)	
Qualifications to be met by individuals employed at the school	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(E)	
Procedures for ensuring health & safety of students	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(F)	
Means for achieving racial and ethnic balance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(G)	
Admission requirements, if applicable	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(H)	
Manner for conducting annual, independent audits and for resolving exceptions or deficiencies	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(I)	
Suspension and expulsion procedures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(J)	
Manner for covering staff members through the State Teachers' Retirement System, the Public Employees' Retirement System or federal social security	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(K)	
Attendance alternatives for pupils residing within the district who choose not to attend the charter school	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(L)	
Employee rights of return, if any	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(M)	
Dispute resolution procedure for school-authorizer issues related to the charter.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(N)	
Statement regarding exclusive employer status of the school	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(O)	
Procedures for school closure	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(b)(5)(P)	
Facilities to be utilized by school	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(g)	
Manner in which administrative services are to be provided	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(g)	
Potential civil liability effects	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(g)	
Proposed first year operational budget	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(g)	
Cash flow and financial projections for 3 years	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.C. § 47605(g)	

**Renewal Standard IV:**

Petition as submitted, with appendices, **does not contain reasonably comprehensive descriptions** of all required elements set forth in charter law.

**OTHER CONSIDERATIONS: REQUEST FOR GRADE EXPANSION**

The AIPCS II charter renewal petition requests an expansion of the AIPCS II grade configuration from grades 5 through 8 to grades K through 8. Even if this report were to recommend renewal of the charter for AIPCS II, it could not, under charter law, recommend approval of expanding the school to include grades K through 4. The California Charter School Act states at Education Code §47602(b): “No charter shall be granted under this part that authorizes the conversion of any private school to a charter school.”

The facts of AIPCS II’s proposal for expansion to elementary school clearly indicate that the intent is to convert an existing private school to a public charter school:

- In October 2011, leadership of AIPCS II began to recruit students for grades K through 5 to begin operation on October 31, 2011. AIPCS II leadership hosted information sessions and distributed and collected applications. Parents were told that AIPCS II was opening a charter elementary school and that enrollment in the lower grades would give them priority for enrollment in the AIPCS II middle school program.
- After AIPCS II leadership acknowledged that the school was not authorized to offer grades other than 5-8, parents were notified that they could enroll their students in a private school located at the AIPCS II campus, based on the AIPCS II model and with low tuition.
- On November 1, 2011, staff visited the AIPCS II campus and found an elementary program in operation in the AIPCS II building (one teacher, mixed grades K-4, fewer than 20 students, uniforms similar to AIPCS II). It was identified by AIPCS II leadership as “Little Hands” private school, with the owner identified as Amy Cai (a former AIMS board member and owner of a preschool of the same name).
- On December 14, 2011, in the course of its renewal site inspection, staff again observed the elementary classroom, described as a private school serving elementary grades. A member of the AIPCS II Family Advisory Council with children in the 5-8 AIPCS II program and the private elementary school, stated that he was looking forward to the elementary program becoming a part of the AIPCS II charter school so that it would be a tuition-free public school.
- Staff was also informed during the site inspection that students for the new elementary program would be recruited from those previously contacted about the October 2011 elementary start-up.

The charter renewal petition proposes now to operate an elementary program with the same location, same grades, same families, same schedule and same model. AIPCS II’s proposal to expand its grade configuration by adding K through 4 represents an unlawful conversion of a private school to public charter status.

In addition, even if the proposed grade expansion through conversion of a private school were not contrary to law, it would not be recommended on the basis of the petition submitted. The description of the educational program with respect to grades K-4 is not reasonably comprehensive, as described in the table above.

On this basis, the staff would not recommend renewal of the charter with the addition of grades K through 4.

## RECOMMENDATION

It is the recommendation of staff, based on its thorough analysis of the charter school's performance, to **deny** the charter renewal petition for American Indian Public Charter School II School, because the charter school has not sufficiently met the standards and expectations set forth in the OUSD Charter Renewal Quality Standards, as well as the standards and criteria set forth in the California Charter Schools Act, Education Code 47605, which governs charter school renewals. The petitioners are demonstrably unlikely to successfully implement the program as set forth in the petition, as evidenced by the findings outlined within this report. The current charter will expire on June 30, 2012, serving as the effective closure date of the school.

If the charter renewal request is denied, staff will coordinate leadership within various departments within the District that are prepared to mobilize in support of ensuring that American Indian Public Charter School II students can be provided quality school alternatives. These would include both District and charter school options.

The Office of Charter Schools, in collaboration with the Student Assignment Office, is prepared to engage in a collaborative effort with the AIPCS II community to personalize and individualize the needs of AIPCS II students and their families in the transition to a new school option for the 2012-2013 school year.

## LEARNINGS

The issues raised in this report regarding the past performance of the school's academics, finances, and operation are the result of the irresponsible decisions and actions of AIPCS II school leaders and governing board members. They were responsible for operating the school in compliance with its charter. It is nonetheless valuable for the Office of Charter Schools to consider how these problems might have been prevented or corrected earlier. We offer the following preliminary observations:

- The state, through legislation or regulation, needs to clarify the application of government conflict of interest standards (Government Code 1090 and Political Reform Act) to charter schools. Uncertainty about applicable requirements should not be used as an excuse for unethical practices.
- The CDE process for identifying qualified school auditors should be reconsidered to provide greater assurance that charter school audits are conducted in accord with applicable standards.
- Current standard formats for required financial reporting by charter schools provide insufficient detail to identify questionable transactions. OUSD should enter into Memoranda of Understanding with charter schools to include additional financial reporting, as well as reporting on leadership and board changes.
- OCS should include unannounced observation of governing board meetings as part of its annual charter school oversight protocol.
- OCS should not continue to assume that charter school leaders inform governing board members of non-compliance concerns raised by the office. OCS has already changed its practice to copy board presidents on compliance-related correspondence.
- The current formula for funding district charter school oversight (1% of state charter school revenue) is insufficient to provide the resources necessary to conduct more extensive oversight. OUSD has a large number of charter schools, including several small, independent charters with limited operating and governance expertise.

**ATTACHMENT I: CHARTER SCHOOL RENEWAL QUALITY STANDARDS CRITERIA**

**ATTACHMENT II: NOTICES OF CONCERN**

**ATTACHMENT III: EXTRAORDINARY AUDIT**

## ATTACHMENT I: CHARTER SCHOOL RENEWAL QUALITY STANDARDS CRITERIA

### Making Consistent Judgments

In the complex context of school review, it is important that the terminology used is clearly understood by everyone concerned. It is also imperative that everyone recognizes that there are many ways in which a school's program for improving student outcomes can merit a particular evaluation and that awarding levels is a matter of informed professional judgment and not simply a technical process. The following rubric is included to assist reviewers in making consistent judgments.

•	An evaluation of <b>(5)</b> applies to schools characterized, overall, by strengths. There are very few or no weaknesses, and any that exist do not diminish the students' experience. Although an evaluation of <b>(5)</b> represents a high standard of quality, it is a standard that is achievable by all schools. It implies that the school may appropriately continue its provision without significant adjustment, and that there is compelling evidence that this provision can be sustained at a high level. However, all schools are expected to continue to take advantage of all opportunities to improve. The Quality Indicator (QI) for this provision is <b><i>excellent</i></b> .
•	An evaluation of <b>(4)</b> applies to schools where efforts to improve student achievement are characterized by a number of strengths. There are a few weaknesses, but neither singly nor collectively, do these have a significant adverse impact on the student experience. An evaluation of <b>(4)</b> may be appropriate in circumstances where the provision may make for a productive student experience; but it may not apply consistently to most or all students. There is strong evidence that this provision can be sustained at a level that positively impact student experiences. Typically, the school's academic-improvement practices will be characterized by strengths but one or more weaknesses will reduce the overall quality of the practices. The Quality Indicator (QI) for this provision is <b><i>proficient</i></b> .
•	An evaluation of <b>(3)</b> applies to schools characterized by some strengths, but where some important weaknesses have an impact on the quality of students' experiences. In general, an evaluation of <b>(3)</b> will imply the need for structured and timed action on the part of the school. It may be arrived at in a number of circumstances. There may be some of strengths, but there will also be weaknesses which will be, either individually or collectively, sufficient to diminish the student experience in significant ways. There may be an overall lack of evidence that this provision can be sustained or implemented by the school at a level to positively impact student experiences. The QI for the provision provided is <b><i>underdeveloped</i></b> .
•	An evaluation of <b>(2)</b> applies to schools where provisions are characterized by weaknesses that require immediate and significant corrective action by the school. Some, if not all, staff responsible for improving student achievement require support from senior managers in planning and carrying out necessary actions to enhance the effectiveness of the school's efforts to improve student outcomes. There are a few strengths but these are overshadowed by the impact of the weaknesses. There is little evidence that this provision can be sustained or implemented by the school at a level to positively impact student experiences. The Quality Indicator (QI) for this provision is <b><i>inadequate</i></b> .
•	An evaluation of <b>(1)</b> applies when there are major weaknesses in provision, requiring immediate remedial action on the part of the school. The student experience is at risk in significant respects. In almost all cases, staff responsible for provision evaluated <b><i>unsatisfactory</i></b> will require significant support from senior managers in planning and carrying out the necessary actions to effect improvement. This may involve working alongside effective peers in or beyond the school. There is no evidence that this provision can be sustained or implemented by the school to positively impact student experiences. The Quality Indicator (QI) for this provision is <b><i>unsatisfactory</i></b> .

## Criteria 1: Improving Student Achievement

A charter school promotes student learning through a clear vision and high expectations. It achieves clear, measurable program goals and student learning objectives, including meeting its stated performance standards, state and federal performance standards, and closing achievement gaps of students.

	<i>The criteria for making judgments on the quality of Improving Student Achievement</i>	<i>Score</i>	<i>Comments</i>
1.1	Demonstrates high expectations for student achievement	3	Expectations measured against standardized tests and textbook content Lack of preparation for life-long learning and active citizenship No citizenship learning or arts apparent Lack of academic discourse Little collaborative work
1.2	Provides a challenging and coherent curriculum for each individual student	2	No differentiation of classroom instruction "Tracking" based on limited assessment (math diagnostic) Enrollment has become less diverse over time Identification of students with special needs not developed; no procedures for 504, SST, child find obligations English learners not receiving support in classroom (other students translating for ELs; some pull-out and after-school); no professional development on strategies for ELs
1.3	Implements and directs learning experiences (consistent with the school's purpose and charter) that actively engage students	3	School is "tracking" students in classes based on perceived ability level – this is not in the charter Compliance and homework/assignment completion is achieved by threat of detention Teachers do not use classroom strategies to check for understanding or ensure students are meaningfully engaged
1.4	Allocates appropriate resources in the way of instructional materials, staffing and facilities to promote high levels of student achievement	3	Textbooks are up to date and students are provided with workbooks Minimal classroom libraries or technology; supplies very basic; no laboratory science materials Spending has prioritized facilities and reserve fund over experienced teaching staff
1.5	Promotes academic risk taking by supporting students in a safe, healthy and nurturing environment characterized by trust, caring and professionalism	3	Individual teachers are recognized by students to be caring and supportive Behavior norms produce safe atmosphere Recent staff turnover and rapid expansion have undercut goal of close student-teacher relationships School culture rewards students for being right, not for being curious or experimental which does not support academic risk-taking by students Increased presence of former director on the campus has resulted in students reporting abusive language and threatening behavior
1.6	Productively engages parental and community involvement as a part of the school's student support system	2	Very limited community partnership (health partnership and other supports described in the charter are not in place) Parents receive progress reports and report cards, but there are no regular parent meetings, parent conferences, or parent organization No parent representation on the Board, contrary to the AIMS bylaws
1.7	Shares its vision among the school community and demonstrates its mission in daily action and practice	4	The school's mission is understood and shared To date, the school's outreach activities have been focused on recruitment of new students, with no apparent efforts to partner with community groups in the provision of services to families, as described in the charter
2	Involves staff, students, parents and other stakeholders in its accountability for student learning and in the school's program evaluation process	3	Parents of under-performing students receive regular progress reports Quarterly report cards are issued for all students There is no program evaluation process, as indicated by the lack of improvement goals or actions in the renewal performance report Materials are not translated into Cantonese, which is the home language

	<i>The criteria for making judgments on the quality of Improving Student Achievement</i>	<i>Score</i>	<i>Comments</i>
			of a majority of families No regular parent-student conferences are held; no parent or student surveys are conducted

## Criteria 2: Strong Leadership

The leaders of a charter school are stewards of the charter’s mission and vision and carry out their duties in a professional, responsible and ethical manner. Charter school leaders use their influence and authority for the primary purpose of achieving student success.

*Note: This charter renewal process was conducted during a period of high turnover in school leadership. The previous head of AIMS left in June 2011. Since that time there have been two other individuals in his role, and two site coordinators for AIPCS II. This section seeks to capture common characteristics of the various leaders for AIPCS II.*

	<b>The criteria for judging the quality of Strong Leadership</b>	<b>Score</b>	<b>Comments</b>
2.1	Effectively communicates and engages stakeholders in the vision/mission of the school	3	Family handbook clearly communicates mission, goals and educational model; some stakeholders are enthusiastic cheerleaders for the school Communication with parents is sporadic and limited in scope No stakeholder involvement in strategic planning; no structures for parent or community voice at board level
2.2	Consistently puts into practice the educational program outlined in its charter.	3	Major features of model are in practice, i.e., textbook-based, teacher-directed, standards content focus Other elements of program in the charter are missing or have been changed: addition of “tracking”, no visual and performing arts, limited foreign language, variance from stated student:teacher ratio, no learning plans for high achieving students, calendar varies from proposed 196 days of instruction
2.3	Generates and sustains a school culture conducive to staff professional growth	2	Professional development is limited primarily to beginning of the year No consistent plan for use of early release and collaboration time School has few experienced teachers to support new, inexperienced, uncredentialed staff members Teachers receive bonuses for good attendance and achieving high test scores; additional measures of teacher growth are limited
2.4	Actively monitors and evaluates the success of the school’s program	3	Monitors CST and API consistently School has benchmark testing and shares information about student performance informally among staff members by grade level Staff is unfamiliar with SST process for students with special needs
2.5	Provides regular, public reports on the school’s progress towards achieving its goals to the school community and to the school’s authorizer	3	School meets requirements for SARCs Other documents for parents regarding the school’s progress are not translated for parents and school community
2.6	Treats all individuals with fairness, dignity and respect	2	Teachers and site-coordinator are polite and respectfully in individual meetings; treat students and parents kindly Reports of incidents of abusive language and disrespectful statements by former director have been received from students and parents School does not translate information into the home language of the majority of parents Systems are not in place to address allegations of discrimination, including allegations of sexual harassment by female staff Needs of students are not being met; EL students are isolated and rely on other students for support Learning differences among students are not respected, as indicated by the lack of differentiation in instruction and “tracking” based on math tests
2.7	Has a cogent understanding of the laws that govern charter schools and monitors the trends, issues and potential changes in the environment in which charter schools	3	Current site administrator has no prior charter school or educational administration experience Recently-designated “lead site administrator” at other AIMS campus has greater understanding and knowledge



	<b><i>The criteria for judging the quality of Strong Leadership</i></b>	<b><i>Score</i></b>	<b><i>Comments</i></b>
	operate		
2.8	Makes management decisions and uses his/her influence and authority for the primary purpose of achieving student success	3	Some resource allocation decisions are questionable (no classroom books, but spending on construction for unused rooms) Conflicts of interest issues, misappropriation of funds and gift of public funds addressed in extraordinary audit
2.9	Respects diversity and implements practices that are inclusive of all types of learners consistent with the school charter	3	No translation of documents Minimal EL support Shift of school's population to become less diverse over time Limited support for students with special needs, including special education, 504, and homeless students No classroom differentiation recognizing different learning modalities
2.10	Engages community involvement in the school	2	Community involvement limited to recruitment – no regular open house; no events; no spring fair as described in charter

### Criteria 3: A Focus on Continuous Improvement

A charter school engages in a process of continuous self-improvement in order to increase the effectiveness of its educational program. The school regularly assesses and evaluates student learning based on stated goals.

	<i>The criteria for judging the quality of the Continuous Focus on Improvement</i>	<i>Score</i>	<i>Comments</i>
3.1	Uses information sources, data collection and data analysis strategies for self-examination and improvement	2	Use data to identify students not at grade level and to evaluate effectiveness of instruction – textbook unit-by-unit No systems for looking at data across classrooms or throughout the organization Current organizational structure lacks an instructional leader
3.2	Establishes benchmarks and a variety of accountability tools for monitoring student progress and uses the results of these assessments to improve curriculum and instruction	3	Benchmarks are used to improve instruction and to identify students in need of interventions Results do not inform any expansion of teaching strategies – teachers either re-teach using the same methods or tutor after-school
3.3	Establishes both long and short term goals and plans for accomplishing the school’s mission as stated in its charter	2	Board recently developed a strategic plan for expansion; does not include programmatic improvement Short term goals are set for API and CST growth School could not provide Title I school plan
3.4	Uses student assessment results to improve curriculum and instruction	3	No curriculum changes appear to be considered; no evidence that student performance is used to select new textbooks or supplements to textbooks Teachers are required to use student assessments to identify students for detention and tutoring
3.5	Uses the results of evaluation and assessment as the basis for the allocation of resources for programmatic improvement	2	Resource allocation is for growth in enrollment only – no instructional coaching, no professional development, no curriculum development, no community outreach Students identified need for more electives, enrichment opportunities, science equipment and technology

### Criteria 4: Responsible Governance

A charter school board and administration establish and implement policies that are transparent and focused on student achievement. Charter school board members and administrators have a cogent understanding of and comply with the laws that govern charter schools. Governing Board establishes structures that ensure the long-term viability, stability, and consistency of the program through student outcomes.

	<i>The criteria for judging Responsible Governance</i>	<i>Score</i>	<i>Comments</i>
4.1	Ensure that policies and practices are implemented in a fair and consistent manner	2	Have some policies; several only recently-developed 504 policy has not been implemented; SSTs not implemented; no policy for English learners; no McKinney-Vento policy Multiple anonymous parent complaints indicate complaint procedures aren't made available to parents
4.2	Monitor the trends, issues and potential changes in the environment in which charter schools operate	1	Governing board is unaware of the content of the charter (grade configuration), charter finance, non-profit law, Political Reform Act and many other critical aspects of charter school operation
4.3	Seek input from impacted stakeholders	2	Family Advisory Committee is unrepresentative and ineffective; no meaningful engagement of impacted stakeholders
4.4	Enact policies that respect diversity and implements practices that are inclusive of all types of learners consistent with the school charter	2	School population has become less diverse over time Recruitment focused on current families further reduces diversity Board documents and meetings are not translated to home languages Special populations poorly served: special education, 504, homeless, English learners
4.5	Actively engage the school's authorizer in monitoring the school's educational program and its fiscal status	1	School's attitude toward site inspection and renewal process was hostile and uncommunicative (a significant departure from attitude of previous leadership) Responses to requests for additional information were consistently late and incomplete
4.6	Establishes and maintains a safe environment for students, staff, and community stakeholders	3	Student environment is calm and orderly Building safety has not been supported by required occupancy permit (requested since mid-2009)
4.7	Consistently engages in timely reporting or required information to the District, the County, and the State	1	Financial reporting regularly late, incomplete and contains errors Annual reporting on school operations late and incomplete Charter renewal performance report had incomplete and inconsistent data
4.8	Establishes clear and well-understood systems for decision-making and communication that results in a common sense of purpose and understanding for all stakeholders	2	Roles and responsibilities of the governing board and school management unclear and rapidly changing since June 2011 Former director Chavis was appointed chief in July 2011, denied holding that position in November 2011, later was elected to the governing board, resigned a month later, then was appointed "chief emeritus" Site coordinator expressed a lack of clarity about her responsibilities and the "chain of command" Site coordinator for other AIMS campus has recently been re-titled "lead site coordinator" but roles and authority remain unclear Financial management policy indicates limits on

	<i>The criteria for judging Responsible Governance</i>	<i>Score</i>	<i>Comments</i>
			contracting and disbursement authority that have not been followed; board approval not obtained when required (see extraordinary audit preliminary findings)
4.9	Maintains effective and active control of the charter school	1	Governing board exhibits minimal control over the school and the actions of management personnel
4.10	Abstains from any decision involving a potential or actual conflict of interest	1	Numerous transactions with interested parties, including financial administrator, former director, former board members; discussed in preliminary findings of extraordinary audit
4.11	Ensures implementation of the student recruitment, retention, and enrollment process intended in the charter, in the school's recruitment and retention plan, and as defined by statute and regulation	2	Recruitment and enrollment for 5 <sup>th</sup> grade and expanded 6 <sup>th</sup> grade done through limited, selective recruitment; no legally-required random public lottery process used
4.12	Employs best practices to hire effective school leader and annually and systematically assesses the performance of school leader against clearly defined goals, and makes effective and timely use of the evaluations	2	No clear hiring processes in place for teachers or administrative staff; site coordinator hired did not meet minimum qualifications set out in charter
4.13	Implements an accountability process for the school's academic results and operates with a clear set of goals for the school, and has developed a set of tools for understanding progress towards meeting those goals	3	Narrow API and CST goals are pursued; staff is held accountable for CST results (rewarded for success)
4.14	Involves parents/guardians as partner in the education of their children and maintains positive relationships with parents	1	Governing board does not take steps to engage parents in school governance Family Advisory Council is unrepresentative and ineffective

## Criteria 5: Fiscal Accountability

A charter school fulfills its fiduciary responsibility for public funds and maintains publicly accessible fiscal records. The school conducts an annual financial audit which is made public.

	<i>The criteria for making judgments on Fiscal Responsibility</i>	<i>Score</i>	<i>Comments</i>
5.1	Creates and monitors immediate and long-range financial plans to effectively implement the school's educational program and ensure financial stability and sustainability	1	Governing board doesn't have strong role in development of budgets or long-term financial planning Goals seem limited to growing reserve
5.2	Conducts an annual financial audit which is made public	2	Audit is conducted by auditor on CDE approved list Audit is limited in scope and failed to identify items including liabilities for unpaid payroll tax and pending litigation, and potential liability for uncredentialed teachers Thorough timely review of audit reports by governing board could have identified problem areas
5.3	Establishes clear fiscal policies to ensure that public funds are used appropriately and wisely	1	Fiscal management policy includes no meaningful controls; financial administrator was wife of landlord and former director; see extraordinary audit preliminary findings
5.4	Ensures financial resources are directly related to the school's purpose: student achievement of learning goals	1	Extraordinary audit preliminary findings include evidence of misappropriation of funds and gifts of public funds to support effort to start AIMS schools in Arizona and to fund individual student college scholarships
5.5	Managing cash flow	3	Substantial reserve to support cash needs However, extraordinary audit findings raise concern about reliability of audited financial reports and potential claims to repay misused public funds
5.6	Enrollment is stable and/or growing at the rate anticipated by the charter school as projected in the approved charter and in the multi-year budget.	3	Enrollment exceed size stated in instructional design; expansion in October disruptive to educational program

**ATTACHMENT II: NOTICES OF CONCERN**

Ms. Kaytena Beckford, Site Coordinator  
American Indian Public Charter School II  
171 12<sup>th</sup> Street  
Oakland, CA 94607

CERTIFIED MAIL/RETURN RECEIPT

January 31, 2012

**NOTICE OF CONCERN FINDINGS: Addition of 5<sup>th</sup> Grade and Expanded Student Enrollment**

Dear Ms. Beckford:

On November 22, 2011, our office sent a Notice of Concern regarding the addition of a 5<sup>th</sup> grade and expanded enrollment at American Indian Public Charter School II. A response was requested by December 12, 2011; the deadline was subsequently extended to January 6, 2012; another extension was requested to January 16, 2012. The response was received on January 11, 2012. We have now reviewed your response and summarize in this document our current findings with respect to the issues raised.

Pursuant to Education Code §47607(c)(1)(2) a charter may be revoked if the charter authorizer finds that there is substantial evidence that a school has (1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter and/or (2) Failed to meet or pursue any of the pupil outcomes identified in the charter. Should the District find that substantial evidence does exist, it is the intent of the District to provide sufficient notice to the school detailing the violation/s and to provide the school with a reasonable opportunity to cure (remedy) the violations, prior to any issuance of a subsequent Notice of Intent to Revoke.

Evidence and findings that a charter school has committed a material violation of charter conditions or failed to meet or pursue identified pupil outcomes may also be considered in the charter renewal process, consistent with Education Code §47605(b). What follows is a summary of the request, the school's reply, and the evidence generated relevant to the issues raised.

**E Occupancy Permit for Building**

Request: Our office requested evidence of the school's compliance with Education Code Section 47610 (occupancy permit).

AIPCS II Reply: "All requirements except the final fire inspections have been met.... Because of their furloughs and holidays it has been delayed."

Finding: No evidence of compliance with Education Code Section 47610 has been provided to date.

**School Size and Grade Configuration**

Request: Related to the decision to expand the school:

1. Detailed current enrollment data provided in the enrollment spreadsheet that is part of the Fall Information Update (due October 17<sup>th</sup>).
2. Any and all Governance Board agendas and minutes at which the expansion beyond 200 students was discussed and decided.

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3. Any and all Governance Board agendas and minutes at which the addition of a 5<sup>th</sup> grade was discussed and decided.
4. A description of the planning undertaken for the addition of the 5<sup>th</sup> grade, including the rationale for including 5<sup>th</sup> grade in the program and the process for development of the curriculum and hiring of staff.
5. A description of the Governance Board's rationale for opening the 5<sup>th</sup> grade on October 31<sup>st</sup>, rather than at the same time as the other grades, and for making additional 6<sup>th</sup> and 7<sup>th</sup> grade spaces available at that time.

## AIPCS II Reply:

1. Enrollment information was not provided in the requested format and included only name and grade.
2. No agendas or minutes were provided as evidence of the Board's deliberations and decision on the expansion.
3. No agendas or minutes were provided as evidence of the Board's deliberations and decision on the addition of 5<sup>th</sup> grade.
4. No description of planning for 5<sup>th</sup> grade was provided other than a question: "Why would we need to do planning for 5<sup>th</sup> grade when we have had 5<sup>th</sup> grade students; a 5<sup>th</sup> grade curriculum and classroom in place?"
5. No description of the rationale for the late opening of 5<sup>th</sup> grade, and the addition of spaces in 6<sup>th</sup> and 7<sup>th</sup> grades in late October.

Finding: No evidence was provided to demonstrate engagement of the governing board in a decision to make a major change in the program by adding a 5<sup>th</sup> grade and substantially expanding the size of other classes. (OCS independently reviewed board minutes provided as part of the charter renewal process and found no references to 5<sup>th</sup> grade or expansion of 6<sup>th</sup> and 7<sup>th</sup> at AIPCS II, other than staff hiring.) No evidence of any planning for addition of a new grade (5<sup>th</sup> grade not previously offered by the school, although authorized by the charter). No rationale provided for the changes to take place in late October, rather than at the beginning of the school year.

**Staffing**

Request: With respect to the requirements of Education Code Section 47605(I) requiring charter schools to hire credentialed teachers, we requested:

1. Completed staffing spreadsheet, including teaching staff hired for the 5<sup>th</sup> grade position.
2. A description of any and all staffing changes made at AIPCS II between the start of the regular school year and the date of your response, including changes made to accommodate enrollment growth.
3. Any and all Governance Board agendas and minutes at which administrative and teaching staff changes for the 2011-2012 school year were discussed and decided.

## AIPCS II Reply:



1. A staffing spreadsheet was provided, but without the effective date of the list, the teacher's credential or the teaching assignment of the individuals.
2. Reference was made to board minutes generally, which contain action on new hires, but neither the response nor the collected minutes are responsive to the request to describe staffing changes made at the school during the first few months.
3. Reference was made to board meeting minutes provided as part of charter renewal.

Finding: Evidence was not provided of compliance with credential requirements. OCS has continued to engage with AIPCS II to establish the credential status of teachers currently employed at the school. The various staffing spreadsheets provided as part of that on-going process are evidence of significant staff turnover at the school since the beginning of the academic year. Research and follow-up by OCS has established that some of the teachers employed did not have required credentials. There is evidence in the minutes that the board approved hiring of staff for the school, based on information presented by administrative staff. Some of the approvals appear to have been well after the new employees began their work at the school. There was, in the minutes, no evidence of board involvement in decisions to terminate teachers.

### **Instructional Days / Minutes**

Request: To address compliance with instructional minutes requirements of Education Code Section 47612.5 , OCS requested:

1. A description of the school's plan for meeting the instructional minutes requirements of the Education Code for 5<sup>th</sup> grade.
2. Copies of any and all correspondence with the California Department of Education regarding compliance with instructional minutes requirements.

AIPCS II Reply: Reply questioned the basis for requesting the documentation.

1. No documentation was provided:
2. No correspondence or waiver application to the CDE provided.

Findings: The reply included no instructional minutes calculation, alternative/multi-track calendar, or plan for meeting the conditions of apportionment. Failure to provide a reply is evidence of the school's lack of understanding of conditions of apportionment, in particular, the requirements for the school to offer minimum instructional days and minutes for its 5<sup>th</sup> grade. It is evidence that no research was undertaken regarding the impact of starting 5<sup>th</sup> grade late in the year; no consultation with CDE. Follow-up by OCS has established that a CDE waiver may be required to receive any funding for these students, including a waiver to address the requirement in Education Code Section 47652(c) that mandates that charter schools must begin by September 30<sup>th</sup>.

### **Budget and Cash Flow Impacts**

Request: To facilitate our oversight of the school's financial management in light of the questions about revenue for 5<sup>th</sup> grade and cash flow implications of substantial expansion in late October, OCS requested:

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1. Copies of any and all financial analyses prepared for or reviewed by the Governance Board regarding the addition of 5<sup>th</sup> grade and expansion of enrollment (either separate or combined), including revenue and expense projections, cash flow projections, and analyses of potential revenue penalties for failure to meet instructional minutes requirements.
2. Agendas and minutes of any and all meetings of the Governance Board, or any committees of the Governance Board, at which the financial impact of these program changes was discussed.

## AIPCS II Reply:

1. No financial analyses of the impact of the expansion on revenues, expenditures or cash were provided. The reply included the school's First Interim report for the period ending October 31, 2011, but with no narrative to describe any way in which the report was impacted by the activities that took place in October.
2. No board agendas or minutes were provided in reply.

Findings: The reply provides further evidence of the school's lack of understanding of the fiscal impact of starting 5<sup>th</sup> grade at the end of October (and expanding other grades), as well as evidence of lack of engagement of the board in meaningful deliberation regarding this expansion. (OCS independently reviewed the agendas and minutes provided by AIPCS II as part of the charter renewal process and found no indication of discussion of the financial impact of the late addition of a new grade.)

**Recruiting and enrollment process; compliance with both charter and statute**

Request: With respect to charter law requirements for recruitment and enrollment (Education Code Sections 47605(d)(1) and 47605(d)(2)(B)) and charter commitments to recruit in various communities, OCS requested:

1. Description of the recruitment strategy employed for the addition of the 5<sup>th</sup> grade and expansion of the total enrollment, including dates and locations of recruitment events.
2. Description of the process used for selecting students to be enrolled in the new 5<sup>th</sup> grade class, and for enrolling students in grades 6, 7 or 8<sup>th</sup> after the start of the school year.
3. A copy of the student enrollment waiting list for all grades at AIPCS II as of October 1, 2011.
4. Copies of any and all recruitment materials, application forms and enrollment documents used for the 2011-2012 school year, including those used for October enrollment in the new 5<sup>th</sup> grade.

## AIPCS II Reply:

1. With respect to recruitment strategy, the reply states that the school "contacted the families who had applied to AIPCS II". It also states that "I do not have a waiting list for any student at AIPCS II. Any student who applied was accepted." No information was provided on recruitment efforts or events, or how students were identified as interested in enrolling in a grade that had not previously been offered at the school.
2. No description of the process was provided, other than to state that "Any student who applied was accepted."
3. Reply states that there is no waiting list.

4. Materials provided include standard application and registration form without reference to 5<sup>th</sup> grade. No recruitment materials included.

Findings: The reply is unclear as to the recruitment and enrollment steps taken. What is described appears to be a “first come, first served” enrollment, and the school implies that because there was no limit to the available spaces, no lottery was needed to ensure fairness. This is evidence of incomplete planning for the addition of 5<sup>th</sup> grade, as the school could not know in advance how many students would apply. Also, the absence of any discussion of a recruitment plan or strategy is evidence that no effort was made to achieve a racial and ethnic balance among the school’s pupils that is reflective of the general population residing within the territorial jurisdiction of the school district, as required by Education Code Section 47605(b)(5)(G) and referenced by the charter’s commitment to recruit in various communities.

### Co-occupancy with “Little Hands”

Request: With respect to health and safety concerns raised by the opening of a private elementary school program in the AIPCS II and AIPHS downtown building, OCS requested:

1. A copy of the Private School Affidavit filed by Little Hands with the California Department of Education.
2. A copy of the current safety plan for AIPCS II.
3. Copies of any and all health and safety policies approved or amended by the Governance Board for AIPCS II.
4. Any and all agendas and minutes of Governance Board meetings at which health and safety plans were discussed, or related policies adopted or amended.
5. Copies or documentation of any and all agreements (written or oral) between AIPCS II and Little Hands regarding health and safety, including use of shared space, fire and earthquake safety procedures, and child abuse prevention.

AIPCS II Reply:

1. No Private School Affidavit for Little Hands was provided.
2. Current “Fire Exit Procedure” document was provided.
3. No health and safety policies were provided other than the “Fire Exit Procedure”.
4. No board agendas or minutes were provided or referenced.
5. No documentation of agreements was provided, but the reply stated: “We do not have any written agreement with ‘Little Hands’. We have an agreement that their parents will sign in at the front office. We coordinate our fire drills and earthquake procedures together.”

Findings: The school’s reply is evidence of limited planning for the addition of young children, their parents, and the private school staff to the current middle school and high school campus. Some logistics have been worked out, such as fire exit procedures and sign-in. There is no evidence of procedures for TB or criminal record screening private school staff and volunteers, or addressing the specific safety needs of young children mixing with older students.

Because the renewal of the charter for AIPCS II is currently pending before Oakland Unified School District, the evidence summarized here will not be used as the basis for a separate Notice of Violation or action for



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revocation at this time. The information will, however, be considered in the renewal process to the extent that it is relevant to the renewal criteria.

Respectfully,

Gail Ann Greely  
Coordinator, Office of Charter Schools

Cc: Michael Stember, Chairman, Board of Directors, American Indian Model Schools  
c/o Pacific Edison, 1158 26<sup>th</sup> Street, Suite 606, Santa Monica, CA 90403

**Kaytena Beckford**  
**American Indian Public Charter School II**  
**171 12<sup>th</sup> Street.**  
**Oakland, CA 94607**

February 28, 2012

**NOTICE OF CONCERN: Teacher Credentialing**

Dear Kaytena Beckford:

The following concern(s) outlined in this letter constitute areas under which charter revocation is permissible.

***Education Code Section 47605(l) states:***  
***Teachers in charter schools shall hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold. These documents shall be maintained on file at the charter school and are subject to periodic inspection by the chartering authority.***

Based on an inspection of records provided by your school on February 24, 2012, it came to the attention of the Office of Charter Schools that American Indian Public Charter School II lacked sufficient evidence of a valid CA teaching credential and/or English Learner Authorization for the following teacher/s:

1. **Seth Burns: 7<sup>th</sup> grade teacher**
2. **Daniel M. Dalby: 5<sup>th</sup> grade teacher**
3. **Jamal C. Footman: 7<sup>th</sup> grade teacher**
4. **Creston Higgins: 8<sup>th</sup> grade teacher**
5. **Koichiru Nishimura: 6<sup>th</sup> grade teacher**

Therefore, the school is hereby put on notice that our records indicate that the school is in violation of the law, as well as the terms of its charter. In addition, your school has submitted a substantial number of credential applications for newly-hired teachers since the start of the school year, raising concerns about the manner and timing of credential verification.

The school must provide sufficient evidence in writing to the District no later than **Friday, March 9, 2012** demonstrating that all teaching staff at American Indian Public Charter School II assigned to and providing instruction to students in core/college prep classes since the start of the school year have possessed a valid CA teaching credential consistent with all requirements under the law, including but not limited to Education Code Section 47605(l). The school must provide evidence in writing that demonstrates that no teaching staff without a valid CA teaching credential has been assigned to and is providing instruction to students in core/college prep classes and documentary evidence must be on file at the school site and available for inspection. Please submit this evidence Attn: Guadalupe Navarro electronically at [guadalupe.navarro@ousd.k12.ca.us](mailto:guadalupe.navarro@ousd.k12.ca.us) or via fax at 510-482-6774 by the deadline set forth above.

Specifically, we are requesting that you provide the following information to our office by **Friday, March 9, 2012**:

OFFICE OF CHARTER SCHOOLS

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- A. A list of ALL teaching staff assigned or providing instruction to students at any time during the current academic year (2011-2012), including short and long-term substitutes, provided in the format of the staff spreadsheet previously provided to you electronically.
- B. Evidence of a valid CA teaching credential for ALL core/college prep teaching staff assigned or providing instruction to students consistent with Education Code Section 47605(l). In the instance that the school solely possesses documentation that the teacher had a *pending credential* with the California Commission on Teacher Credentialing, the charter school must provide evidence that a Temporary County Certificate (TCC) was obtained and approved by the Alameda County Office of Education. The inability to obtain valid, temporary certification for any teacher assigned to and/or providing instruction in a core class must be documented. Please note that the absence of documentation as evidence of a valid CA teaching credential, including the inability to obtain a temporary certificate through the county, for any teacher assigned to and/or providing instruction in a core class continues to place the school in violation of the law and its charter.
- C. Signed statement in writing that NO core/college prep teacher has been assigned and/or is providing instruction without a valid CA teaching credential consistent with Education Code Section 47605(l) as of Friday, March 9, 2012.
- D. A description of the process used by your school to ensure that all core/college prep teachers hold valid teaching credentials plus contact information for the individual/s within your organization responsible for determining credential compliance.

The absence of documentation of evidence of a valid California teaching credential, including the inability to obtain a temporary certificate through the county, for any teacher assigned to and/or providing instruction in a core class, places the school in violation of the law and its charter. Employment of teachers without compliant credentials may also subject the charter school to penalties for failure to meet requirements for minimum instructional minutes. We therefore also request that, by **December 1, 2012**, you provide our office with a copy of any final audit findings with respect to credential compliance, including information on potential penalty amounts and shortage information, and your response to the audit finding.

For questions regarding this request, please contact Guadalupe Navarro, Compliance Specialist, in the Office of Charter Schools:

Education Center at Tilden, Office of Charter Schools  
Attention: Guadalupe Navarro  
4551 Steele St., Room 11  
Oakland, CA 94619  
Phone: 510-336-7572 Fax: 510-482-6774  
Guadalupe.navarro@ousd.k12.ca.us

The Office of Charter Schools will provide a response in writing to the evidence provided by the school within twenty calendar days of receipt. The District reserves the right to pursue a Notice of Violation, pending the outcome of the requested response by the school.



**OFFICE OF CHARTER SCHOOLS**

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Respectfully,

Gail Ann Greely  
Coordinator, Office of Charter Schools

Cc: Michael Stember, President American Indian Public Charter School II Governing Board  
Jacqueline Minor, OUSD General Counsel

**ATTACHMENT III: EXTRAORDINARY AUDIT PRELIMINARY FINDINGS**





# Alameda County Office of Education

**Sheila Jordan**  
Superintendent

**Damon Smith**  
Associate Superintendent  
Business Services

**Movetia Salter**  
Chief Human Resources Officer

**Naomi Eason**  
Assistant Superintendent  
Educational Services

**Robert Crose**  
Assistant Superintendent  
Student Programs and Services

## BOARD OF EDUCATION

**Joaquin Rivera**  
Trustee Area 1

**Marlon L. McWilson**  
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Trustee Area 5

**Eileen McDonald**  
Trustee Area 6

**Yvonne Cerrato**  
Trustee Area 7

**CONFIDENTIAL**

December 5, 2011

Anthony Bridges, Deputy Executive Officer  
Fiscal Crisis Management and Assistance Team  
Kern County Superintendent of Schools  
1300 17th Street  
Bakersfield, CA 93301

RE: Request for Investigation of the American Indian Model Schools (AIMS)  
Charter School Organization

Dear Mr. Bridges,

I am requesting the Fiscal Crisis and Management Assistance Team (FCMAT) conduct an investigation based upon the provisions of Education Code Section 47604.4, allowing a County Superintendent of Schools to conduct an investigation into the operations of a charter school based upon written complaints by parents or other information that justifies the investigation, and 1241.5 (c), allowing a County Superintendent of Schools to review or audit the expenditures and internal controls of any charter school in his or her county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination.

Superintendent Tony Smith of the Oakland Unified School District has requested our office initiate an audit of the American Indian Model Schools (AIMS) charter school organization. His request is based on allegations received from a former AIMS employee concerning fraud and/or misappropriation of funds. Therefore, I am requesting that FCMAT conduct an investigation to validate the sufficiency of evidence of these allegations.

Attached for your review is a copy of the following information we have received from the Oakland Unified School District:

- Request letter from Superintendent Smith highlighting the allegations,
- concerns presented to ACOE by OUSD on October 19, 2011,
- complaint OUSD received on August 26, 2011, and
- additional documentation that OUSD has collected to date (i.e. lease agreements, etc.)

313 W. Winton Ave.  
Hayward, California  
94544-1136

(510) 887-0152

[www.acoe.org](http://www.acoe.org)



I look forward to hearing from you soon to discuss the necessary actions needed to proceed with this investigation. ACOE's main contact for this investigation will be Teresa Kapellas, Charter Schools Office Manager, at (510) 670-4272. Please contact her at your earliest convenience to schedule a meeting.

Sincerely,



Sheila Jordan, Superintendent  
Alameda County Office of Education

cc: Dr. Tony Smith, Superintendent, Oakland Unified School District  
Damon Smith, Associate Superintendent, Business Services, ACOE  
Teresa Kapellas, Manager, Charter Schools Office, ACOE  
Mary Hernandez, Esq., GCR, LLP, Legal Counsel to ACOE

Enclosures



## CSIS California School Information Services

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March 30, 2012

Sheila Jordan, Superintendent  
Alameda County Office of Education  
313 W. Winton Ave.  
Hayward, CA 94544

Re: Progress Update, AB139 Extraordinary Audit, American Indian Public Charter Schools

Dear Superintendent Jordan:

In January 2012, the Alameda County Office of Education and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement to provide an Assembly Bill 139 extraordinary audit of the American Indian Model Charter Schools (AIMS). Specifically, the agreement states that FCMAT will perform the following:

1. Review the revenues and expenditures for the AIMS charter schools related to the After School Education and Safety (ASES) Federal Program Grant for the current and two prior fiscal years and determine if fraud, misappropriation of funds or other illegal activities have occurred. The ASES Program funds the establishment of local after school education and enrichment programs. These programs are created through partnerships between schools and local community resources to provide literacy, academic enrichment and safe constructive alternatives for students in kindergarten through ninth grade (K-9). Funding is designed to: (1) maintain existing before and after school program funding; and (2) provide eligibility to all elementary and middle schools that submit quality applications throughout the State of California.
2. Review the AIMS charter schools application for funds received from SB 740 Charter School Facility Grant Program and determine if fraud, misappropriation of funds or other illegal activities have occurred during the current and two prior fiscal years. The grant is a noncompetitive program that provides assistance with facilities rent and lease expenditures for charter schools that meet specific eligibility criteria. The grant program was enacted to reimburse charter schools for rental and lease costs in low-income areas. This program is targeted toward schools and communities with high proportions of economically disadvantaged students. Eligible applicants must have at least 70 percent of students enrolled at the charter school who are eligible for free or reduced-price meals or the charter school must be physically located in an elementary school attendance area where at least 70 percent of students enrolled are eligible for free or reduced-price meals. The charter schools must also give a preference in admissions to students who reside in the elementary school attendance area. The charter schools are funded \$750 per unit of classroom-based average daily attendance or 75 percent of its annual facilities rent and lease costs for the school, whichever is less.

### FCMAT

Joel D. Montero, Chief Executive Officer

1300 17<sup>th</sup> Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647  
422 Petaluma Blvd North, Suite. C, Petaluma, CA 94952 • Telephone: 707-775-2850 • Fax: 707-775-2854 • [www.fcmat.org](http://www.fcmat.org)  
Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

3. Determine if any of the AIMS charter schools violated any applicable conflict of interest disclosure requirements in accordance with the Political Reform Act of 1974 (“the Act”) regarding California’s conflict of interest laws for public officials. The Act requires certain “designated” public officials at all levels of government to publicly disclose their private economic interests and requires all public officials to disqualify themselves from participating in decisions in which they have a financial interest.

During its audit of American Indian Model Charter Schools (AIMS), the team noticed several irregularities for the 2009-10 fiscal year through December of the 2011-12 fiscal year that require additional research and inquiry. These concern several items, including postings in the general ledger, program compliance, and board oversight. The AIMS governing board has been cooperative and has directed the new bookkeeper to gather the support documentation required to determine the appropriateness of the expenditures and whether they are in accordance with generally accepted accounting principles.

The district could not provide governing board minutes for July 2007 through December 2009 for FCMAT’s review. The founder reported that the board minutes and support documents for items approved at those meetings are missing from the school records; therefore, it is difficult to test sample data for proper authorization of expenditures.

The following items have not been fully validated and are provided as preliminary concerns that will require further research prior to inclusion in the final report:

- Facilities lease agreements signed by the founder that document various roles as lessee and lessor with no verifiable authorization from the governing board.
- Large expenditures for construction projects that lack any support documentation or authorization by the governing board and corresponding checks signed by the founder to his personal business for these construction expenditures.
- Entries for the founder’s life insurance, payroll and additional CalPERS paid to or on behalf of the founder during a time when former employees and the founder indicate that the founder was not affiliated with the day-to-day business and was instead only the landlord.
- The founder’s wife has a separate outside services contract with the organization to perform back-office bookkeeping and exists as an employee on the charter school’s payroll records during the same time frame.
- Department of Motor Vehicle fees paid with school funds when the school has no vehicles.
- A check payable to the Arizona Commission for expedition services related to a charter petition unrelated to AIMS Charter Schools in Oakland, CA.
- Multiple checks to a former board member for various services.
- Individual checks exceeding \$100,000 to the Stanford Academic Institute of Learning summer program that requires summer school attendance by charter school students (checks were subsequently cashed by the founder).
- Excess administrative charges for the ASES after-school grant exceeding the indirect cost rates allowed under the grant.
- Lack of documentation to support ASES compliance in local match, operational hours, and nutrition requirements.
- An entry in the general ledger for “pre-paid escrow” amounts.
- Questionable credit card expenditures.
- Bank accounts opened and closed without verifiable authorization from the board.
- Lack of verifiable adherence to purchasing policies and procedures.

When an organization lacks internal controls and governing board oversight is minimal, the likelihood of fraud greatly increases. The governing board has no involvement in the fiscal aspects of the organization including proper authorization of transactions. Both the founder and his spouse have unrestricted access and authority to assets. Large contracts for construction and other outside services have cursory board approval requiring little if any discussion or oversight. Several companies that conduct business with the charter schools are owned by the founder and/or his spouse, and payment for these services are signed by one or both of these individuals. Under the terms and conditions of the petition, the AIMS charter school is subject to Government Code Sections 1090, 1091.5, 81000-87000 and the Political Reform Act.

Although these are preliminary findings, under Education Code Sections 1241.5 and 42638(b), if fraud or the perception of fraud, misappropriation of funds or other illegal activities exists, the county superintendent will be required to forward a copy of the final report to the state superintendent of public instruction and the local district attorney.

The FCMAT report is still in process, and many issues and questions have yet to be resolved; therefore, any statements or conclusions have not been finalized.

The FCMAT study team will continue the investigation and expects to have a draft report by April 30, 2012. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Debi Deal". The signature is stylized with a large, sweeping underline that loops back under the name.

Debi Deal, CFE  
Fiscal Intervention Specialist

- C: Joel D. Montero, FCMAT CEO  
Anthony L. Bridges, FCMAT Deputy Executive Officer  
Damon Smith, ACOE, Assistant Superintendent of Business Services  
Teresa Kapellas, ACOE Charter School Office  
Gail Greely, Coordinator, Office of Charter Schools, Oakland Unified School District

**RESOLUTION OF THE GOVERNING BOARD  
OF THE OAKLAND UNIFIED SCHOOL DISTRICT**

**Resolution No. 1112-0219**

**DENYING CHARTER RENEWAL PETITION OF  
AMERICAN INDIAN PUBLIC CHARTER SCHOOL II  
AND WRITTEN FINDINGS OF SUPPORT THEREOF**

**WHEREAS**, by enacting the Charter Schools Act (Ed. Code §§ 47600, *et seq.*), the Legislature has declared its intent to provide opportunities to teachers, parents, pupils and community members to establish and maintain schools that operate independently from the existing school district structure for the purposes specified therein; and

**WHEREAS**, the Legislature has declared its intent that charter schools are and should become an integral part of the California educational system and the establishment of charter schools should be encouraged, and that charter schools are part of and under the jurisdiction of the Public School System and the exclusive control of the officers of the public schools; and

**WHEREAS**, although charter schools are exempt from many of the laws governing school districts, in return for that flexibility they are accountable for complying with the terms of their charters and applicable law; and

**WHEREAS**, Education Code Section 47605(b) charges school district governing boards with the responsibility of reviewing charter petitions to determine whether they meet the legal requirements for a successful charter petition; and

**WHEREAS**, a successful charter petition must contain reasonably comprehensive descriptions of the criteria set forth in education Code Section 47605(b)(5)(A)-(Q), as well as the affirmations and other requirements set forth in Education Code Section 47605; and

**WHEREAS**, Title 5, Section 11967.5 of the California Code of Regulations ("Regulations") contains the State Board of Education's adopted criteria for the required elements for a charter petition as set forth in Education Code Section 47605(b) and although these criteria for the State Board of Education's use in reviewing charter petitions are not binding on school districts they may provide instructive guidelines for school districts' review of charter petitions; and

**WHEREAS**, Education Code Section 47607(a)(2) provides that renewals of charter petitions are governed by the standards and criteria in Section 47605, and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed; and

**WHEREAS**, the State Board of Education has adopted regulations for charter renewal that direct the authorizing district's governing board to "consider the past performance of the school's academics, finances, and operation in evaluating the likelihood of future success, along with future plans for improvement if any" (5 CCR §11966.4(b)(1)); and

**WHEREAS**, a governing board may deny a petition to renew a charter school if it makes written findings to support any of the following under Education Code Section 47605(b): (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 an affirmation of each of the conditions described in Education Code Section

47605, subdivision (d); and (4) the petition does not contain reasonably comprehensive descriptions of all of the criteria set forth in Education Code Section 47605(b)(5)(A)-(Q); and

**WHEREAS**, Education Code Section 47607(b) provides that a charter school that has been in operation for at least four years shall meet at least one of four specified performance criteria prior to receiving a charter renewal; and

**WHEREAS**, American Indian Public Charter School II is a charter school that began operating in 2007 and is in its fifth year of operation; and

**WHEREAS**, on or about January 25, 2012 the District received a petition to renew the charter for American Indian Public Charter School II ("Petition"), a public charter school serving grades 5-8 with an approximate enrollment of 300 students in grades 5-8 during the 2011-2012 school year; and

**WHEREAS**, on or about February 8, 2012, the Board held a public hearing on the renewal petition as required by Education Code Section 47605(b); and

**WHEREAS**, the Board of Education, under Education Code Section 47605(b), is obligated to take action to grant or deny the renewal petition within 60 days of submission, unless, as in this instance, the timeline is extended by agreement to no more than 90 days;

**WHEREAS, the Office of Charter Schools has conducted an analysis and investigation into the Charter School's compliance with its charter and applicable law, and has produced a Staff Report summarizing its findings, a true and correct copy of which is attached as Exhibit "A" to this resolution, and whose contents are incorporated by reference;**

**NOW, THEREFORE, BE IT FURTHER RESOLVED AND ORDERED** by the Governing Board of the Oakland Unified School District that the American Indian Public Charter School II is demonstrably unlikely to successfully implement the program set forth in the petition and has violated the terms of its previous charter, including assurances of compliance with applicable law and regulations. The specific findings supporting the decision are enumerated below:

**Lack of Responsible Governance (Staff Report, pp. 22, Attachment I (pp. 35-37))**

- The governing board is not well-informed about the school, the charter, or its legal responsibilities. Based on recent actions, it is not exercising effective and responsible control over the charter school
- The school is out of compliance with numerous requirements under its charter and applicable law, including the Brown Act, the Political Reform Act, and non-profit law requirements. **(Staff Report, pp. 23)**
- The governing board has made plans and taken action without appropriate research and preparation, including late expansion into 5<sup>th</sup> grade and attempting to open elementary grades. There are ongoing financial repercussions to this expansion that, according to CDE, will result in a reduction in general purpose revenue.
- Existing policies are inadequate and inconsistently implemented, especially with respect to special populations of students, such as English learners and students with disabilities.
- The school and governing board have no structures and processes for involvement of parents and community in decision-making, as required by law.
- 

**Poor Financial Accountability and Mismanagement (Staff Report, Attachment 3 [FCMAT Findings])**

- Financial controls are ineffective, resulting in an extraordinary audit that has made preliminary findings of significant misappropriation of funds, gifts of public funds and transactions involving conflicts of interest.

- Financial reporting is often late and incorrect; audits are not thoroughly reviewed by the board and are inadequate.

**Insufficient Effort to Address Special Populations (Staff Report, Attachment 1, pp. 30, 33, 35)**

- The school does not exhibit a willingness or capacity to serve students with special needs, including students with IEPs, students with disabilities qualifying for Section 504, or English learners.

**Lack of Effective Leadership (Staff Report, Attachment 1, p. 35)**

- The school's leadership structures are inadequate. The organizational chart has been revised at least 3 times in the past 9 months; the former director has been variously identified as director, chief and "chief emeritus" with no job description; and the site coordinator has no background in or responsibility for instructional leadership.
- There is no effort to examine and improve the quality of instruction for students, or to broaden the range of learning experiences or outcomes. This is despite the clear failure to meet the needs of students with disabilities and English learners, and the requests of students and staff for more technology and electives.
- The OUSD Charter Renewal Quality Standards define strong leadership as effort that, "Generates and sustains a school culture conducive to staff professional growth." Professional development at AIPCS II is limited to learning the specific strategies of the model: teacher-directed, lecture-based instruction from standardized texts. Professional growth is measured predominantly by results on standardized tests. (*See*, Staff Report, Attachment 1, p. 32)
- The OUSD Charter Renewal Quality Standards also define strong leadership as effort that, "Engages community involvement in the school." The school leaders make no effort to engage parents and other community groups in school decisions. No family support services are provided.

**Continuous Improvement (Staff Report, Attachment 1, p. 34)**

- The charter renewal standards describe a quality school as one which, "Uses information sources, data collection and data analysis strategies for self-examination and improvement" and "Establishes both long and short term goals and plans for accomplishing the school's mission as stated in its charter". AIPCS II has no data inquiry or school improvement process to evaluate and enhance the educational program or school operations.

**Impact of Shortcomings on AIPCS II Students and Families**

The charter school's failure to meet its responsibilities under charter law has had negative consequences for the students, families and staff of the school, including:

- Funds diverted from the educational program were not available to meet student needs.
  - Students specifically identified the need for technology, arts, sports programs, playing fields, and more electives.
  - Students and staff members said they would have benefited from additional professional development and a greater variety of instructional materials and technology.
- Community partnerships to meet needs of the school's families outside the school day were not pursued.
- Students with disabilities and English learners were not supported in their learning.
- Parent concerns were not addressed; families were disempowered by the school's culture and governance structure.

**THE BOARD HEREBY FINDS** that American Indian Public Charter School II has not met the requirements of Education Code Section 47607(a) and Section 47605(b):



1. The Petitioners are demonstrably unlikely to successfully implement the program set forth in the Petition; as supported by evidence of material violations of the terms of its current charter and applicable law; and
2. The Petitioners have not provided reasonably comprehensive descriptions of all required elements of the charter petition

The Board is therefore compelled to deny the Petition under the provisions of the Charter Schools Act. The Petition is hereby denied.

**PASSED AND ADOPTED** on April 4, 2012, by the Governing Board of the Oakland Unified School District by the following vote:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENCES:**

I declare under penalty of perjury that the foregoing resolution was duly passed and adopted on the date and by the vote stated.

---

Edgar Rakestraw, Jr.  
Secretary of the Governing Board  
Oakland Unified School District