

Charter Renewal Staff Recommendation Oakland Charter High School

*OUSD Office of Charter Schools
January 2, 2025*



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students



Charter Renewal Overview

Charter School Renewal Overview

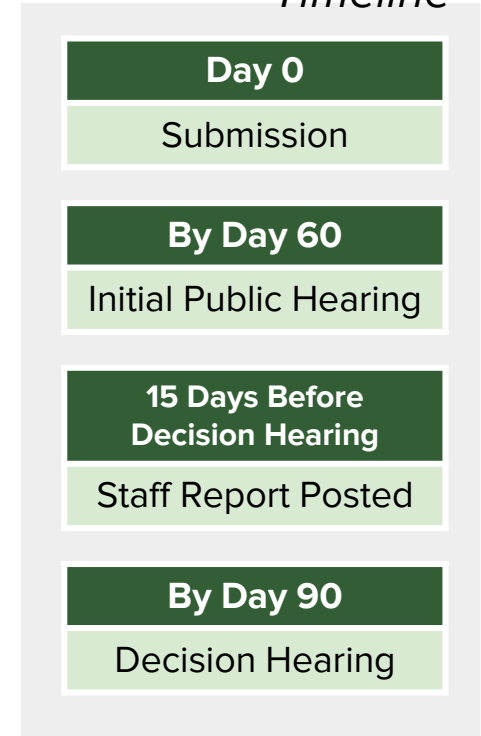
Background

Every 5 years (typically), a Charter School must submit a renewal petition to their authorizer in order to continue operating. The authorizer, the OUSD Board of Education, must evaluate the renewal petition based on criteria outlined in California Education Code and the school's Renewal Tier placement. The Board must vote within 90 days of submission to approve or deny the petition.

COVID-19 Impact on Charter Renewal

Due to the lack of Dashboard data after COVID, the State legislature extended all charters' terms by a total of **three years**. Therefore, all OUSD-authorized charter schools that are up for renewal this fall are currently in **year 8** of their charter term.

Timeline



Charter School Renewal Criteria

01

Has the Charter School Presented a Sound Educational Program?

- Renewal Tier Placement
- State Testing Performance and CORE Growth Data (if applicable)
- Graduation Outcomes (if applicable)
- Verified Data
- Site Visit Information

02

Is the Charter School Demonstrably Likely to Successfully Implement the Proposed Educational Program?

- Enrollment Information and Demographics
- Fiscal Analyses
- Notices of Concern
- Board Health and Effectiveness
- Staffing and Teacher Credentialing

03

Is the Petition Reasonably Comprehensive?

- Analysis of 15 Required Elements per California Education Code
- Analysis of other OUSD required items

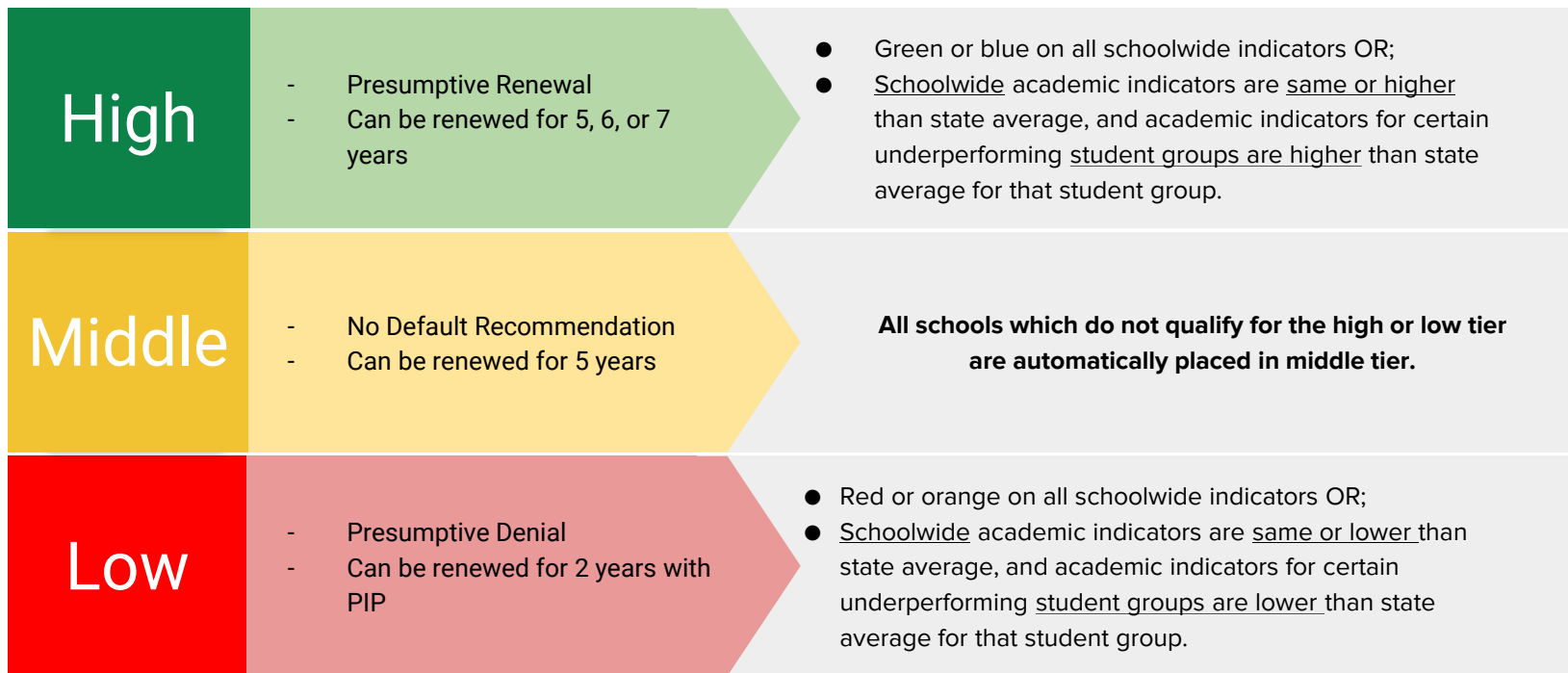
04

Is the Charter School Serving All Students Who Wish to Attend?

- State-provided Enrollment Data
- Substantiated Complaints related to suspension/expulsion if applicable

Note: Ed. Code limits consideration to only these data sources

How Does CDE Calculate Renewal Tiers?





OCHS

Renewal Analysis and Staff Recommendation

Oakland Charter High School Overview

Oakland Charter High School (“OCHS”)

Charter Management Organization	Amethod Public Schools (AMPS)	Neighborhood	Patten
Grade Span	9-12	OUSD Attendance Area	Fremont
OUSD Board District	District 5	Current Enrollment	331

OCHS was placed in the Middle Tier

No default recommendation from State; Eligible for 5-year renewal term

OCHS General Renewal Timeline

November
5, 2024

Renewal Submission

OCHS submitted the renewal petition and all associated documents to the OUSD Office of Charter Schools.

December
9, 2024

Initial Public Hearing

OUSD Board of Education held an Initial Public Hearing where representatives of the Charter School had the opportunity to present.

December
18, 2024

Staff Report Posted

The OUSD Staff Report and recommendation was posted to the OUSD Board of Education website.

January 2,
2024

Decision Hearing

OUSD Board of Education is holding the Decision Hearing at which they will vote to approve or deny the renewal petition.

As part of the renewal process, the OUSD Office of Charter Schools conducted a site visit at OCHS on September 17, 2024 and a charter board interview with members of the AMPS governing board on July 15, 2024.

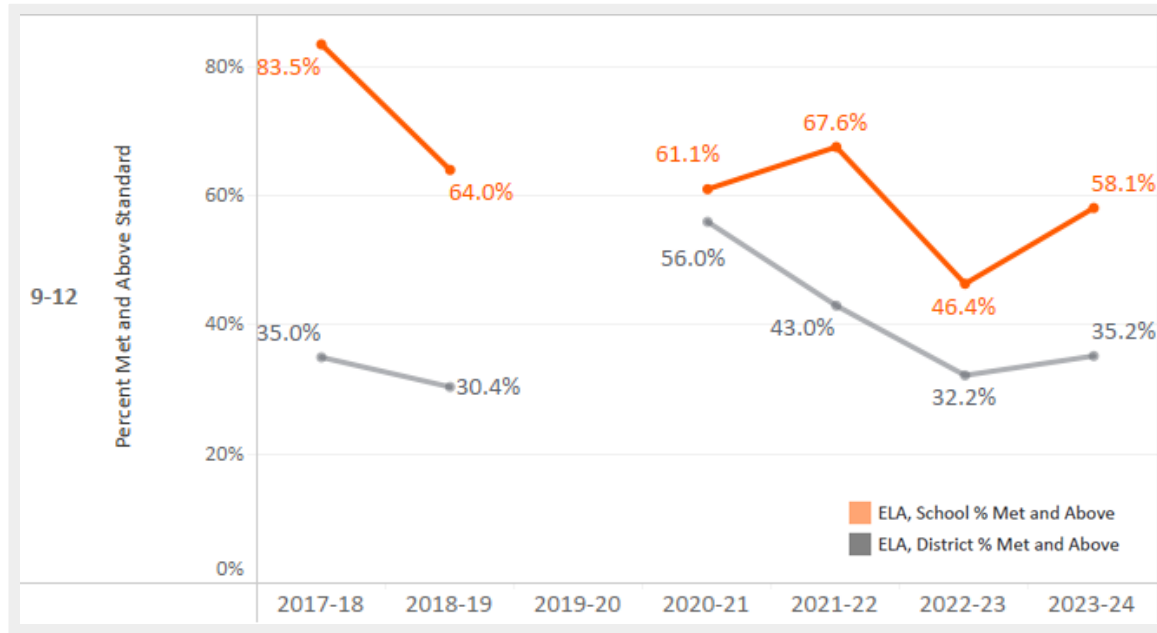
OCHS CA Dashboard Results

	ELA	Math	EL Progress	Suspension	College / Career	Graduation Rate
2021-22	Medium 28.9 pts above standard	Medium 45.7 pts below standard	Low 46.3% making progress	Medium 2.0% suspended	N/A	High 92.2% graduated
2022-23	Orange 5.1 pts below standard <i>Decreased 34 pts</i>	Orange 79.2 pts below standard <i>Decreased 33.6 pts</i>	Orange 37.6% making progress <i>Decreased 7.3%</i>	Orange 2.4% suspended <i>Increased 0.5%</i>	High 62.3% prepared	Orange 90.4% graduated <i>Decreased 1.8%</i>
2023-24	Green 20.1 pts above standard <i>Increased 25.2 pts</i>	Orange 83.5 pts below standard <i>Decreased 4.3 pts</i>	Red 34.4% making progress <i>Decreased 3.3%</i>	Orange 3.7% suspended <i>Increased 1.3%</i>	Yellow 56.8% prepared <i>Decreased 5.4%</i>	Orange 89.5% graduated <i>Decreased 1.0%</i>



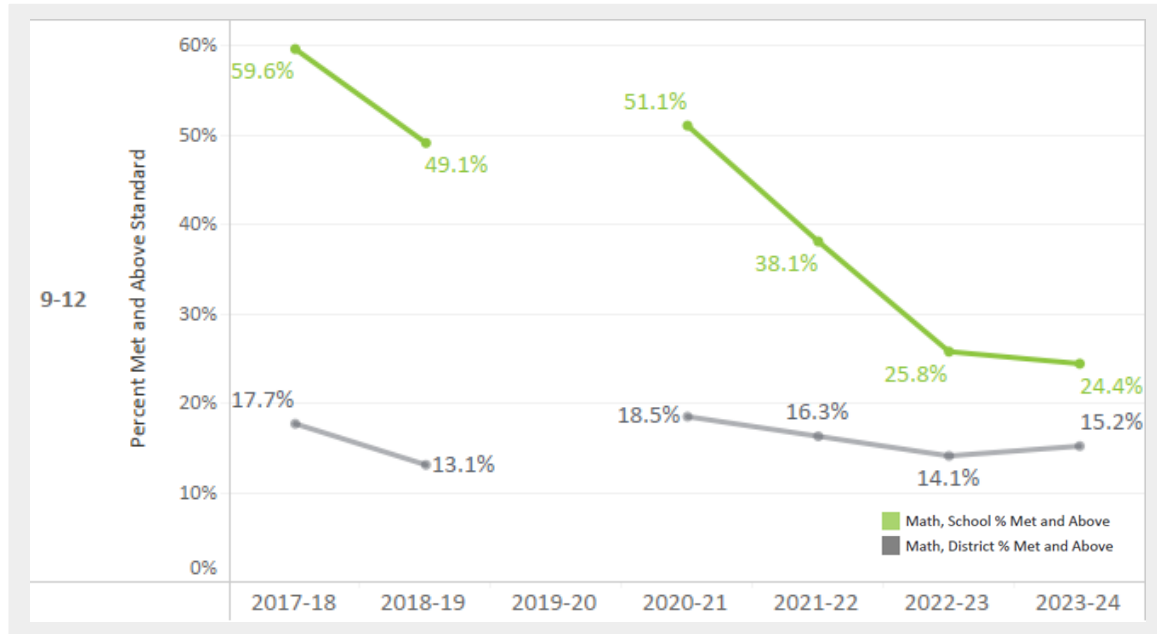
Criteria I: Has the Charter School Presented a Sound Educational Program?

ELA SBAC Performance



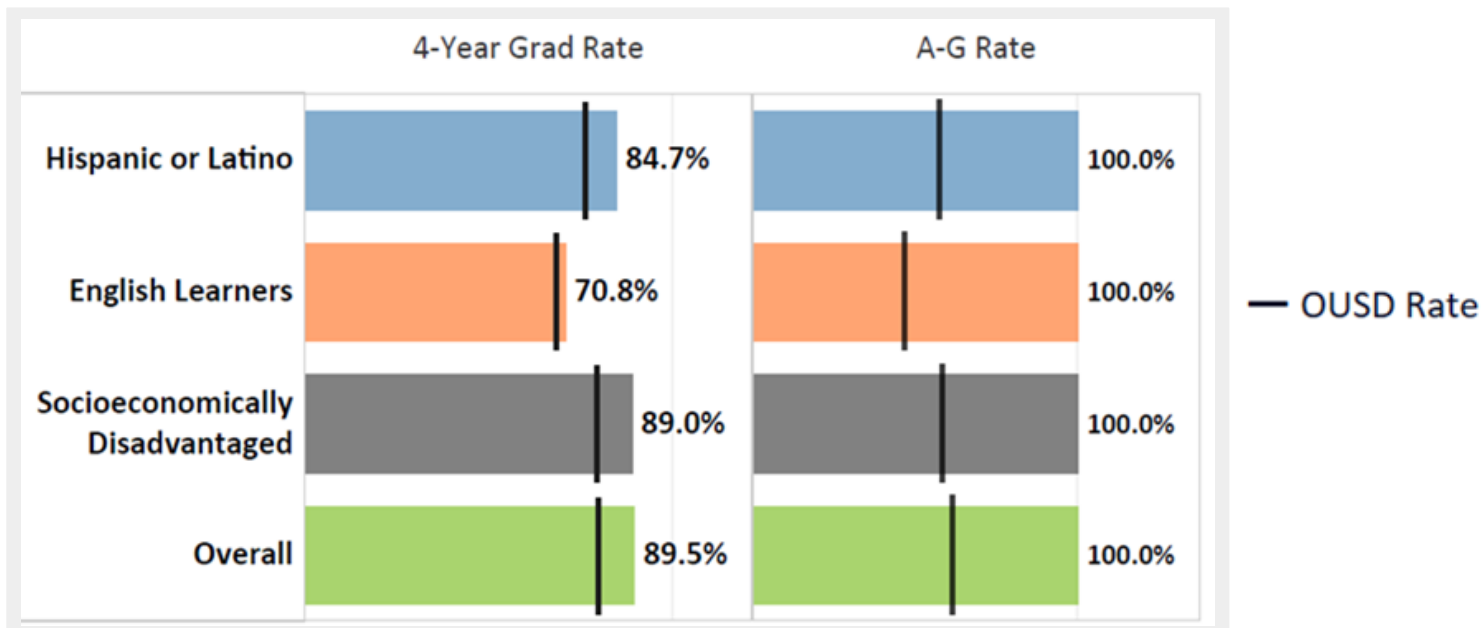
Although OCHS' proficiency dropped in 2022-23, the Charter School increased their proficiency rate by ~12 percentage points in 2023-24 and has been consistently above the OUSD average.

Math SBAC Performance



OCHS' average proficiency has dropped significantly over the course of the charter term but has been consistently higher than the OUSD average.

2023-24 Graduation Rates



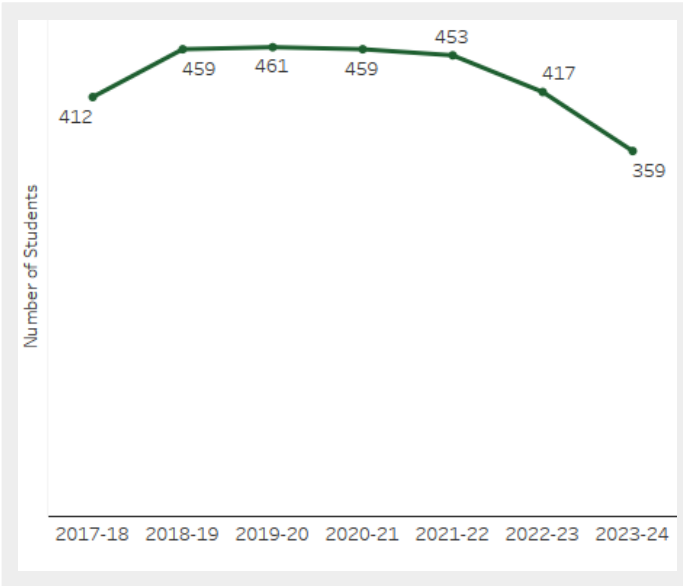
The Charter School's 4-year graduation rate and A-G rate in 2023-24 were higher than the OUSD rates overall and for each student group.



***Criteria II: Is the Charter
School Demonstrably
Likely to Successfully
Implement the Proposed
Educational Program?***

OCHS Fiscal Sustainability

Total Enrollment



Enrollment of 331 as of Census Day 2024

Fiscal Health

Financial Indicator	2020-21	2022-23	2023-24 (unaudited)
Ending Fund Balance	\$8,093,585	\$9,172,128	\$10,426,149
Deficit Spending	\$0	\$0	\$0
3% Reserve	Yes	Yes	Yes
Major Audit Findings	Yes	Yes	N/A

Education Code Background

Education Code 47607(e)

Shall be denied with a finding that the school is demonstrably unlikely to successfully implement the program set due to a written finding which demonstrates either:

- A. *Substantial fiscal or governance concerns; or*
- B. *The school is not serving all pupils who wish to attend*

May only be denied for either of the two reasons listed above after the authorizer has provided **at least 30 days' notice to the charter school of the alleged violation and with a reasonable opportunity to cure the violation, including a corrective action plan proposed by the charter school.** The authorizer may then deny renewal only by making either of the following findings:

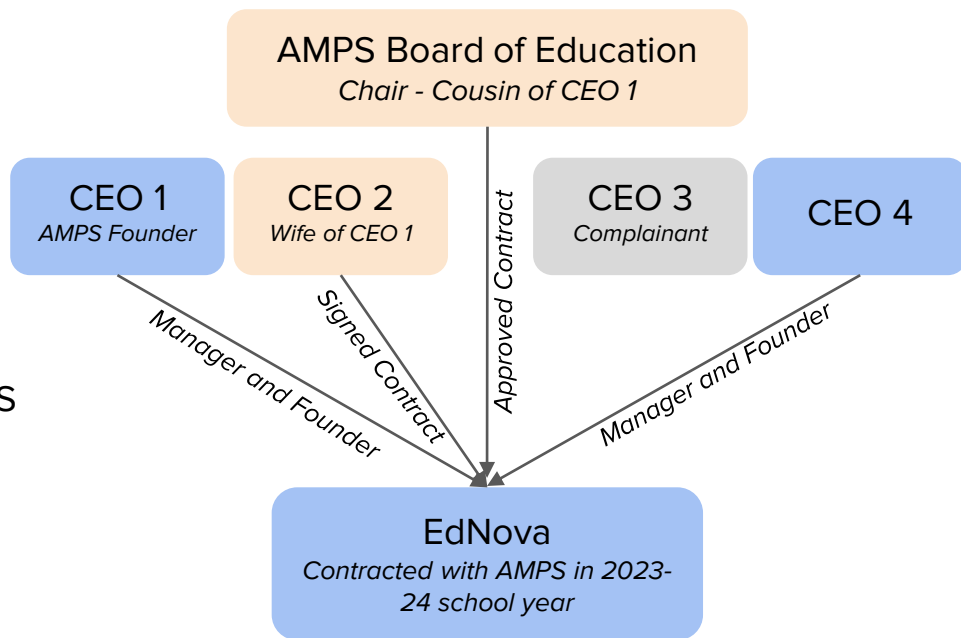
- A. *The corrective action proposed by the charter school has been unsuccessful; or*
- B. *The violations are sufficiently severe and pervasive as to render a corrective action plan unviable.*

OCHS 47607(e) Notice

OUSD issued a 47607(e) Notice to OCHS on November 13, 2024 due to substantial fiscal and governance concerns.

→ Governance Concerns

- **Conflict of interest violations** involving a contractor, EdNova, in which AMPS CEO 2 signed and managed the contract when her husband (CEO 1) managed the organization.
- **Lacking oversight** involving the AMPS Board, including the cousin of CEO 1, approving this contract despite clear conflict of interest issues.



OCHS 47607(e) Notice

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→ Fiscal Concerns

- **Fiscal irregularities** including significant discrepancies (>\$1 mil items) between bank records, general ledgers, and disbursement ledgers.
- **Unfulfilled contracts** where payments were distributed with no services being rendered or documented.
- **Employment issues** including hiring CEO 1 as a full-time employee despite holding multiple other full-time positions.
- **Inconsistent bookkeeping** including categorizing similar expenses differently with no rationale.

Contractor Example A

Contract Start: November 2023

Payments: \$8,850 monthly

No evidence of services for 10 months

Contractor Example B

Contract Start: November 2023

Payments: \$16,250 monthly

No evidence of services until Feb 2024

OCHS Corrective Action Plan (“CAP”)

OUSD Board of Education must determine if (A) the CAP has been unsuccessful and/or (B) if the violations are sufficiently severe and pervasive as to render a corrective action plan unviable.

Leadership Changes

- Searching for new CEO
- Replaced former Board Chair with Vice Chair
- Conducting needs assessment to help in plans to recruit more Board members *if vacancies arise*

Leadership Support and Training

- Advisory Committee to support CEO
- Leadership Coach to support Admin
- Governance Coach to support Board
- Ethics and Conflict of Interest training for all Board members and Admin

Other Changes

- Revision of fiscal policy to require Board approval for employment contracts > \$100k and other contracts >\$50k

Guiding Questions

1. *Does the CAP adequately identify the root causes of the conflict of interest violations outlined in the Notice and propose effective solutions to address them?*
2. *Does the CAP hold accountable those individuals who committed the violations?*
3. *Does the CAP establish stronger governance procedures to prevent future oversight failures?*
4. *Are the violations sufficiently severe and pervasive as to render a CAP unviable?*

OCHS Corrective Action Plan (“CAP”)

OUSD Board of Education must determine if (A) the CAP has been unsuccessful and/or (B) if the violations are sufficiently severe and pervasive as to render a corrective action plan unviable.

- **Forensic Audit:** KPMG Forensics to perform audit of conflicts of interest, familial control, and accountability over past 4 years.
- **Contract Review:** Audit of all current contracts to identify areas for improvement in processes.
- **Fiscal Guardrails:** Implementing new fiscal guardrails such as stricter spending limits, strengthened invoice review, etc.
- **Procurement Software:** New software to streamline purchasing and improve budget visibility
- **Staff Training:** New training for finance department and other staff involved in purchasing and approvals
- **Vendor Deliverables:** Implementing new tracking system to collect, review, and maintain all work associated with vendors
- **Termination of LEAF Contract**

→ Guiding Questions

1. *Does the CAP adequately identify the root causes of the fiscal mismanagement and inconsistent bookkeeping outlined in the Notice and propose effective solutions to address them?*
2. *Does the CAP propose effective fiscal safeguards to prevent the misuse of public funds in the future?*
3. *Does the CAP establish monitoring systems to verify that contractors are delivering services according to their contractual agreements?*
4. *Are the violations sufficiently severe and pervasive as to render a CAP unviable?*

Criteria III: Is the Petition Reasonably Comprehensive?

The charter petition included a reasonably comprehensive description, per State standards, of the 15 required elements outlined in California Education Code.

Criteria IV: Is the Charter School Serving All Students Who Wish to Attend?

There were no substantiated complaints related to noncompliance with suspension, expulsion, or involuntary disenrollment procedures and no evidence in the State-provided enrollment data which suggests the Charter School is not serving all students who wish to attend.



Staff Recommendation

Denial Decision Required Findings

For concerns outlined in the CAP regarding fiscal and governance concerns

- A. *The corrective action proposed by the charter school has been unsuccessful;*
OR
- B. *The violations are sufficiently severe and pervasive as to render a corrective action plan unviable.*

For any other concerns

1. *The charter school has failed to meet or make sufficient progress toward meeting standards that provide a benefit to the pupils of the school;*
AND
2. *The closure is in the best interest of the pupils; AND*
3. *The decision provided greater weight to performance on measurements of academic performance (if applicable).*

Staff Report Summary

Strengths	Challenges
<ul style="list-style-type: none">● Met all SPA indicators in both years.● ELA and Math proficiency consistently higher than OUSD average, with most student groups scoring above their respective OUSD student group average.● High graduation rates throughout charter term.● High A-G completion rates for most years of the charter term.● Despite enrollment declining almost 28%, school remains sustainably sized.● Very high ending fund balance and no deficit spending throughout charter term.	<ul style="list-style-type: none">● Most recent two audit reports identified material weaknesses over financial reporting due to not maintaining accurate and reliable accounting records, with the audit reports being submitted more than six and five months late, respectively.● Pattern of Board-approved budgets which substantially over project enrollment and therefore revenue.● Governing board has low scores in many core competencies.● High CMO leadership turnover, with five CEOs or interim CEOs in fewer than four years.● No established career pathway opportunities.● English Learners making progress towards English proficiency has declined during charter term.● No governing board turnover since the violations noted in the 47607(e) Notice.

Staff Recommendation Summary

While Staff continue to have significant concerns regarding the governance of the school's Charter Management Organization, it is Staff's opinion that there is not sufficient evidence at this time to conclusively demonstrate that the corrective action proposed by the charter school has been unsuccessful, nor that the violations are sufficiently severe and pervasive as to render a corrective action plan unviable.

Therefore, Staff recommends approval with the following benchmarks:

1. *Provide quarterly written updates to OCS and the OUSD Board, detailing progress on each action step as identified in the Corrective Action Plan ("CAP").*
2. *Deliver annual in-person updates to the OUSD Board or Charter Committee, reviewing progress on implementing the CAP.*
3. *Share the results of the forensic audit and contract audit with OCS.*
4. *Expand the AMPS Board by adding two additional board members by the end of the 2024-25 school year.*

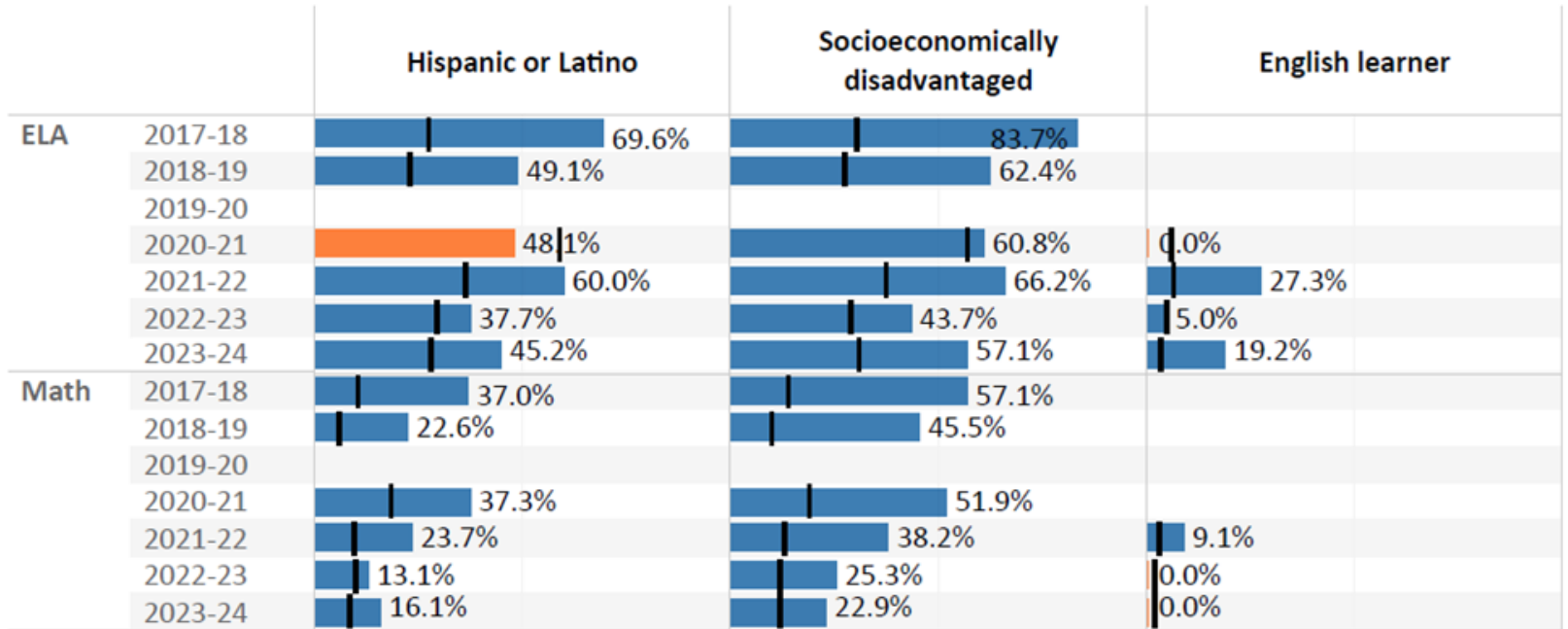


Appendix

2023-24 Student Demographics

Student Group	Charter School	OUSD schools in Comparison HSA	OUSD
Hispanic/Latino	63.8%	78.5%	47.3%
Black/African American	5.6%	12.4%	20.1%
Asian	27.0%	2.6%	9.8%
White	1.1%	2.5%	11.5%
Two or More Races	0.8%	0.7%	6.8%
Other Race/Ethnicity	1.8%	2.2%	1.9%
Not Reported	0.0%	1.2%	2.6%
Socioeconomically Disadvantaged	67.4%	99.0%	81.4%
English Learners	29.2%	49.7%	32.9% (9-12 only: 28.5%)
Special Education	10.9%	16.3%	16.3% (9-12 only: 18.1%)

Key Student Group Performance vs. OUSD



■ Greater
■ Lower
 — OUSD average

English Learner Progress

